

PART II

INSPECTION REPORT
350 BLEECKER STREET
NEW YORK, NEW YORK

MAY 7, 1984

CHARLES B. FERRIS ASSOCIATES
Architects - Engineers
320 East 54th Street
New York, New York 10022

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Architect --- Engineers

INSPECTION REPORT

Prepared By: Charles B. Ferris, C.E., P.E. and Staff

This condition report represents an accurate narrative of the physical condition of the building and property based on visual inspections, professional analysis and judgement, and is current only as of the date of inspection.

No mechanical tests or removal of walls, ceilings, floors, roofs (or any portion thereof), or other structural or mechanical elements were made in connection with this report.

Unless specific recommendations have been made within any section of this report, it may be assumed that any items described within that section were in reasonably satisfactory condition at the time of inspection.

LOCATION AND USE OF PROPERTY

Address: 350 Bleecker Street, New York, N.Y.

Block No.: 620 Lot No.: 19-30

Zoning No.: C1-6

Permissible Use: Residential and Commercial

If, at the time of closing, there have been no variances to the current zoning ordinances, it can be stated that the property will be in full compliance with the pertinent zoning and land use requirements of the City of New York.

1.

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INSPECTION REPORT

STATUS OF CONSTRUCTION

New Bldg. No.: 157/58

Year Built: CA 1959

Construction

Classification: Class III, Non-Fireproof

Certificate of

Occupancy No.: 74648 Dated: 4/15/63

Occupancy

Classification: Class A, Multiple Dwelling

Alterations: #1416/63: Altered partitions at lobby level to create second (2nd) commercial store.

SITE

Location:

The property (Block No. 630, Lot No. 19-30) is located on the west side of Bleecker Street between Charles and West 10th Streets, in the City of New York. It is bounded on the south by West 10th Street, on the east by Bleecker Street, on the north by Charles Street and on the west by adjacent buildings.

Size:

Beginning at a point which is the northwest corner of Bleecker and West 10th Streets, thence in a northerly direction, along the west right-of-way of Bleecker Street, a distance of 191'-3 3/4", thence in a westerly

2.

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INSPECTION REPORT

SITE

Size: (Cont'd)

direction a distance of 100'-0", thence in a southerly direction a distance of 96'-7", thence in a westerly direction a distance of 1'-1 7/8", thence in a southerly direction a distance of 95'-0 1/4", thence in an easterly direction a distance of 100'-95 1/2" to the point of beginning, containing approximately 19,235.641 square feet or approximately 0.4416 of an acre.

Number of Buildings and Use:

There is one (1) Class "A", Multiple Dwelling on this site. It contains a sub-cellar level, a cellar and six (6) residential floors. There are two (2) commercial stores on the lobby (cellar) level and a garage on the sub-cellar level.

Streets Owned or Maintained by the Project:

There are no streets on this site which are owned or maintained by this property.

Public Streets:

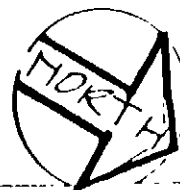
There are three (3) New York City owned and maintained streets adjacent to this site. Each is paved with asphaltic macadam and drained by standard New York City catch basins.

BLOCK # 020

LOT # 19-30

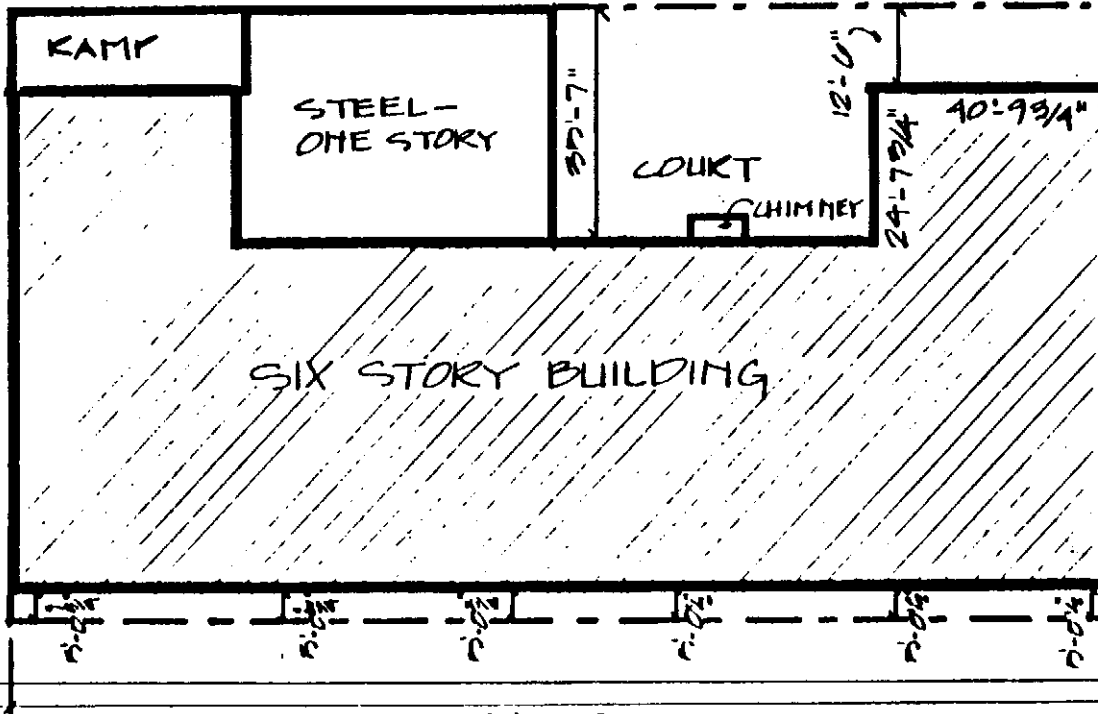
95'-0 1/4"

96'-7"



VEST 10TH STREET

100'-9 1/2"



CHARLES STREET

100'-0"

191'-3 3/4"

BLEECKER STREET

NOTE

DIMENSIONS HEREON WERE TAKEN FROM A SURVEY BY JULIUS HARWOOD, FRANK E. TOWLE & SON, DATED JUNE 29, 1961

LEGEND

- BUILDING LINE
- LOT LINE
- BUILDING AREA

SITE PLAN 350 BLEECKER ST.
NEW YORK, N.Y.

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INSPECTION REPORT

SITE

Public Streets: (Cont'd)

Lighting is by high-intensity lamps projected by aluminum arms on aluminum stanchions.

Drives, Sidewalks and Ramps:

There are no drives on this site.

There are three (3) New York City owned and building maintained sidewalks adjacent to this site. They are composed of poured concrete with concrete curbs. The curbs contain steel channel facing. The sidewalks are located along the south, east and north elevations of the building.

At the time of inspection, the sidewalks were in fair to poor condition. It is recommended that all cracked and spalled sidewalk sections be replaced.

There is one (1) exit/entrance ramp, which serves the garage, located at the southeast corner of the building. The ramp is composed of poured concrete with a trench-type drain at the base of the garage entrance door.

At the time of inspection, the ramp was in reasonably satisfactory condition.

Surface Off-Street Parking Areas:

There are no surface off-street parking areas on this site.

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UTILITIES

Water:

Water service is supplied to this building from a New York City water main located in the bed of Bleecker Street. The service enters the building at the cellar level.

All charges for water are imposed on a common charge basis (front foot method).

Storm Drainage:

Storm water is discharged by gravity with a branch type system through roof and site drains into a New York City combination sewer located in the bed of Bleecker Street.

Sanitary Sewer:

Sanitary sewage is discharged by gravity through extra heavy cast iron piping and the house traps into a New York City combination sewer located in the bed of Bleecker Street.

Gas:

Gas service is provided to this building by the Consolidated Edison Company of New York. The service enters the building at the cellar level.

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INSPECTION REPORT

UTILITIES (Cont'd)

Electric:

Electric service is provided to this building by the Consolidated Edison Company of New York. The service enters the building at the cellar level.

Telephone:

Telephone service is individually subscribed to from the New York Telephone Company, for a fee.

SUB-SOIL CONDITIONS

At the time of inspection, there were no signs of any settling or uneven foundation movement. In addition, there was no evidence of moisture seepage or ground water infiltration through foundation walls.

From the information available, there seems to be no danger of flooding, under normal conditions either from the water table in the area or from nearby bodies of water.

LANDSCAPING AND ENCLOSURES

Landscaping on this property is limited to ten (10) deciduous, overstory street trees bordering three (3) side. of the property. The trees are located in sidewalk cut-outs protected by brick masonry borders on West 10th Street and Bleecker Street, and by metal guard rails on Charles Street.

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LANDSCAPING AND ENCLOSURES (Cont'd)

The east elevation also contains landscaped areas at both sides of the tenant entrance. These landscaped areas are primarily composed of privet hedges and are bordered by brick masonry retaining walls with brick copings.

At the time of inspection, the landscaping on this property was in reasonably satisfactory condition, except for the brick masonry guards, bordering the street trees, which should be rebuilt, along with pointing the brick retaining walls as necessary.

BUILDING SIZE

The total height of this building, according to Certificate of Occupancy No. 74648 dated 4/15/63, is 60'-0". The building contains a sub-cellar, a cellar and six (6) residential floors. There is a one-story structure at the rear of the building.

The parapet walls stand at least the minimum required 3'-6" above the roof surface.

There are no rooftop facilities.

STRUCTURAL SYSTEM

This building is of Class III, non-fireproof construction.

INSPECTION REPORT

STRUCTURAL SYSTEM (Cont'd)

The foundation walls are composed of stone and brick masonry and the footings are composed of concrete. The columns and girders are composed of steel, fireproofed as required. The floor/ceiling assemblies above the first (1st) floor are composed of wood joists and steel girders. The exterior walls are composed of brick masonry construction laid in a common bond. Interior public corridor and elevator shaft walls are composed of masonry block units.

At the time of inspection, the building appeared to be structurally sound.

Exterior Walls:

The exterior walls on the south, north and east elevations of this building are finished primarily with red and brown face brick, laid in a common bond, from the first (1st) floor and above, terminating at a slate coping. The west elevation is finished with red face brick, laid in a common bond, from the first (1st) floor and above, terminating at a terra-cotta coping.

There are four (4) terrace set-backs at the sixth (6th) floor of this building. There are a total of ten (10) stacks of steel fire escapes anchored to the exterior walls of this building.

The tenant entrance and service entrance are located on the east elevation, as well as the entrances to the commercial stores. The garage entrance is located on the south elevation and the entrance to the rear yard is located at the north elevation. All are hereinafter described.

INSPECTION REPORT

STRUCTURAL SYSTEM

Exterior Walls: (Cont'd)

At the time of inspection, the exterior walls were in fair condition. It is recommended that the exterior walls be raked and pointed as necessary, especially at the terrace's parapet walls.

Information on insulation value is not available from a visual inspection.

Local Law #10 is not applicable to this building.

Windows:

The windows in this building are single glazed, double hung, one over one (1/1), wood frame and sash in groups of one (1), two (2) and three (3). Roof bulkhead structures' windows are metal frame, factory type. The sub-sills are slate on the north, south and east elevations and cast concrete on the west elevation.

At the time of inspection, the windows were in reasonably satisfactory condition, except for the slate sub-sills which should be replaced as necessary.

Parapets and Copings:

The parapet walls on this building are composed of brick masonry construction with slate copings at the north, south and east elevations, and terra-cotta copings at the west elevation. The parapets are firmly secured in place. The roof surface terminates at the parapet walls at a fabric material, which apparently was installed over the original flashing and counter flashing.

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INSPECTION REPORT

STRUCTURAL SYSTEM

Parapets and Copings: (Cont'd)

The interior sides of the parapets are parged with a bituminous waterproofing material; although a common practice to correct water seepage, this method becomes counterproductive in the future.

At the time of inspection, the parapet walls were in poor condition. The following is recommended: remove all slate copings and replace with cast concrete copings, remove all bituminous material from the parapet walls and rake and point the brickwork throughout.

Refer to the section entitled "Roof and Roof Structures" within the body of this report for recommendation on the flashing.

Chimneys and Caps:

There are two (2) chimneys on this building.

The boiler stack ascends along the west elevation with brick masonry enclosing its flue, and terminates at a concrete cap approximately ten (10) feet above the roof surface.

The incinerator stack is composed of brick masonry with a concrete cap and metal spark arrester. It is located within the center roof bulkhead structure, adjacent to the ash chamber.

At the time of inspection, the chimneys were in reasonably satisfactory condition.

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STRUCTURAL SYSTEM (Cont'd)

Balconies and Terraces:

There are no balconies on this building.

There are four (4) terraces on the sixth (6th) floor of this building, which serves apartment nos. 6G, 6E, 6R and 6S. The terraces are composed of a cap sheet finished deck with a low brick parapet wall, capped with cast stone, and a metal rail. Drainage is by dome type drains discharging into the storm drainage system.

At the time of inspection, the terraces were in fair condition. It is recommended that all terrace decks be resurfaced with a material more suited to human traffic.

Exterior Entrance: (Tenant)

The tenant entrance is approached from the sidewalk level by way of a terrazzo paved area between the landscaped plots. There is a metal framed, canvas canopy which extends from the tenant entrance to the sidewalk curb.

There is one (1) wood-framed door, with a plate glass panel, and fixed plate sidelites. This door leads into the building's vestibule.

The lobby is entered, from the vestibule, through a hollow metal, self-closing, buzzer-activated door, with a plate glass panel. The door unit contains one (1) fixed plate sidelite and is bordered by two (2) additional sidelites.

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STRUCTURAL SYSTEM

Exterior Entrance: (Tenant) (Cont'd)

Vestibule:

The vestibule consists of a terrazzo floor, painted plaster ceiling and walls, except for the south wall which is composed of plate glass panels in metal frames.

Lobby:

The lobby consists of a terrazzo floor and painted plaster walls and ceiling. The lobby contains several pieces of seating furniture in the waiting area. The east wall is composed of fixed plate glass panels in metal frames.

Mail Alcove:

The mail alcove is located off the lobby corridor and is finished similar to that of the lobby. It contains recessed wall mounted, Auth manufactured, mailboxes with wall mounted fluorescent lighting fixtures.

At the time of inspection, the tenant entrance doors were in satisfactory condition, except for the terrazzo pavement under the canopy which should be replaced.

Service Entrance:

The service entrance is approached from the Bleecker Street sidewalk, through a metal gate, down nineteen (19) concrete risers to the service vestibule. There

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STRUCTURAL SYSTEM

Service Entrance: (Cont'd)

are two (2) hollow metal doors set in metal bucks which provide access into the sub-cellar corridor.

At the time of inspection, the service entrance was in satisfactory condition. However, the exterior service vestibule should be scraped and painted.

Roof and Roof Structures:

The roof is reached by the uppermost flight of the two (2) interior stairs in this building. It is composed of built-up membrane with a hot mopped on cap sheet surface. The roof surface terminates at the parapet walls and bulkhead structures with a fabric flashing;

Information regarding insulation of the roof cannot be ascertained from a visual inspection.

The Sponsor has had the roofing replaced in recent years and the roofer has issued a guarantee. But, at the time of inspection, the roof surface and flashings were in poor condition. The fabric flashings along the parapets were coming off the wall allowing water penetration and the roof was severely bubbled. It is recommended that the roofer be required to live up to his guarantee and make immediate repairs.

Drains:

The roof is drained by four (4) cast iron, dome type drains in satisfactory condition. The roof bulkhead structures are drained by metal scuppers and leaders.

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INSPECTION REPORT

STRUCTURAL SYSTEM

Roof and Roof Structures: (Cont'd)

Skylights:

There are no skylights on this building.

Bulkheads:

There are three (3) roof bulkhead structures on this building. Two (2) house the uppermost flight of the north and south interior stairwells and the third (3rd) houses the elevator machine room and incinerator chimney and ash chamber.

Each is of brick masonry construction, terminating at a copper flashing, and contains metal framed factory type windows. The bulkheads are drained with metal scuppers and leaders.

At the time of inspection, the roof bulkhead structures were in reasonably satisfactory condition.

Metal Work at Roof Level:

There are thirty-one (31) soil line vent stacks, twenty-two (22) mechanical fans, fourteen (14) roof vents and one (1) set of metal stairs, consisting of seven (7) treads and a landing.

At the time of inspection, the metal work was in reasonably satisfactory condition.

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STRUCTURAL SYSTEM

Roof and Roof Structures: (Cont'd)

Rooftop Facilities:

There are no rooftop facilities on this building.

Fire Escapes:

There are a total of ten (10) metal fire escapes on this building. There are four (4) stacks each on the east and west elevations and one (1) or. each of the north and south elevations. The fire escapes are properly attached to the exterior walls.

The following chart indicates location, apartment served, traveling floors and drop ladders for each fire escape.

<u>No.</u>	<u>Location</u>	<u>Apt. Served</u>	<u>Floors</u>	<u>Drop Ladder</u>
1	South	S and T	6th - 1st	1st floor to sidewalk
2	East	R and P	6th - 1st	1st floor to sidewalk
3	East	N and M	6th - 1st	1st floor to sidewalk
4	East	L and K	6th - 1st	1st floor to sidewalk
5	East	J and H	6th - 1st	1st floor to sidewalk

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STRUCTURAL SYSTEM

Fire Escapes: (Cont'd)

<u>No.</u>	<u>Location</u>	<u>Apt. Served</u>	<u>Floors</u>	<u>Drop Ladder</u>
6	North	F and G	6th - 1st	1st floor to sidewalk
7	West	C, D & E	Roof - 1st	1st floor to sidewalk
8	West	A and B	Roof - 1st	1st floor to sidewalk
9	West	W and X	Roof - 2nd	2nd floor to auxiliary roof
10	West	U and V	Roof - 2nd	2nd floor to auxiliary roof

At the time of inspection, the fire escapes were in reasonably satisfactory condition.

Yards and Courts:

There are no courts on this site.

There is one (1) rear yard along the westerly section of the site, at the rear elevation.

The rear yard is approached from the mail room and from a steel gate located at the northwest corner of the building. The yard is divided into two (2) sections. The north section is paved with concrete and serves as the garage roof. It is drained by two (2) cast iron, dome type drains.

The south section is located on the roof of the one-story structure which houses the storage area for the commercial stores and the superintendent's shop. This area is approached by way of a set of metal

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INSPECTION REPORT

STRUCTURAL SYSTEM

Yards and Courts: (Cont'd)

exterior stairs. The south section is composed of a built-up membrane with a cap sheet finish and bordered by a brick parapet wall with terra cotta coping.

At the time of inspection, both sections of the yard were in unsatisfactory condition. It is recommended that the cracked concrete pavement which serves as the roof over the garage be replaced by leveling and patching. On this surface apply 2 plies of 15 lb. felt hot mopped on and protected with a one inch screed coat of cement. The built-up roofing on the south portion, which is bubbled should also be replaced.

Interior Stairs:

There are two (2) sets of interior stairs serving this building. They consist of metal framed, pan type construction with metal stringers, risers, balusters, concrete treads and landings and wood handrails. The stairwells are composed of painted plaster walls and ceilings and are lit by ceiling-mounted circular fluorescent lighting fixtures.

The entry doors are hollow metal, self-closing doors, with double glazed fixed pane, wired glass panels, set in metal bucks.

Each stairwell begins at the lobby level and terminates at its roof bulkhead structure. There is a third (3rd) short flight stairwell which gives access to the sub-cellar from the lobby level. This stairwell is of similar construction to the main stairwells.

At the time of inspection, the interior stairs were in satisfactory condition. The doors however should be adjusted against slamming.

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INSPECTION REPORT

STRUCTURAL SYSTEM (Cont'd)

Interior Corridors:

The public corridors are similar on all floors. The public corridors are composed of vinyl tile floors and vinyl bases, painted plaster walls and ceilings and lit by ceiling-mounted florescent lighting fixtures. The corridors are mechanically ventilated through ducts and registers to mechanical fans located at the roof level.

Walls near elevator doors are brick.

At the time of inspection, the interior corridors were in reasonably satisfactory condition.

Interior Doors and Frames:

Apartment entrance doors are hollow metal, self-closing doors set in pressed steel bucks. The doors are equipped with bells and viewers.

Interior apartment doors are wood set in steel bucks.

Stairwell doors are hollow metal, self-closing, with fixed plate glass panels, set in steel bucks.

Elevators:

There are two (2) passenger elevators serving this building. The elevators are manufactured by the Otis Elevator Company and were installed at the time of the building's construction. Each elevator has a capacity of two thousand (2,000) pounds or thirteen (13) persons.

The elevators are of automatic push-button, traction type operation which run from the sub-cellar level to the sixth (6th) floor.

INSPECTION REPORT

STRUCTURAL SYSTEM

Elevators: (Cont'd)

The elevator equipment is located in the center roof bulkhead structure. The elevator machine room is composed of a concrete floor and ceiling, and masonry walls. The room contains a ceiling mounted incandescent lighting fixture and two (2) casement type windows.

The A.C. motors are rated at 7.5 HP, 208 V, 26.5 A, 3 PH, 60 c and 1200 RPM. The controllers are rated at 208 V, 3 PH, 60 c and 3 w.

The building has an annual maintenance contract on a call-back and monthly basis with the Republic Elevator Company.

At the time of inspection, the elevators were operating in a satisfactory manner.

Elevator Cabs:

The elevator cabs are manufactured by the Otis Elevator Company and installed at the time of the building's construction.

Each is composed of a vinyl tile floor, formica walls, and egg-crate type ceiling. The cabs are equipped with mechanical fans and are lit by ceiling recessed fluorescent lighting fixtures. The push-button panels, in each cab, contain emergency stop and alarm buttons.

Each cab contains an automatic cab and hatchway side-sliding door.

At the time of inspection, the cabs were in satisfactory condition.

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INSPECTION REPORT

AUXILIARY FACILITIES

Laundry Room:

The laundry room is located on the sub-cellar level and is entered through a hollow metal, self-closing door. It consists of a vinyl tile floor, glazed block wainscot, painted block wall and painted concrete ceiling. Illumination is by ceiling suspended fluorescent lighting fixtures.

Laundry equipment consists of six (6) Speed Queen washers and four (4) IDC gas dryers. The laundry room also contains a slop sink and service table. The room is protected by a flat floor drain. The dryers are ventilated to the exterior by tubular ducts and the room is ventilated by a mechanical fan.

The laundry equipment is owned and maintained by Coimach Industries Corp., on a concession basis.

At the time of inspection, the laundry room and its components were in satisfactory condition.

Refuse Disposal:

This building employs one (1) Sargent incinerator for refuse disposal, located in the boiler room on the sub-cellar level. The incinerator utilizes refuse closets and chutes located at each floor. The closets consist of ceramic tile floors and wainscots and painted plaster walls and ceilings. Each closet contains a hopper chute.

The incinerator has the following specifications: flue fed, Incinomite H500-32 Auxiliary burner, Cincinnati PB-85 overfire air blower, Paragon 23002-05 cycling clock, Sargent H-16 and Burling H-15 temperature control and indicator, Honeywell P-246A and M609G automatic draft controller and actuator. The incinerator is rated at 127#/hr charging rate at 3 burns per day.

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INSPECTION REPORT

AUXILIARY FACILITIES

Refuse Disposal: (Cont'd)

The refuse is stored in metal cans and placed outside by the building staff for pick-up by the New York City Sanitation Department, twice a week.

At the time of inspection, the incinerator was in satisfactory operating condition.

PLUMBING AND DRAINAGE

Water Supply:

Potable water is supplied to this building from a New York City water main located in the bed of Bleecker Street. The service enters the building through the sub-cellar level. Domestic hot and cold water is distributed through copper and brass piping.

At the time of inspection, all visible piping appeared in satisfactory condition.

Fire Protection System:

The fire protection system in this building is limited to the sprinkler system in the garage. There are no standpipes, hose racks or hoses in this Class III, non-fireproof building.

There is a siamese connection, for the garage, on the north elevation.

Water Storage Tank and Enclosures:

There is no water storage tank in this building.

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INSPECTION REPORT

PLUMBING AND DRAINAGE (Cont'd)

Water Pressure and How Maintained:

Water pressure is obtained and maintained by the New York City water main street pressure.

A pneumatic system, consisting of a steel pressure tank, air compressor and two (2) Federal pumps, is used for standby purposes only.

At the time of inspection, the water pressure was adequate at the highest outlet.

Sanitary Sewage:

Sanitary sewage is discharged by gravity through extra-heavy cast iron piping, in satisfactory condition, and the house traps into a New York City combination sewer located in the bed of Bleecker Street.

Permits Required:

For permits required, see inspection information under the section titled "PERMITS AND CERTIFICATES" in the body of the report.

Storm Drainage:

Storm water is discharged by gravity with a branch type system through roof, garage roof and site drains, in satisfactory condition, into a New York City combination sewer located in the bed of Bleecker Street.

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INSPECTION REPORT

PLUMBING AND DRAINAGE

Storm Drainage: (Cont'd)

There are two (2) sump pumps in connection with this system. The pumps are Federal pumps and are located in the boiler room.

HEATING

The building is heated by one (1) Gibraltar, loiset type, 3 pass, firetube steam boiler, size GCB-225, rated at 6,300,000 BTU per hour, installed in 1961.

The heating system is a one-pipe steam, gravity return type. Radiation is finned convectors in sheet metal recessed enclosures. Boiler piping includes a steam shut-off valve. A Federal duplex condensate unit, size CCV-1515 collects condensate and returns it to the boiler.

Domestic hot water is furnished from a tankless type coil in the boiler, and a Yula mixing valve regulates water temperature to fixtures. A return circulating pump recirculates domestic hot water during periods of low usage.

A sensor type weather control manufactured by Computerized Heating Corp., Scarsdale, N.Y., regulates heat to the building. Ten (10) sensors in apartments are programmed to start the burner when a preselected number of sensors call for heat. A Heat Timer, Model ETPX which preceded the sensor unit acts as a back-up and high limit cut-off for the new control.

The boiler is fired by a horizontal rotary natural draft oil burner, ACE, Model 50DPGH, rated for 50 gph maximum,

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INSPECTION REPORT

HEATING (Cont'd)

now fired with grade #4 fuel oil. The burner used #6 fuel oil at some previous time, but has been converted by removal of oil preheater. The system includes flame failure relay, a Sullivan barometric draft adjustor and normal safety controls. The burner is mounted on an approved type windbox.

A sump pump is located near the boiler.

Fresh air is admitted through a screened fixed opening.

A 7,500 gallon fuel oil tank is located in the building in an adjacent room. A Petrometer oil gauge measures oil level in the tank.

A Department of Air Resources Certificate of Operation valid to 5/12/85 was posted, as well as a Fuel Oil Permit valid to 1/85 and a Certificate of Inspection by an Insurance Company dated 11/18/83.

No boiler leakage was noted, the boiler insulation was in good condition.

Heat and hot water were reported adequate. The combustion air opening was sealed off, to keep the boiler room from excessive cold air but should be kept open by Department of Air Resources requirements.

GAS SUPPLY

Natural gas is provided to this site by the Consolidated Edison Company of New York. Gas piping is black iron in satisfactory condition. Gas is metered through twin gas meters located in the power meter room. This service is included in the tenants rent.

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AIR CONDITIONING

Air conditioning in this building is composed of building owned and maintained air conditioning units located in through-the-wall sleeves in living rooms and bedrooms. The manufacturers of the units installed are Welbilt, Westinghouse and Emerson. The units inspected are rated at 5,000, 8,000 and 11,000 BTU/HR. Apartments are wired for these units.

VENTILATION

All exterior spaces such as living rooms, bedrooms, etc., are ventilated by way of operable fenestration. Interior kitchens and bathrooms, as well as the public corridors, are ventilated by way of registers, ducts and mechanical fans located at the roof level. Mechanical fans are manufactured by the Greeneck Fan & Ventilator Company. Sizes of units vary; model numbers are C19A, C172T and C112B.

ELECTRICAL

Consolidated Edison's three (3) phase, four (4) wire, 120/208 volt power enters the building's power room into a 2 feet by 2 feet by 4 feet end line box. Power is then troughed by way of two (2) sets of 500 MCM cables into four (4) 600 amp, three (3) phase apartment service switches, each containing three (3) 600 amp limiter fuses. The switches feed a double face free standing assembly containing apartments watt-hour meters. Above each side of the meter bank are two (2) 40 amp circuit breakers for each apartment.

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ELECTRICAL (Cont 'd)

The 250 amp public load service switch is tapped from the fourth (4th) main service switch which feeds a distribution panel for public loads containing numerous limiter fuses rated from 30 to 125 amps.

There is a 200 amp service switch and meter for store #2, a 100 amp service switch and meter for store #1, and a 100 amp service switch and meter for the garage. There is also a 40 amp circuit breaker panel for public lights with two (2) Tork timers for outside lights.

The typical three (3) room apartment contained a circuit breaker box with two (2) 15 amp switches, four (4) 20 amp switches and two (2) spares.

The building appears to be well maintained and has an adequate wiring system for modern day loads,

Adequacy of Lighting:

Typical apartments had the following lighting and convenience receptacle schedule:

Foyer: Usually illuminated by one (1) ceiling mounted incandescent lighting fixture with switch; one (1) duplex convenience receptacle.

Living Room: Usually illuminated by table lamps; three to four (3-4) duplex convenience receptacles, one (1) air conditioning receptacle.

INSPECTION REPORT

ELECTRICAL

Adequacy of Lighting: (Cont'd)

Bedroom: Usually illuminated by floor or table lamps: three to four (3-4) duplex convenience receptacles, one (1) air conditioning receptacle.

Kitchen: One (1) ceiling mounted fluorescent lighting fixture with switch; two (2) duplex convenience receptacles.

Bathroom: One (1) wall mounted incandescent lighting fixture with switch; one (1) simplex convenience receptacle.

The main electric meter room is located on the cellar level and is approached from the cellar corridor. This room has concrete floor and ceiling with masonry walls. The room is lit by ceiling mounted incandescent lighting fixtures.

Intercommunication System:

Each apartment is equipped with an intercom unit which is connected to the vestibule's intercom system. The system was operating in a satisfactory manner at the time of inspection.

350 BLEECKER STREET, NEW YORK, NEW YORK

INSPECTION REPORT

TELEVISION RECEPTION FACILITIES

There is a master antenna on this building. Cable TV is available to this building on a subscription basis, for a fee.

PUBBLIC AREA LIGHTING

The tenant entrance is lit by globe type incandescent lighting fixture mounted on metal poles which are part of the canopy structure.

The vestibule is lit by a ceiling mounted fluorescent lighting fixture.

The lobby is lit by ceiling mounted incandescent hi-hat type lighting fixtures.

The public corridors are lit by ceiling mounted fluorescent lighting fixtures.

The yard is lit by site lighting fixtures mounted on the exterior walls.

At the time of inspection, the public lighting was adequate and in satisfactory condition.

GARAGES AND PARRING AREAS

There is one (1) garage located on the sub-cellar level of this building. It is approached from West 10th Street by way of a concrete drop curb and apron and down a concrete ramp through an automatic overhead wooden door.

350 BLEECKER STREET, NEW YORK, NEW YORK

INSPECTION REPORT

GARAGES AND PARKING AREAS (Cont'd)

The garage is opened twenty-four (24) hours a day and is attended. It has a capacity of forty-two (42) cars and is managed by the E and P Parking Corp. under License No. 367714.

The garage is composed of a concrete floor and ceiling and concrete and masonry walls. It is protected by a wet sprinkler system and flat floor drains. Illumination is by ceiling suspended fluorescent lighting, fixtures. Ventilation is by a mechanical fan located on the garage roof (rear yard).

There are two (2) exit/entrance doors in the garage which lead into the building's sub-cellar corridor. These doors are composed of hollow metal set in steel bucks.

At the time of inspection, the garage was in satisfactory condition, except for the seepage occurring at the ceiling of the garage. For information regarding recommendations for the above condition, refer to the section entitled "Yards and Courts" within the body of this report.

SWIMMING POOLS

There are no swimming pools on this property.

TENNIS COURTS, PLAYGROUND AND RECREATIONAL FACILITIES

There are no recreational facilities of any kind in this building.

350 BLEECKER STREET, NEW YORK, NEW YORK

INSPECTION REPORT

PERMITS AND CERTIFICATES

City of New York:

Last HDA Inspection:	3/28/84
Last Inspection for Elevator No. 1:	8/12/83
Last Inspection for Elevator No. 2:	8/11/83

Department of Air Resources:

For Boiler, No. CA-1092/61	Expires 5/12/85
For Incinerator, No. CA-1160/68	Expires 3/16/85

Insurance Company:

Last Boiler Inspection	11/18/83
------------------------	----------

New York City Fire Department:

Fuel Oil Storage Permit	Expires 1/85
-------------------------	--------------

VIOLATIONS

An Official Search for any open violations at the building was instituted with the Department of Buildings, City of New York. A copy of this Search, when received, will be sent to the sponsor as an addendum to this report.

350 BLEECKER STREET, NEW YORK, NEW YORK

INSPECTION REPORT

UNIT INFORMATION

There are one hundred thirty-seven (137) Class "A", Multiple Dwelling residential apartments, one (1) superintendent's apartment and two (2) commercial stores in this building. There are two hundred fifty-two (252) residential rooms according to the New York City Department of Buildings Room Count method. The room count as determined by the New York Real Estate Board may differ as it gives one-half (1/2) credit to spaces such as foyers, alcoves and kitchenettes (kitchens less than fifty-nine (59) square feet).

Of the apartments visited for inspection, the floors, walls and ceilings are in satisfactory to fair condition, requiring some plastering and painting. The kitchen appliances and bathroom fixtures are in reasonably satisfactory condition.

350 BLEECKER STREET, NEW YORK, NEW YORK

INSPECTION REPORT

<u>TYPICAL APARTMENTS</u>	<u>STUDIO</u>	<u>ONE ROOM</u>
LINE A - FLOORS (LOBBY - 6) - 7 APARTMENTS - 1 ROOM EACH		
LINE C - FLOORS (LOBBY - 6) - 7 APARTMENTS - 1 ROOM EACH		
LINE D - FLOORS (LOBBY - 6) - 7 APARTMENTS - 1 ROOM EACH		
LINE F - FLOORS (LOBBY - 6) - 7 APARTMENTS - 1 ROOM EACH		
LINE H - FLOORS (LOBBY - 6) - 7 APARTMENTS - 1 ROOM EACH		
LINE N - LOBBY LEVEL ONLY - 1 APARTMENT - 1 ROOM		
LINE T - FLOORS (1 - 6) - 6 APARTMENTS - 1 ROOM EACH		
LINE U - FLOORS (1 - 6) - 6 APARTMENTS - 1 ROOM EACH		
LINE V - FLOORS (1 - 6) - 6 APARTMENTS - 1 ROOM EACH		
LINE W - FLOORS (1 - 6) - 6 APARTMENTS - 1 ROOM EACH		
LINE X - FLOORS (1 - 6) - 6 APARTMENTS - 1 ROOM EACH		

<u>ROOM</u>	<u>FLOOR</u>	<u>BASE</u>	<u>WALLS</u>	<u>WAINSCOT</u>	<u>CEILING</u>
Foyer	Wood Strip	Wood*	Plaster*	--	Plaster*
Living Room	Wood Strip	Wood*	Plaster*	--	Plaster*
Bathroom	Ceramic Tile	Ceramic Tile	Plaster*	Ceramic Tile	Plaster*
Kitchen- ette	Vinyl Tile	Wood*	Plaster*	--	Plaster*

KITCHEN EQUIPMENT:**

Range: Royal Rose, four (4) burner gas,
oven below

Refrigerator: Kelvinator

Sink: Stainless steel, single basin,
formica top

Cabinets: Wood, base and wall hung

350 BLEECKER STREET, NEW YORK, NEW YORK

INSPECTION REPORT

TYPICAL APARTMENTS

STUDIO

ONE ROOM (Cont'd)

BATHROOM FIXTURES:

Bathtub:	Enameled iron
Lavatory:	Enameled iron, wall hung
Water Closet:	Vitreous china, flushometer type
Add'l Equipment:	Built-in hamper

NOTES:

- * Surfaces are painted.
- ** Size and manufacturer of equipment may vary.

350 BLEECKER STREET, NEW YORK, NEW YORK

INSPECTION REPORT

TYPICAL APARTMENTS

STUDIO

ONE ROOM

LINE B - FLOORS (LOBBY - 6) - 7 APARTMENTS - 2 ROOMS EACH
LINE J - FLOORS (LOBBY - 6) - 7 APARTMENTS - 2 ROOMS EACH
LINE K - FLOORS (LOBBY - 6) - 7 APARTMENTS - 2 ROOMS EACH
LINE L - FLOORS (1 - 6) - 6 APARTMENTS - 2 ROOMS EACH
LINE M - FLOORS (LOBBY - 6) - 7 APARTMENTS - 2 ROOMS EACH
LINE N - FLOORS (1 - 6) - 6 APARTMENTS - 2 ROOMS EACH
LINE R - FLOORS (1 - 6) - 6 APARTMENTS - 2 ROOMS EACH

<u>ROOM</u>	<u>FLOOR</u>	<u>BASE</u>	<u>WALLS</u>	<u>WAINSCOT</u>	<u>CEILING</u>
Foyer	Wood Strip	Wood*	Plaster*	--	Plaster*
Living Room	Wood Strip	Wood*	Plaster*	--	Plaster*
Bedroom	Wood Strip	Wood*	Plaster*	--	Plaster*
Bathroom	Ceramic Tile	Ceramic Tile	Plaster*	Ceramic Tile	Plaster*
Kitchen- ette	Vinyl Tile	Wood*	Plaster*	--	Plaster*

KITCHEN EQUIPMENT:**

Range: Royal Rose, four (4) burner gas,
oven below

Refrigerator: Kelvinator

Sink: Stainless steel, single basin,
formica top

Cabinets: Wood, base and wall hung

350 BLEECKER STREET, NEW YORK, NEW YORK

INSPECTION REPORT

TYPICAL APARTMENTS

TWO ROOMS

ONE ROOM (Cont'd)

BATHROOM FIXTURES:

Bathtub:	Enameled iron
Lavatory:	Enameled iron, wall hung
Water Closet:	Vitreous china, flushometer type
Add'l Equipment:	Built-in hamper

NOTES:

- * Surfaces are painted.
- ** Size and manufacturer of equipment may vary.

350 BLEECKER STREET, NEW YORK, NEW YORK

INSPECTION REPORT

TYPICAL APARTMENTS

THREE ROOMS

ONE BEDROOM

LINE S - FLOORS (1-6) - 6 APARTMENTS - 3 ROOMS EACH

<u>ROOM</u>	<u>FLOOR</u>	<u>BASE</u>	<u>WALLS</u>	<u>WAINSCOT</u>	<u>CEILING</u>
Foyer	Wood Strip	Wood*	Plaster*	--	Plaster*
Living Room	Wood Strip	Wood*	Plaster*	--	Plaster*
Bedroom	Wood Strip	Wood*	Plaster*	--	Plaster*
Bathroom	Ceramic Tile	Ceramic Tile	Plaster*	Ceramic Tile	Plaster*
Kitchen	Vinyl Tile	Wood*	Plaster*	--	Plaster*

KITCHEN EQUIPMENT:**

Range: Royal Rose, four (4) burner gas,
oven below

Refrigerator: Kelvinator

Sink: Stainless steel, single basin,
formica top

Cabinets: Wood, base and wall hung

350 BLEECKER STREET, NEW YORK, NEW YORK

INSPECTION REPORT

TYPICAL APARTMENTS

THREE ROOMS

ONE BEDROOM (Cont'd)

BATHROOM FIXTURES:

Bathtub:	Enameled iron
Lavatory:	Enameled iron, wall hung
Water Closet:	Vitreous china, flushometer type
Add'l Equipment:	Built-in hamper

NOTES:

- * Surfaces are painted.
- ** Size and manufacturer of equipment may vary.

350 BLEECKER STREET, NEW YORK, NEW YORK

INSPECTION REPORT

TYPICAL APARTMENTS

FOUR ROOMS

TWO BEDROOMS

LINE E - FLOORS (LOBBY - 6) - 7 APARTMENTS - 4 ROOMS EACH

LINE G - FLOORS (1 - 6) - 6 APARTMENTS - 4 ROOMS EACH

LINE P - FLOORS (1 - 6) - 6 APARTMENTS - 4 ROOMS EACH

<u>ROOM</u>	<u>FLOOR</u>	<u>BASE</u>	<u>WALLS</u>	<u>WAINSCOT</u>	<u>CEILING</u>
Foyer	Wood Strip	Wood*	Plaster*	--	Plaster*
Living Room	Wood Strip	Wood*	Plaster*	--	Plaster*
Bedroom No. 1	Wood Strip	Wood*	Plaster*	--	Plaster*
Bedroom No. 2	Wood Strip	Wood*	Plaster*	--	Plaster*
Bathroom	Ceramic Tile	Ceramic Tile	Plaster*	Ceramic Tile	Plaster*
Kitchen	Vinyl Tile	Wood*	Plaster*	--	Plaster*

KITCHEN EQUIPMENT: **

Range: Royal Rose, four (4) burner gas,
oven below

Refrigerator: Kelvinator

Sink: Stainless steel, single basin,
formica top

Cabinets: Wood, base and wall hung

350 BLEECKER STREET, NEW YORK, NEW YORK

INSPECTION REPORT

TYPICAL APARTMENTS

THREE ROOMS

TWO BEDROOMS (Cont'd)

BATHROOM FIXTURES:

Bathtub:	Enameled iron
Lavatory:	Enameled iron, wall hung
Water Closet:	Vitreous china, flushometer type
Add'l Equipment:	Built-in hamper

NOTES:

- * Surfaces are painted.
- ** Size and manufacturer of equipment may vary.

350 BLEECKER STREET, NEW YORK, NEW YORK

INSPECTION REPORT

SPACES OTHER THAN APARTMENTS

<u>ROOM</u>	<u>FLOOR</u>	<u>Sub-Cellar</u>	<u>WALLS</u>	<u>CEILING</u>
Corridor	Vinyl Tile		Masonry*	Concrete*
Laundry	Vinyl Tile		Masonry*	Concrete*
Boiler	Concrete*		Masonry*	Concrete
Storage #1	Concrete*		Masonry*	Concrete
Shop	Concrete*		Masonry	Concrete
Porter's Room	Vinyl Tile		Masonry*	Concrete*
Meter	Concrete		Masonry	Concrete

Cellar/Lobby

Vestibule	Terrazzo		Plaster*	Plaster*
Lobby	Terrazzo		Plaster*	Plaster*
Corridor	Terrazzo		Plaster*	Plaster*
Mail Alcove	Terrazzo		Plaster*	Plaster*
Supt's Apt.	-----FINISHED AS PER TENANT-----			
Store Nos 1 & 2	-----FINISHED AS PER TENANT-----			

1st - 6th Floors

Corridors	Vinyl Tile		Plaster*	Plaster*
Refuse Closet	Ceramic Tile		Plaster*	Plaster*

Note: * Surfaces are painted.

350 BLEECKER STREET, NEW YORK, NEW YORK

INSPECTION REPORT

SAFETY AND WARNING DEVICES

To comply with City Ordinances, a battery operated smoke detector has been installed in every bedroom area.

CONCLUSION

If the completion of items of maintenance and repair work detailed in the body of this report is promptly performed and a continuing adequate preventive maintenance program is implemented thereafter, it may be assumed that the building and property are in reasonably satisfactory condition.

350 BLEECKER STREET, NEW YORK, NEW YORK

INSPECTION REPORT

SUMMARY OF RECOMMENDATIONS

CONCRETE AND MASONRY

1. Replace the concrete pavement on the northerly section of the garage roof as detailed in the body of this report.
2. Replace all cracked sidewalk sections on all elevations.
3. Rebuild all brick masonry sidewalk tree guards and rake and point, as necessary, the masonry landscape enclosures.
4. Rake and point the exterior walls as necessary.
5. Replace all damaged slate sub-sills on the north, south and east elevations.
6. Replace terrazzo pavement at front of tenant entrance.
7. Replace all slate copings on the parapets with cast concrete.
8. Remove all bituminous material from the parapets and rake and point the brickwork as necessary.

42.

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350 BLEECKER STREET, NEW YORK, NEW YORK

INSPECTION REPORT

SUMMARY OF RECOMMENDATIONS

PAINTING

9. Scrape, plaster and paint the exterior service entrance vestibule.
10. Plaster and paint apartment walls on a regular maintenance schedule.

MISCELLANEOUS

11. Replace the built-up roof surface on the one-story storage room for the commercial stores.
12. Resurface all terrace decks with a similar material.
13. Replace the roof surface and all flashing with new built-up roofing and metal base and cap flashing, in the event that roofer does not make roof watertight.
14. Adjust all stair doors against slamming.
15. Keep the boiler room's combustion air opening open.

43.

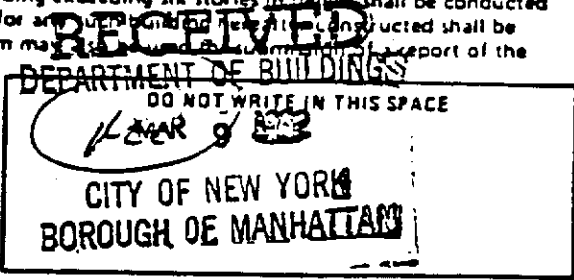
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THE CITY OF NEW YORK
DEPARTMENT OF BUILDINGS

- MANHATTAN**
Municipal Bldg.
New York, N.Y. 10007
Tel. 466-2283
- BROOKLYN**
Municipal Bldg.
Brooklyn, N.Y. 11201
643-7944
- BRONX**
1932 Arthur Avenue
Bronx, N.Y. 10457
583-5870 Ext. 8
- QUEENS**
126-06 Queens Blvd
Kew Gardens, N.Y. 11415
520-3268
- STATEN ISLAND**
Boro Hall
St. George, N.Y. 10301
390-5202

REPORT OF THE PERIODIC INSPECTION OF EXTERIOR WALLS AND EXTERIOR APPURTENANCES OF BUILDINGS

§ 26-10b.3 requires that the initial examination for any existing building exceeding six stories in height shall be conducted within two years of February 21, 1980 and the initial examination for any such building hereafter constructed shall be conducted in the fifth year following the erection thereof. This form may be used to submit a report of the On-Going Maintenance Program.



BLOCK 620 LOT 19
 LOCATION 350 Bleeker St.
HOUSE NUMBER STREET
 BLOCK FRONT, Bleeker St. & W. 10th St. Man.
DISTANCE FROM NEAREST CORNER BOROUGH

Number of stories 7 Height in ft. 80 C.O. No. 74648
 How occupied Residential D-8 Type of Exterior Walls Brick Masonry

Name Bleeker Charles Co. Firm _____
(OWNER)
 Whose principal officer is Oscar Newman Title _____
 Address 205 East 77th St., Man. Zip 10021 Tel. (212) 861-3581

To the Borough Superintendent:
 Herewith filed is a report of 10 sheets

(Check applicable boxes)

- Of an On-Going Maintenance Program for the above building; such report complies with all the requirements imposed by the regulations of such agency as preconditions for such filing, and this building is exempt from the inspectional requirements for a Critical Examination;

OR

- Of a *Critical Examination* of the above building and such report complies with all the requirements imposed by the regulations of such agency as preconditions for such filing; and
 - All observed conditions conform to Code requirements and applicable Rules and Regulations or
 - All observed conditions conform to Code requirements and applicable Rules and Regulations except for:
 - The precautionary work described within the report.
 - The unsafe conditions described below:

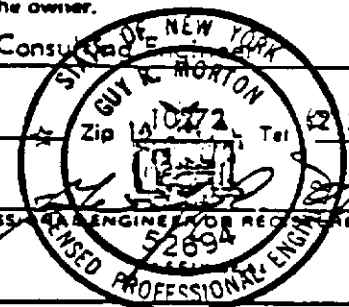
The owner authorizes me to make this application. All statements herein contained are true to the department's own knowledge. A copy of the report has been given to the owner.

Name GUY R. MORTON, P.E. Firm Consulting
APPLICANT

Address P.O. Box 167 NY NY Zip 10172 Tel (212) CO 5-6100

Date Feb. 26, 1982

Signature [Handwritten Signature]
(PROFESSIONAL ENGINEER OR REGISTERED ARCHITECT)



NOTICE—This form must be TYPEWRITTEN and filed in TRIPPLICATE and MICROFILMED with the report

GUY R. MORTON, P. E.
P.O. Box 167, Peck Slip Station, N.Y., N.Y. 10272

Consulting Engineer
CO 5 - 6100, Ext. 1950

Date: Feb. 26, 1982

Ref.: 2 350 Bleeker St., Man.

Owner/Agent: Mr. Newman/

Job No.: 366

Mr. Harold Nassau, V.P.
BRAXTON INDUSTRIES, INC.
48 West 21st Street
New York, NY

Dear Mr. Nassau:

Inspection of the above referenced building as per NYC Local Law 10 has been completed. An Inspection Report (NYC Form B-29) will be filed with the NYC Building Department as follows:

- a. Unsafe Conditions: (These items represent an imminent public hazard and require immediate correction.)

NONE

- b. Precautionary Measures: (These items do not represent an immediate public hazard. However they are to be checked and/or corrected as early as possible in order to preclude deterioration of the building's structure or the generation of a public hazard.)

Repair defective coping.

Remove temporary plumbing as early as possible.

Upon notification of the correction of the defects cited above, a reinspection will be conducted and (if accepted), a revised report will be filed with the NYC Building Department.

Respectfully,


GUY R. MORTON, P.E.

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APARTMENT #

SHARES :

350 Bleecker Street Apartment Corp.

Lessor ,

TO

Lessee

PROPRIETARY LEASE

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PROPRIETARY LEASE

Proprietary Lease, made as of _____, 19 ____ , by and between 350 Bleecker Street Apartment Corp., a New York Corporation, having an office at 350 Bleecker Street, New York, New York, hereinafter called the Lessor and _____, hereinafter called the Lessee.

Whereas, the Lessor is the owner of the land and the building erected thereon in the County of New York known as and by the street number 350 Bleecker Street hereinafter called the "building", and

Whereas, the Lessee is the owner of _____ shares of the Lessor, to which this lease is appurtenant and which have been allocated to Apartment _____ in the building;

Demised Premises; Term

Now, therefore, in consideration of the premises, the Lessor hereby leases to the Lessee, and the Lessee hires from the Lessor, subject to the terms and conditions hereof, Apartment ___ in the building (hereinafter referred to as the apartment) for a term from _____, 19____, until December 31, 2075 unless sooner terminated as hereinafter provided). As used herein "the apartment" means the rooms in the building as partitioned on the date of the execution of this lease designated by the above-stated apartment number, together with their appurtenances and fixtures and any closets, terraces, balconies, roof or portion thereof outside of said partitioned rooms, which are allocated exclusively to the occupant of the apartment.

Rent (Maintenance) How Fixed

1. (a) The rent (sometimes called maintenance) payable by the Lessee for each year, or portion of a year, during the term shall equal the proportion of the Lessor's cash requirements for such year, or portion of a year, which the number of shares of Lessor allocated to the apartment bears to the total number of share. of the Lessor issued and outstanding on the date of the determination of such cash requirements. Such maintenance shall be payable in equal monthly installments in advance on the first day of each month, unless the Board of Directors of the Lessor (hereinafter called Directors) at the time of its determination of the cash requirements shall otherwise direct. Lessee shall also pay Lessee's pro rata share (determined in the same manner as maintenance) of any special assessment that may be levied by Lessor from time to time to pay for any repair, alteration, or improvement to the corporate

property, or any deficit from operations for a prior period, or other cash requirements. Such special assessment shall be deemed additional rent and shall be payable in a lump sum or in periodic installments, a. the Directors shall determine The Lessee shall also pay such additional rent as may be provided for herein when due.

Accompanying Shares to Be Specified in Proprietary Leases

(b) In every proprietary lease heretofore executed by the Lessor there has been specified, and in every proprietary lease hereafter executed by it there will be specified, the number of shares of the Lessor issued to a lessee simultaneously therewith, which number, in relation to the total number of shares of the Lessor issued and outstanding, shall constitute the basis for fixing, as hereinbefore provided, the proportionate share of the Lessor's cash requirements which shall be payable as rent by the Lessee.

Cash Requirements Defined

(c) "Cash requirements" whenever used herein shall mean the estimated amount in cash which the Directors shall from time to time in its judgment determine to be necessary or proper for (1) the operation, maintenance, care, alteration and improvement of the corporate property during the year or portion of the year for which such determination is made; (2) the creation of such reserve for contingencies, repairs, replacements and general operations as it may deem proper; and (3) the payment of any obligations, liabilities or expenses incurred or to be incurred, after giving consideration to (i) income expected to be received during such period (other than rent from proprietary lessees), and (ii) cash on hand which the Directors in its discretion may choose to apply. The Directors may from time to time modify its prior determination and increase or diminish the amount previously determined as cash requirements of the corporation for a year or portion thereof. No determination of cash requirements shall have any retroactive effect on the amount of the rent payable by the lessee for any period prior to the date of such determination. All determinations of cash requirements. shall be conclusive as to all lessees

Authority Limited to 80ard of Directors

(d) Whenever in this paragraph or any other paragraph of this lease, a power or privilege is given to the Directors, the same may be exercised only by the Directors, and in no event may any such power or privilege be exercised by a creditor, receiver or trustee.

Issuance of Additional Shares

(e) If the Lessor shall hereafter issue shares (whether now or hereafter authorized) in addition to those issued on the date of the execution of this lease, the holders of the shares hereafter issued shall be obligated to pay rent at the same rate as the other proprietary lessees from and after the date of issuance. If any such shares are issued on a date other than the first or last day of a month, the rent for the month in which issued shall be apportioned. The cash requirements as last determined shall, upon the issuance of such shares, be deemed increased by an amount equal to such rent.

Paid-in Surplus

(f) The Directors may from time to time determine how much of the maintenance and other receipts, when received, shall be credited on the corporate accounts to "Paid-in-Surplus". (but not more than such amount as represents payments on account of principal of mortgages on the property and other capital expenditures)

Failure to Fix Cash Requirements

(g) The failure of the Directors to determine the Lessor's cash requirements for any year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof, or a release of the Lessee from the obligation to pay the maintenance or any installment thereof, but the maintenance computed on the basis of the cash requirements as last determined for any year or portion thereof shall thereafter continue to be the maintenance until a new determination of cash requirements shall be made.

Lessor's Repairs

2. The Lessor shall at its expense keep the building in good repair, including all of the apartments, the sidewalks and courts surrounding the same, and its equipment and apparatus except those portions the maintenance and repair of which are expressly stated to be the responsibility of the Lessee pursuant to Paragraph 18 hereof

Services by Lessor

3. The Lessor shall maintain and manage the building as a first class apartment building, and shall keep the elevators and the public halls, cellars and stairways clean and properly lighted and heated, and shall provide the number of attendants requisite, in the judgment of the Directors, for the proper care and service of the

building, and shall provide the apartment with a proper and sufficient supply of hot and cold water and of heat, and if there be central air conditioning equipment supplied by the Lessor, air conditioning when deemed appropriate by the Directors. The covenant. by the Lessor herein contained are subject, however, to the discretionary power of the Directors to determine from time to time what services and what attendants shall be proper and the manner of maintaining and operating the building, and also what existing services shall be increased, reduced, changed, modified or terminated.

Damage to Apartment or Building

4. (a) If the apartment or the means of access thereto or the building shall be damaged by fire or other cause covered by multiperil policies commonly carried by cooperative corporations in New York City (any other damage to be repaired by Lessor or Lessee pursuant to Paragraphs 2 and 18, as the case may be), the Lessor shall at its own cost and expense, with reasonable dispatch after receipt of notice of said damage, repair or replace or cause to be repaired or replaced with materials of a kind and quality then customary in buildings of the type of the building, the building, the apartment, and the means of access thereto, including the walls, floors, ceilings, pipes, wiring and conduits in the apartment. Anything in this Paragraph or Paragraph 2 to the contrary notwithstanding, Lessor shall not be required to repair or replace, or cause to be repaired or replaced, equipment, fixtures, furniture, furnishings or decoration. installed by the Lessee or any of his predecessors in interest nor shall the Lessor be obligated to repaint or replace wallpaper or other decorations in the Apartment or to refinish floors located therein.

Rent Abatement

(b) In case the damage resulting from fire or other cause shall be so extensive as to render the apartment partly or wholly untenable, or if the means of access thereto shall be destroyed, the rent hereunder shall proportionately abate until the apartment shall again be rendered wholly tenable or the means of access restored; but if said damage shall be caused by the act or negligence of the Lessee or the agent., employees, guests or members of the family of the Lessee or any occupant of the apartment, such rental shall abate only to the extent of the rental value insurance, if any, collected by Lessor with respect to the apartment.

Expiration of Lease Due to Damage

(c) If the Directors shall determine that (i) the

building is totally destroyed by fire or other cause, or (ii) the building is so damaged that it cannot be repaired within a reasonable time after the loss shall have been adjusted with the insurance carrier., or (iii) the destruction or damage was caused by hazards which are not covered under the Lessor's insurance policies then in effect, and if in any such case the record holders of at least two-thirds of the issued shares at a shareholders' meeting duly called for that purpose held within 120 days after the determination by the Directors, shall vote not to repair, restore or rebuild, then upon the giving of notice pursuant to Paragraph 31 hereof, this Lease and all other proprietary lease. and all right, title and interest of the parties thereunder and the tenancies thereby created, shall hereupon wholly cease and expire and rent shall be paid to the date of such destruction or damage. The Lessee hereby waives any and all rights under Section 227 of the Real Property Law and in no event shall the Lessee have any option or right to terminate this Lease, except as provided herein.

Waiver of Subrogation

(d) Lessor agrees to use its best efforts to obtain a provision in all insurance policies carried by it waiving the right of subrogation against the Lessee; and, to the extent that any loss or damage is covered by the Lessor by any insurance policies which contain such waiver of subrogation, the Lessor releases the Lessee from any liability with respect to such loss or damage. In the event that Lessee suffers loss or damage for which Lessor would be liable, and Lessee carries insurance which covers such loss or damage and such insurance policy or policies contain a waiver of subrogation against the Landlord, then in such event Lessee releases Lessor from any liability with respect to such loss or damage.

Inspection of Book. of Account Annual Report

5. The Lessor shall keep full and correct books of account at its principal office or at such other place as the Directors may from time to time determine, and the same shall be open during all reasonable hours to inspection by the Lessee or a representative of the Lessee. The Lessor shall deliver to the Lessee within a reasonable time after the end of each fiscal year an annual report of corporate financial affairs, including a balance sheet and a statement of income and expenses, certified by an independent certified public account.

Changes in Terms and Conditions of Proprietary Leases

6. Each proprietary lease shall be in the form of this lease, unless a variation of any lease is authorized by

at least two-thirds of the Lessor's shares then issued and executed by the Lessor and Lessee affected. The form and provisions of all the proprietary leases then in effect and thereafter to be executed may be changed by the approval of lessees owning at least 2/3 of the Lessor's shares then issued, and such changes shall be binding on all lessees even if they did not vote for such changes except that the proportionate share of rent or cash requirements payable by any lessee may not be increased nor may his right to cancel the lease under the conditions set forth in Paragraph 35 be eliminated or impaired without his express consent. Approval by lessees as provided for herein shall be evidenced by written consent or by affirmative vote taken at a meeting called for such purpose. Notwithstanding the foregoing, in no event shall any change in the form of proprietary lease and any of the provisions thereof be made which shall adversely affect certain rights granted to (i) purchasers of Unsold Shares (pursuant to Paragraph 38 hereof) or (ii) the Secured Party (its successors or assigns) as set forth in Paragraph 17(b) below, unless all such purchasers of Unsold Shares and the Secured Party affected thereby shall have unanimously agreed to each such change.

Penthouse, Terraces and Balconies

7. If the apartment includes a terrace, balcony, maid's room or a portion of the roof adjoining a penthouse, the Lessee shall have and enjoy the exclusive use of the terrace, maid's room, balcony or that portion of the roof appurtenant to the penthouse, subject to the applicable provisions of this lease and to the use of the terrace, balcony or roof by the Lessor to the extent herein permitted. The Lessee's use thereof shall be subject to such regulations as may, from time to time, be prescribed by the Directors. The Lessor shall have the right to erect equipment on the roof, including radio and television aerials and antennas, for its use and the use of the lessees in the building and shall have the right of access thereto for such installations and for the repair thereof. The Lessee shall keep the terrace, balcony, maid's room or portion of the roof appurtenant to his apartment clean and free from snow, ice, leaves and other debris and shall maintain all screens and drain boxes in good condition. No planting, fences, structures or lattices shall be erected or installed on the terraces, balconies or roof of the building without the prior written approval of the Lessor. No cooking shall be permitted on any terraces, balconies or the roof of the building, nor shall the walls thereof be painted by the Lessee without the prior written approval of the Lessor. Any planting or other structures erected by the Lessee or his predecessor in interest may be removed and restored by the Lessor at the expense of the Lessee for the purpose of repairs, upkeep or maintenance of the building.

Assignment of Lessor's Rights Against Occupant

8. If at the date of the commencement of this lease, any third party shall be in possession or have the right to possession of the apartment, then the Lessor hereby assigns to the Lessee all of the Lessor's rights against said third party from and after the date of the commencement of the term hereof, and the Lessee by the execution hereof assumes all of the Lessor's obligation. to said third party from said date. The Lessor agrees to cooperate with the Lessee, but at the Lessee's expense, in the enforcement of the Les-ee's right. against said third party.

Cancellation of Prior Agreements

9. If at the date of the commencement of this lease, the Lessee has the right to possession of the apartment under any agreement or statutory tenancy, this lease shall supersede such agreement or statutory tenancy which shall be of no further effect after the date of commencement of this lease, except for claims theretofore arising thereunder.

Quiet Enjoyment

10. The Lessee, upon paying the rent and performing the covenants and complying with the conditions on the part of the Lessee to be performed as herein set forth, shall, at all times during the term hereby granted, quietly have, hold and enjoy the apartment without any let, suit, trouble or hindrance from the Lessor, subject, however, to the rights of present tenants or occupants of the apartment, and subject to any and all mortgages and any underlying or overriding lease or ground lease (any such lease being hereinafter collectively called "ground lease") of the land or building, or both as provided in Paragraph 22 below.

Indemnity

11. The Lessee agrees to save the Lessor harmless from all liability, loss, damage and expense arising from injury to person or property occasioned by the failure of the Lessee to comply with any provision hereof, or due wholly or in part to any act, default or omission of the Lessee or of any person dwelling or visiting in the apartment, or by the Lessor, its agents, servants or contractors when acting as agent for the Lessee as in thi. lease provided. This paragraph shall not apply to any loss or damage when Lessor is covered by insurance which provides for waiver of subrogation against the Lessee.

Payment of Rent

12. The Lessee will pay the rent to the Lessor upon

the terms and at the times herein provided, without any deduction on account of any set-off or claim which the Lessee may have against the Lessor, and if the Lessee shall fail to pay any installment of rent promptly, the Lessee, if Lessor shall in its discretion so demand, shall pay interest thereon at the maximum legal rate from the date when such installment shall have become due to the date of the payment thereof, and such interest shall be deemed additional rent hereunder.

House Rules

13. The Lessor has adopted House Rules which are appended hereto; and the Directors may alter, amend or repeal such House Rules and adopt new House Rules. Such House Rules which, when a copy thereof has been furnished to the Lessee, shall be taken to be part hereof, and the Lessee hereby covenants to comply with all such House Rules and see that they are faithfully observed by the family, guests, employees and subtenants of the Lessee. Breach of a House Rule shall be a default under this lease. The Lessor shall not be responsible to the Lessee for the nonobservance or violation of House Rules by any other lessee or person.

Use of Premises

14. The Lessee shall not, without the written consent of the Lessor on such conditions as Lessor may prescribe, occupy or use the apartment or permit the same or any part hereof to be occupied or used for any purpose other than as a private dwelling for the Lessee and Lessee's family, guests and domestic employees; and in no event shall more than one couple occupy the apartment without the written consent of the Lessor. In addition to the foregoing, the apartment may be occupied from time to time by (a) a person with whom the lessee is cohabiting, and (b) guests of the Lessee for a period of time not exceeding one month, unless a longer period is approved in writing by the Lessor, but no such guests may occupy the apartment unless one or more of the permitted adult residents are then in occupancy or unless consented to in writing by the Lessor. Notwithstanding the foregoing, (a) Lessee may use the apartment for any home occupation use permitted under applicable zoning law, building code or other rules and regulations of governmental authorities having jurisdiction and (b) the Lessee who is a holder of a block of Unsold Shares (defined in Paragraph 38 below) shall have the right to use the apartment as a model or an office (or both) in connection with the sale or rental of apartment to which the Unsold Shares are allocated or for any other lawful purpose.

Subletting

15. Except as provided in Paragraph 17(b) and 38 of this lease, the Lessee shall not sublet the whole or any part of the apartment or renew or extend any previously authorized sublease, unless consent thereto shall have been duly authorized by a resolution of the Directors, or given in writing by a majority of the Director. or, if the Directors shall have failed or refused to give such consent, by Lessees owning at least 65% of the then issued and outstanding shares of the Lessor. Consent by Lessees as provided for herein shall be evidenced by written consent or by affirmative vote taken at a meeting called for such purpose. Any consent to subletting may be subject to such conditions as the Directors or Lessees, as the case may be, may impose. There shall be no limitation on the right of Directors or Lessees to grant or withhold consent to a subletting for any or no reason except as limited by law or the provisions of paragraph 48 hereof. No consent to a subletting shall operate to release the Lessee from any obligation hereunder.

Assignment

16. (a) The Lessee shall not assign this lease or transfer the shares to which it is appurtenant or any interest therein, and no such assignment or transfer shall take effect as against the Lessor for any purpose, until

(i) An instrument of assignment in form approved by Lessor executed and acknowledged by the assignor shall be delivered to the Lessor; and

(ii) An agreement executed and acknowledged by the assignee in form approved by Lessor assuming and agreeing to be bound by all the covenants and conditions of this lease to be performed or complied with by the Lessee on and after the effective date of said assignment shall have been delivered to the Lessor, or, at the request of the Lessor, the assignee shall have surrendered the assigned lease and entered into a new lease in the same form for the remainder of the term, in which case the Lessee's lease shall be deemed cancelled as of the effective date of said assignment; and

(iii) All shares of the Lessor to which this lease is appurtenant shall have been transferred to the assignee, with proper transfer taxes paid and stamps affixed; and

(iv) All sums due from the Lessee shall

have been paid to the Lessor, together with a sum to be fixed by the Directors to cover reasonable legal and other expenses of the Lessor and its managing agent in connection with such assignment and transfer of shares (subject to Paragraph 17(b) and 38 hereof; and

(v) A search or certification from a title or abstract company as the Directors may require shall be delivered to Lessor; and

(vi) Except in the case of an assignment, transfer or bequest of the shares and this lease to the Lessee's spouse or adult siblings or parents, and except as otherwise provided in Paragraphs 17(b) and 38 of this lease, consent to such assignment shall have been authorized by resolution of the Directors, or given in writing by a majority of the Directors or, if the Directors shall have failed or refused to give such consent within 30 days after submission of references to them or Lessor's agent, then by lessees owning of record at least 65% of the then issued shares of the Lessor. Consent by lessees as provided for herein shall be evidenced by written consent or by affirmative vote taken at a meeting duly called for such purpose.

Consents: On Death of Lessee

(b) If the Lessee shall die, consent shall not be unreasonably withheld to an assignment of the lease and shares to a financially responsible member of the Lessee's family (other than the Lessee's spouse, adult siblings or parents as to whom no consent is required).

Consents Generally: stockholders' and Directors' Obligations to Consent

(c) There shall be no limitation, except as above specifically provided, on the rights of Directors or lessees to grant or withhold consent, for any reason or for no reason, to an assignment. An assignment from a lessee to anyone who at the time of said assignment is already a stockholder of Lessor shall not require the consent of Directors or lessees.

Release of Lessee Upon Assignment

(d) If the lease shall be assigned in compliance herewith, the Lessee-assignor shall have no further liability on any of the covenants of this lease to be thereafter performed.

Further Assignment or Subletting

(e) Regardless of any prior consent theretofore given, neither the Lessee nor his executor, nor administrator, nor any trustee or receiver of the property of the Lessee, nor anyone to whom the interests of the Lessee shall pass by law, shall be entitled further to assign this lease, or to sublet the apartment, or any part thereof, except upon compliance with the requirements of this lease.

Statement by Lessor

(f) If this lease is then in force and effect, Lessor will, upon request of Lessee, deliver to the assignee a written effect; but no such statement shall be deemed an admission that there is no default under the lease.

Pledge of Shares and Lease

17. (a) A pledge of this lease and the shares to which it is appurtenant shall not be a violation of this lease: but, except as otherwise provided elsewhere herein, neither the pledgee nor any transferee of the pledged security shall be entitled to have the shares transferred of record on the books of the Lessor, nor to vote such shares, nor to occupy or permit the occupancy by others of the apartment, nor to sell such shares or this lease, without first obtaining the consent of the Lessor in accordance with and after complying with all of the provisions of paragraphs 14, 15 or 16, as the case may be. The acceptance by Lessor of payments by the pledgee or any transferee of the pledged security on account of rent or additional rent shall not constitute a waiver of the aforesaid provisions.

Secured Party

(b) Notwithstanding the provisions of subparagraph (a) of this Paragraph 17 or any other provision of this lease to the contrary, the following provisions of this Paragraph shall govern and be binding.

(i) The Lessor agrees that it shall give to any holder of a security interest in the shares of the Lessor specified in the recitals of this lease or mortgagee of this lease who so requests (any such holder being hereinafter referred to as a "Secured Party") a copy of any notice of default which the Lessor gives to the Lessee pursuant to the terms of this lease, and if the Lessee shall fail to cure the default specified in such notice within the time and in the manner provided for in this lease, then the Secured Party shall have an additional period of time, equal to the time originally given to the Lessee, to cure said default for the

account of the Lessee or to cause same to be cured, and the Lessor will not act upon said default unless and until the time in which the Secured Party may cure said default or cause same to be cured, as aforesaid, shall have elapsed and the default shall not have been cured.

(ii) If this lease is terminated by the Lessor as provided in Paragraphs 31 or 35 of this lease, or by agreement with the Lessee, (1) the Lessor promptly shall give notice of such termination to the Secured Party and (2) upon request of the Secured Party made within thirty (30) days of the giving of such notice, the Lessor (i) shall commence and prosecute a summary dispossession proceeding to obtain possession of the apartment, and (ii) shall, within sixty (60) days of its receipt of the aforesaid request by the Secured Party, reissue the aforementioned shares to, and (with respect to any termination other than under Paragraph 36 below) shall enter into a new proprietary lease for the apartment with, any individual designated by the Secured Party, or the individual nominee of the individual so designated by the Secured Party, all without the consent of the Directors or the shareholders to which reference is made in Paragraph 16 (a) (vi) and 32 (c) but with the consent only of the Lessor's then managing agent which shall not be unreasonably withheld or delayed, provided, however, that the Lessor shall have received payment of all rent, additional rent and other sums owed by the Lessee to the Lessor under this lease for the period ending on the date of reissuance of the aforementioned shares of the Lessor including, without limitation, sums owed under Paragraphs 32 (a) and (c) of this lease. The individual designated by the Secured Party, if and as long as such individual (by himself or a member of his family) does not actually occupy the apartment, shall have all of the rights provided for in Paragraphs 15, 16, 21 and 38 of this lease as if he were a holder of Unsold Shares; and accordingly, no surplus shall be payable by the Lessor to the Lessee as otherwise provided in Paragraph 32 (c).

(iii) If the purchase by the Lessee of the shares allocated to the apartment was financed by a loan made by a bank, savings bank or savings and loan association and a default or an event of default shall have occurred under the terms of the security agreement or leasehold mortgage entered into between the Lessee and the Secured Party, and if (1) notice of said default or event of default shall have been given to the Lessor, (2) an individual designated by the Secured Party, or the individual nominee of the individual so designated by the Secured Party, shall be entitled to become the owner of the shares and the lessee under this lease pursuant to the terms of said security agreement or leasehold mortgage (3) not less than five

days' written notice of an intended transfer of the shares and this lease shall have been given to the Lessor and the Lessee, (4) there has been paid all rent, additional rent and other sums owed by the Lessee to the Lessor under this lease for the period ending on the date of transfer of the aforementioned shares and (5) the Lessor shall be furnished with such affidavits, certificates, and opinions of counsel, in form and substance reasonably satisfactory to the Lessor, indicating that the foregoing conditions (1) through (4) have been met, then (a) a transfer of the shares and the proprietary lease shall be made to such individual, upon request, and without the consent of the Directors or the share- holders to which reference is made in Paragraph 16(a) (vi) but with the consent only of the Lessor's then managing agent which shall not be unreasonably withheld or delayed, and (b) the individual to whom such transfer is made (if and as long as such individual (by himself or a member of his family) does not actually occupy the apartment) shall have all of the rights provided for in Paragraphs 15, 16, 2t and 38 of this lease as if he were a holder of Unsold Shares.

(iv) Without the prior written consent of any Secured Party who has requested a copy of any notice of default as hereinbefore provided in subparagraph (a) of this Paragraph 39, (a) the Lessor and the Lessee will not enter into any agreement modifying or cancelling this lease, (b) no change in the forms, terms or conditions of this lease, as permitted by Paragraph 6, shall eliminate or modify any rights, privileges or obligations of a Secured Party as set forth in this Paragraph 17, (c) the Lessor will not terminate or accept a surrender of this lease, except as provided in Paragraphs 31 or 35 of this lease and in subparagraph (b) (i) of this Paragraph 17, (d) the Lessee will not assign this lease or sublet the apartment, (e) any modification, cancellation, surrender, termination or assignment of this lease or any sublease of the apartment not made in accordance with the provisions hereof shall be void and of no effect, (f) the Lessor will not consent to any further mortgage on this lease or security interest created in the shares, (g) the Lessee will not make any further mortgage or create any further security interest in the shares or this lease, and (h) any such further mortgage or security interest shall be void and of no effect.

(v) Any designee of a Secured Party to whom a transfer of a lease shall have been made pursuant to the terms of this subparagraph (b) may cancel this lease under the terms of Paragraph 35 hereof; except that such designee (a) may cancel this lease at any time after the designee acquires this lease and the shares appurtenant hereto due to foreclosure of the security agreement or leasehold mortgage; (b)

need give only thirty (30) days' notice of its intention to cancel; and (c) may give such notice at any time during the calendar year.

(vi) A Secured Party claiming or exercising any of the rights and privileges granted it pursuant to the provisions of this subparagraph (b) shall be deemed to have agreed to indemnify Lessor for all loss, liability or expense (including reasonable attorneys' fees) arising out of claims by Lessee, or his successors or assigns, against Lessor or the Secured Party, or their respective successors or assigns, for acts or omissions to act on the part of either Lessor or Secured Party, or their respective successors or assigns, pursuant to this subparagraph (b). Lessor will give the Secured Party written notice with reasonable promptness of any such claim against Lessor; and the Secured Party may contest such claim in the name and on behalf of Lessor with counsel selected by the Secured Party at the Secured Party's sole expense. Lessor shall execute such papers and do such things as are reasonably necessary to implement the provisions of this subpart (vi).

(vii) Upon Lessee's final payment under the loan given by the Secured Party or upon prepayment of said loan, Secured Party will give Lessor notice of such final payment or prepayment (as the case may be).

(viii) Upon request of the purchaser of Unsold Shares (referred to in Paragraph 38 below), Lessor shall enter into an agreement (commonly known as a "Recognition Agreement") with a Secured Party pursuant to which Lessor will acknowledge and agree that the foregoing provisions of this subparagraph (b) shall ensure to the benefit of, and apply to, the Secured Party. The Recognition Agreement may contain such additional or different provisions as the Secured Party may request and Lessor shall execute and deliver same to Lender provided only that such additional or different provisions are approved by counsel to Lessor (which approval may not be unreasonably withheld or delayed and shall be given or deemed given if same are of substantially similar tenor to the provisions of this subparagraph (b)). All costs and expenses incurred by Lessor in connection with such Recognition Agreement (including legal fees) shall be borne entirely by Lessor, and no charge therefor may be assessed to said purchaser of Unsold Shares, or his successors or assigns, including the individual acquiring this lease and the appurtenant shares from the purchaser of Unsold Shares. The provisions of this subpart (viii) shall not apply to a lessee who is not a purchaser of Unsold Shares.

(ix) Subject to the provisions of subpart (viii)

above, a Recognition Agreement between a Lender and Lessor may contain such additional or different provisions as the Lessor and said Lender may agree to.

Repairs by the Lessee

18. (a) The Lessee shall take possession of the apartment and its appurtenance and fixtures "as is" as of the commencement of the term hereof. Subject to the provisions of Paragraph 4 above, the Lessee shall keep the interior of the apartment (including interior walls, floors and ceilings, but excluding windows, window panes, window frames, sashes, sills, entrance door., frames and saddles) in good repair, shall do all of the painting and decorating required to his apartment, including the interior of window frames, sashes and sills, and shall be solely responsible for the maintenance, repair, and replacement of plumbing, gas and heating fixtures and equipment and such refrigerators, dishwashers, removable and through-the-wall air conditioners, washing machines, ranges and other appliances, as may be in the apartment. Plumbing, gas and heating fixtures as used herein shall include exposed gas, steam and water pipes attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which the Lessee may install within the wall or ceiling, or under the floor, but shall not include gas, steam, water or other pipes or conduits within the walls, ceilings or floors or air conditioning or heating equipment which is part of the standard building equipment. The Lessee shall be solely responsible for the maintenance, repair and replacement of all lighting and electrical fixtures, appliances, and equipment, and all meters, fuse boxes or circuit breakers and electrical wiring and conduits from the junction box at the riser into and through the Lessee's apartment. Any ventilator or air conditioning device which shall be visible from the outside of the building shall at all time. be painted by the Lessee in a standard color which the Lessor may select for the building. Lessee shall be solely responsible for the maintenance, repair and replacement of doors leading from the apartment to any maid's room, penthouse, terrace or balcony or any solarium and for the maintenance and repair of any terrace or balcony floor and to prevent water leaks therefrom or from any wall adjoining a terrace or balcony.

Odors and Noises

(b) The Lessee shall not permit unreasonable cooking or other odors to escape into the building. The Lessee shall not permit or suffer any unreasonable noise or anything which will interfere with the rights of other lessees or unreasonably annoy them or obstruct the public halls or stairways.

Equipment and Appliances

(c) If, in the Lessor's sole judgment, any of the Lessee's equipment or appliances shall result in damage to the building or poor quality or interruption of service to other portions of the building, or overloading of, or damage to facilities maintained by the Lessor for the supplying of water, gas, electricity or air conditioning to the building, or if any such appliances visible from the outside of the building shall become rusty or discolored, the Lessee shall promptly, on notice from the Lessor, remedy the condition and, pending such remedy, shall cease using any appliance or equipment which may be creating the objectionable condition.

Rules and Regulations and Requirements of Mortgage

(d) The Lessee will comply with all the requirements of the Board of Fire Underwriters, insurance authorities and all governmental authorities and with all laws, ordinances, rules and regulations with respect to the occupancy or use of the apartment. If any mortgage or ground lease affecting the land or the building shall contain any provisions pertaining to the right of the Lessee to make changes or alterations in the apartment, or to remove any of the fixtures, appliances, equipment or installations, the Lessee herein shall comply with the requirement of such mortgage or mortgages and ground lease relating thereto. Upon the Lessee's written request, Lessor will furnish Lessee with copies of applicable provisions of each and every such mortgage.

Lessor's Right to Remedy Lessee's Defaults

19. If the Lessee shall fail for 30 days after notice to make repairs to any part of the apartment, its fixtures or equipment as herein required, or shall fail to remedy a condition which has become objectionable to the Lessor for reasons above set forth, or if the Lessee or any person dwelling in the apartment shall request the Lessor, its agents or servants to perform any act not hereby required to be performed by the Lessor, the Lessor may make such repairs, or arrange for others to do the same, or remove such objectionable condition or equipment, or perform such act, without liability on the Lessor; provided that, if the condition requires prompt action, notice of less than 30 days may be given or, in case of emergency, no notice need be given. In all such cases the Lessor, its agents, servants and contractors shall, as between the Lessor and Lessee, be conclusively deemed to be acting as agents of the Lessee and all contracts therefor made by the Lessor shall be so construed whether or not made in the name of the

Lessee. If Lessee shall fail to perform or comply with any of the other covenants or provisions of this lease within the time required by a notice from Lessor (not less than 5 days), then Lessor may, but shall not be obligated, to comply herewith, and for such purpose may enter upon the apartment of Lessee. The Lessor shall be entitled to recover from the Lessee all expense. incurred or for which it has contracted hereunder, such expenses to be payable by the Lessee only and a. additional rent.

Increase in Rate of Fire Insurance

20. The Lessee shall not permit or suffer anything to be done or kept in the apartment which will increase the rate of fire insurance on the building or the contents thereof. If, by reason of the occupancy or use of the apartment by the Lessee, the rate of fire insurance on the building or an apartment or the contents of either shall be increased, the Lessee shall (if such occupancy or use continues for more than 30 days after written notice from the Lessor specifying the objectionable occupancy or use) become personally liable for the additional insurance premiums incurred by Lessor or any lessee or lessees of apartments in the building on all policies so affected, and the Lessor shall have the right to collect the same for its benefit or the benefit of any such lessees as additional rent for the apartment due on the first day of the calendar month following written demand therefor by the Lessor.

Alterations

21. (a) The Lessee shall not, without first obtaining the written consent of the Lessor, which consent shall not be unreasonably withheld or delayed, make in the apartment or building, or on any roof, penthouse, terrace or balcony appurtenant thereto, any alteration, enclosure or addition or any alteration of or addition to the water, gas, or steam risers or pipes, heating or air conditioning system or units, electrical conduits, wiring or outlets, plumbing fixtures, intercommunication or alarm system, or any other installation or facility in the apartment or building. The performance by Lessee of any work in the apartment shall be in accordance with any applicable rules and regulations of the Lessor and governmental agencies having jurisdiction thereof. The Lessee shall not in any case install any appliances which will overload the existing wires or equipment in the building. Anything herein or in subparagraph (b) below to the contrary notwithstanding, the consent of the Lessor shall not be required for any of the foregoing alterations, enclosures or additions made by, or the removal of any additions, improvements or fixtures from the apartment by, a holder of Unsold Shares.

Notwithstanding the foregoing, no additions, alterations or improvements shall be made by a holder of Unsold Shares in the public areas of the building or in any apartment not leased to such holder of Unsold Shares without first obtaining the consent of the Lessor (which consent shall not be unreasonably withheld or delayed) and (if applicable) the lessee of such other apartment.

Removal of Fixtures

(b) Without Lessor's written consent, the Lessee shall not remove any fixtures, appliances, additions or improvements from the apartment except as hereinafter provided. If the Lessee, or a prior lessee, shall have heretofore placed, or the Lessee shall hereafter place in the apartment, at the Lessee's own expense, any additions, improvements, appliances or fixtures, including but not limited to fireplace mantels, lighting fixtures, refrigerators, air conditioners, dishwashers, washing machines, ranges, woodwork, wall paneling, ceilings, special doors or decorations, special cabinet work, special stair railings or other built-in ornamental items, which can be removed without structural alterations or permanent damage to the apartment, then title thereto shall remain in the Lessee and the Lessee shall have the right, prior to the termination of this lease, to remove the same at the Lessee's own expense, provided: (i) that the Lessee at the time of such removal shall not be in default in the payment of rent or in the performance or observance of any other covenants or conditions of this lease; (ii) that the Lessee shall, at the Lessee's own expense, prior to the termination of this lease, repair all damage to the apartment which shall have been caused by either the installation or removal of any of such additions, improvements, appliances or fixtures; (iii) that if the Lessee shall have removed from the apartment any articles or materials owned by the Lessor or its predecessor in title, or any fixtures or equipment necessary for the use of the apartment, the Lessee shall either restore such articles and materials and fixtures and equipment and repair any damage resulting from their removal and restoration, or replace them with others of a kind and quality customary in comparable buildings and satisfactory to the Lessor; (iv) that if any mortgagee had acquired a lien on any such property prior to the execution of this lease, Lessor shall first procure from such mortgagee its written consent to such removal, and any cost and expense incurred by the Lessor in respect thereof shall have been paid by the Lessee; and (v) that prior to any such removal, the Lessee shall give written notice thereof to the Lessor.

Surrender on expiration of Term

(c) On the expiration or termination of this lease,

shall surrender to the Lessor possession of the apartment with all additional, improvements, appliances and fixtures then included therein, except as hereinabove provided. Any additions, improvements, fixtures or appliances not removed by the Lessee on or before such expiration or termination of this lease, shall, at the option of the Lessor, be deemed abandoned and shall become the property of the Lessor and may be disposed of by the Lessor without liability or accountability to the Lessee. Any other personal property not removed by the Lessee at or prior to the termination of this lease may be removed by the Lessor to any place of storage and stored for the account of the Lessee without the Lessor in any way being liable for trespass, conversion or negligence by reason of any acts of the Lessor or of the Lessor's agents, or of any carrier employed in transporting such property to the place of storage, or by reason of the negligence of any person in caring for such property while in storage.

Lease Subordinate to Mortgages and Ground Leases

22. This lease is and shall be subject and subordinate to all present and future ground leases and to any mortgages now or hereafter liens upon such leases or on the land and building or buildings, and to any and all extensions, modifications, consolidations, renewals and replacements thereof and to all security agreements and chattel mortgages on personal property covered by any ground lease or mortgage. This clause shall be self-operative and no further instrument of subordination shall be required by any such mortgagee or ground lessee. In confirmation of such subordination the Lessee shall at any time, and from time to time, on demand, execute any instruments that may be required by any mortgagee, or by the Lessor, for the purpose of more formally subjecting this lease to the lien of any such mortgage or mortgages or ground leases, and the duly elected officers, for the time being, of the Lessor are and each of them is hereby irrevocably appointed the attorney-in-fact and agent of the Lessee to execute the same upon such demand, and the Lessee hereby ratifies any such instrument hereafter executed by virtue of the power of attorney hereby given. -

In the event that a ground lease is executed and delivered to the holder of a mortgage or mortgages on such ground lease or to a nominee or designee of or a corporation formed by or for the benefit of such holder, the Lessee hereunder will attorn to such mortgagee or the nominee or designee of such mortgagee or to any corporation formed by or for the benefit of such mortgagee.

Mechanic's Lien

23. In case a notice of mechanic's lien against the building shall be filed purporting to be for labor or material furnished or delivered at the building or the apartment to or for the Lessee, or anyone claiming under the Lessee, the Lessee shall forthwith cause such lien to be discharged by payment, bonding or otherwise; and if the Lessee shall fail to do so within ten days after notice from the Lessor, then the Lessor may cause such lien to be discharged by payment, bonding or otherwise, without investigation as to the validity thereof or of any offsets or defenses thereto, and shall have the right to collect, as additional rent, all amounts so paid and all costs and expenses paid or incurred in connection therewith, including reasonable attorney's fees and disbursements, together with interest thereon from the time or times of payment.

Cooperation

24. The Lessee shall always in good faith endeavor to observe and promote the cooperative purposes for the accomplishment of which the Lessor is incorporated.

Right of Entry; Key

25. The Lessor and its agents and their authorized workmen shall be permitted to visit, examine, or enter the apartment and any storage space assigned to Lessee at any reasonable hour of the day upon notice, or at any time and without notice in case of emergency, to make or facilitate repairs in any part of the building or to cure any default by the Lessee and to remove such portions of the walls, floors and ceilings of the apartment and storage space as may be required for any such purpose, but the Lessor shall thereafter restore the apartment and storage space to its proper and usual condition at Lessor's expense if such repairs are the obligation of Lessor or at Lessee's expense if such repairs are the obligation of Lessee or are caused by the act or omission of the Lessee or any or the Lessee's family, guests, agents, employees or subtenants. In order that the Lessor shall at all times have access to the apartment or storage rooms for the purposes provided for in this lease, the Lessee shall provide the Lessor with a key to each lock providing access to the apartment or the storage rooms, and if any lock shall be altered or new lock installed, the Lessee shall provide the Lessor with a key thereto immediately upon installation. If the Lessee shall not be personally present to open and permit an entry at any time when an entry therein shall be necessary or permissible hereunder and shall not have furnished a key to Lessor, the Lessor or the Lessor's agents (but, except in an emer-

gency, only when specifically authorized by an officer of the Lessor or an officer of the managing agent of Lessor) may forcibly enter the apartment or storage space without liability for damages by reason thereof (if during such entry the Lessor shall accord reasonable care to the Lessee's property), and without in any manner affecting the obligations and covenants of this lease. The right and authority hereby reserved do not impose, nor does the Lessor assume by reason thereof, any responsibility or liability for the care or supervision of the apartment, or any of the pipes, fixtures, appliances or appurtenances therein contained, except as herein specifically provided.

Waivers

26. The failure of the Lessor to insist, in any one or more instances, upon a strict performance of any of the provisions of this lease, or to exercise any right or option herein contained, or to serve any notice, or to institute any action or proceeding, shall not be construed as a waiver, or a relinquishment for the future, of any such provisions, options or rights, but such provision, option or right shall continue and remain in full force and effect. The receipt by the Lessor of rent, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the Lessor of any provision hereof shall be deemed to have been made unless in a writing expressly approved by the Directors.

Notices

27. Any notice by or demand from either party to the other shall be duly given only if in writing and sent by certified or registered mail, return receipt requested: if by the Lessee, addressed to the Lessor at the building with a copy sent by regular mail to the Lessor's managing agent; if to the Lessee, addressed to the building. Either party may by notice served in accordance herewith designate a different address for service of such notice or demand. Notices or demands shall be deemed given on the date when mailed, except notices of change of address shall be deemed served when received.

Reimbursement of Lessor's Expenses

28. If the Lessee shall at any time be in default hereunder and the Lessor shall incur any expense (whether paid or not) in performing acts which the Lessee is required to perform, or in instituting any action or proceeding based on such default, or defending, or asserting a counterclaim in any action or proceeding brought by the Lessee, the expense thereof to the Lessor, including reasonable attor-

ney's fees and disbursements, shall be paid by the Lessee to the Lessor, on demand, as additional rent.

Lessor's Immunities

29. (a) The Lessor shall not be liable, except by reason of Lessor's negligence, for any failure or insufficiency of heat, or of air conditioning (where air conditioning is supplied or air conditioning equipment is maintained by the Lessor), water supply, electric current, gas, telephone, or elevator service or other service to be supplied by the Lessor hereunder, or for interference with light, air, view or other interests of the Lessee. No abatement of rent or other compensation or claim of eviction shall be made or allowed because of the making or failure to make or delay in making any repairs, alterations or decorations to the building, or any fixtures or appurtenances therein, or for space taken to comply with any law, ordinance or governmental regulation, or for interruption or curtailment of any service agreed to be furnished by the Lessor, due to accidents, alterations or repairs, or to difficulty or delay in securing supplies or labor or other cause beyond Lessor's control, unless due to Lessor's negligence.

Storage Space and Laundry

(b) If the Lessor shall furnish to the Lessee any storage bins or space, the use of the laundry, or any facility outside the apartment, including but not limited to a television antenna, the same shall be deemed to have been furnished gratuitously by the Lessor under a revocable license. The Lessee shall not use such storage space for the storage of valuable or perishable property and any such storage space for the storage of valuable or perishable property and any such storage space assigned to Lessee shall be kept by Lessee clean and free of combustibles. If washing machines or other equipment are made available to the Lessee, the Lessee shall use the same on the understanding that such machines or equipment may or may not be in good order and repair and that the Lessor is not responsible for such equipment, nor for any damage caused to the property of the Lessee resulting from the Lessee's use thereof, and that any use that Lessee may make of such equipment shall be at his own cost, risk and expense.

Automobiles and Other Property

(c) The Lessor shall not be responsible for any damage to any automobile or other vehicle left in the care of any employee of the Lessor by the Lessee, and the Lessee hereby agrees to hold the Lessor harmless from any liability

arising from any injury to person or property caused by or with such automobile or other vehicle while in the care of such employee. The Lessor shall not be responsible for any property left with or entrusted to any employee of the Lessor, or for the loss of or damage to any property within or without the apartment by theft or otherwise.

Window Cleaning

30. The Lessee will not require, permit, suffer or allow the cleaning of any window in the premises from the outside (within the meaning of Section 202 of the New York Labor Law) unless the equipment and safety devices required by law, ordinance, rules and regulations, including, without limitation, Section 202 of the New York Labor Law, are provided and used, and unless the industrial code of the State of New York is fully complied with; and the Lessee hereby agrees to indemnify the Lessor and its employees, as a result of the Lessee's requiring, permitting, suffering or allowing any window in the premises to be cleaned from the outside in violation of the requirements of the aforesaid laws, ordinances, regulations and rules.

Termination of Lease by Lessor

31. If upon, or at any time after, the happening of any events mentioned in subdivisions (a) to (j) inclusive of this Paragraph 31, the Lessor shall give to the Lessee a notice stating that the term hereof will expire on a date at least five days thereafter, the term of this lease shall expire on the date so fixed in such notice as fully and completely as if it were the date herein definitely fixed for the expiration of the term, and all right, title and interest of the Lessee hereunder shall thereupon wholly cease and expire, and the Lessee shall thereupon quit and surrender the apartment to the Lessor, it being the intention of the parties hereto to create hereby a conditional limitation and thereupon the Lessor shall have the right to re-enter the apartment and to remove all persons and personal property therefrom, either by summary dispossession proceedings, or by any suitable action or proceeding at law or in equity, or by force or otherwise, and to repossess the apartment in its former estate as if this lease had not been made, and no liability whatsoever shall attach to the Lessor by reason of the exercise of the right of re-entry, re-possession and removal herein granted and reserved.

Lessee Ceasing to Own Accompanying Shares

(a) If the Lessee shall cease to be the owner of the shares to which this lease is appurtenant, or if this lease shall pass or be assigned to anyone who is not then the owner of all said shares;

Lessee Becoming a Bankrupt

(b) If at any time during the term of this lease (i) the then holder hereof shall be adjudicated a bankrupt under the laws of the United States; or (ii) a receiver of all property of such holder or of this lease shall be appointed under any provision of the laws of the State of New York, or under any statute of the United States, or any statute of any state of the United States and the order appointing such receiver shall not be vacated within thirty days; or (iii) such holder shall make a general assignment for the benefit of creditors; or (iv) any of the shares owned by such holder to which this lease is appurtenant shall be duly levied upon under the process of any court whatever unless such levy shall be discharged within thirty days; or (v) this lease or any of the shares to which it is appurtenant shall pass by operation of law or otherwise to anyone other than the Lessee herein named or a person to whom such Lessee has assigned this lease in the manner herein permitted, but this subsection (v) shall not be applicable if this lease shall devolve upon the executors or administrators of the Lessee and provided that within eight (8) months (which period may be extended by the Directors) after the death of the Lessee this lease and shares shall have been transferred to an assignee in accordance with Paragraph 16 hereof; or (vi) this lease or any of the shares to which it is appurtenant shall pass to anyone other than the Lessee herein named by reason of a default by the Lessee under a pledge, security agreement or a leasehold mortgage made by the Lessee;

Assignment, Subletting or Unauthorized Occupancy

(c) If there be an assignment of this lease, or any subletting hereunder, without full compliance with the requirements of Paragraphs 15 or 16 hereof; or if any person not authorized by Paragraph 14 shall be permitted to use or occupy the apartment, and the Lessee shall fail to cause such unauthorized person to vacate the apartment within ten days after written notice from the Lessor;

Default in Rent

(d) If the Lessee shall be in default for a period of one month in the payment of any rent or additional rent or of any installment thereof and shall fail to cure such default within ten days after written notice from the Lessor;

Default in Other Covenants

(e) If the Lessee shall be in default in the performance of any covenant or provision hereof, other than

the covenant to pay rent, and such default shall continue for thirty days after written notice from the Lessor; provided, however, that if said default consists of the failure to perform any act the performance of which requires any substantial period of time, then if within said period of thirty days such performance is commenced and thereafter diligently prosecuted to conclusion without delay and interruption, the Lessee shall be deemed to have cured said default.

Lessee's Objectionable Conduct

(f) If at any time the Lessor shall determine, upon the affirmative vote of two-thirds of its then Board of Directors, at a meeting duly called for that purpose, that because of objectionable conduct on the part of the Lessee, or of a person dwelling or visiting in the apartment, repeated after written notice from Lessor, the tenancy of the Lessee is undesirable; (it being understood, without limiting the generality of the foregoing, that repeatedly to violate or disregard the House Rules hereto attached or hereafter established in accordance with the provisions of this lease, or to permit or tolerate a person of dissolute, loose or immoral character to enter or remain in the building or the apartment, shall be deemed to be objectionable conduct);

Termination of All Proprietary Leases

(g) If at any time the Lessor shall determine, upon the affirmative vote of two-thirds of its then Board of Directors at a meeting of such directors duly called for that purpose, and the affirmative vote of the record holders of at least 80% in amount of its then issued shares, at a shareholders' meeting duly called for that purpose, to terminate all proprietary leases;

Destruction of Building

(h) If the building shall be destroyed or damaged and the shareholders shall decide not to repair or rebuild as provided in Paragraph 4;

Condemnation

(i) If at any time the building or a substantial portion thereof shall be taken by condemnation proceedings;

Lessee's Default Under Security Agreement

(j) If Lessee shall default in the payment or performance of any of Lessee's obligations under any pledge

or other security agreement (the "Security Agreement") given a Secured Party (who has complied with the provisions of said Paragraph 17 (b), and written notice of such default is given to Lessor by the Secured Party or its counsel.

Lessor's Rights After Lessee's Default

32. (a) In the event the Lessor resumes possession of the apartment, either by summary proceedings, action of ejectment or otherwise because of default by the Lessee in the payment of any rent or additional rent due hereunder, or on the expiration of the term pursuant to a notice given as provided in Paragraph 31 hereof upon the happening of any event specified in subsections (a) to (f) inclusive or (j) of Paragraph 31, Lessee shall continue to remain liable for payment of a sum equal to the rent which would have become due hereunder and shall pay the same in installment of such rent or additional rent shall prejudice the right of the Lessor to recover any subsequent installment. After resuming possession, the Lessor may, at its option, from time to time (i) relet the apartment for its own account, or (ii) relet the apartment as the agent of the lessee, in the name of the Lessee or in its own name, for a term or terms which may be less than or greater than the period which would otherwise have constituted the balance of the term of this lease, and may grant concessions or free rent, in its discretion. Any reletting of the apartment shall be deemed for the account of the Lessee, unless within ten days after such reletting the Lessor shall notify the Lessee that the premises have been relet for the Lessor's own account. The fact that the Lessor may have relet the apartment as agent for the Lessee shall not prevent the Lessor from thereafter notifying the Lessee that it proposes to relet the apartment for its own account. If the Lessor relets the apartment as agent for the Lessee, it shall after reimbursing itself for its expenses in connection therewith, including leasing commissions and a reasonable amount for attorneys' fees and expenses, and decorations, alterations and repairs in and to the apartment, apply the remaining avails of such reletting against the Lessee's continuing obligations hereunder. There shall be a final accounting between the Lessor and the Lessee upon the earliest of the following four dates: (A) the date of expiration of the term of this lease as stated on page 1 hereof; (B) the date as of which a new proprietary lease covering the apartment shall have become effective (C) the date the Lessor gives written notice to the Lessee that it has relet the apartment for its own account; (D) the date upon which all proprietary leases of the Lessor terminate. From and after the date upon which the Lessor becomes obligated to account to the Lessee, as above provided, the Lessor shall have no further

duty to account to the Lessee for any avails of reletting and the Lessee shall have no further liability for sums thereafter accruing hereunder, but such termination of the Lessee's liability shall not affect any liabilities theretofore accrued.

Collection of Rent from Subtenants

(b) If the Lessee shall at any time sublet the apartment and shall default in the payment of any rent or additional rent, the Lessor may, at its option, so long as such default shall continue, demand and receive from the subtenant the rent due or becoming due from such subtenant to the Lessee, and apply the amount to pay sums due and to become due from the Lessee to the Lessor. Any payment by a subtenant to the Lessor shall constitute a discharge of the obligation of such subtenant to the Lessee to the extent of the amount so paid. The acceptance of rent from any subtenant shall not be deemed a consent to or approval of any subletting or assignment by the Lessee, or a release or discharge of any of the obligations of the Lessee hereunder.

Sale of Shares

(c) Upon the termination of this lease under the provisions of subdivision (a) to (f) inclusive or (j) of Paragraph 31, the Lessee shall surrender to the corporation the certificate for the shares of the corporation owned by the Lessee to which this lease is appurtenant. Whether or not said certificate is surrendered, the Lessor may issue a new proprietary lease for the apartment and issue a new certificate for the shares of the Lessor owned by the Lessee and allocated to the apartment when a purchaser therefor is obtained, provided that the issuance of such shares and such lease to such purchaser is authorized by a resolution of the Directors, or by a writing signed by a majority of the Directors or by lessees owning, of record, at least a majority of the shares of the Lessor accompanying proprietary leases then in force. Upon such issuance the certificate owned or held by the Lessee shall be automatically cancelled and rendered null and void. The Lessor shall apply the proceeds received for the issuance of such shares first, towards the payment of Lessee's indebtedness hereunder (including interest, attorneys' fees and other expenses incurred by the Lessor); second, if said termination shall result pursuant to subdivision (j) of Paragraph 31 by reason of a default under the Security Agreement towards the payment of Lessee's indebtedness under the Security Agreement (including all costs, expenses and charges payable by Lessee thereunder); and, third, if the proceeds are sufficient to pay the foregoing, the Lessor shall pay over any surplus to the Lessee, but, if insufficient, the Lessee

shall remain liable for the balance of the indebtedness due hereunder and (if applicable) under said Security Agreement. Upon the issuance of any such new proprietary lease and certificate, the Lessee's liability hereunder shall cease and the Lessee shall only be liable for rent and expenses accrued to that time. The Lessor shall not, however, be obligated to sell such shares and appurtenant lease or otherwise make any attempt to mitigate damages.

Waiver of Right of Redemption

33. The Lessee hereby expressly waives any and all right of redemption in case the Lessee shall be disposed by judgement or warrant of any court or judge. The words "enter", and "re-entry" as used in this lease are not restricted to their technical legal meaning.

Surrender of Possession

34. Upon the termination of this lease under the provisions of subdivisions (a) to (f) inclusive or (j) of Paragraph 31, the Lessee shall remain liable as provided in Paragraph 32 of this lease. Upon the termination of this lease under any other of its provisions, the Lessee shall be and remain liable to pay all rent, additional rent and other charges due or accrued and to perform all covenants and agreements of the Lessee up to the date of such termination. On or before any such termination the Lessee shall vacate the apartment and surrender possession thereof to the Lessor or its assigns, and upon demand of the Lessor or its assigns, shall execute, acknowledge and deliver to the Lessor or its assigns any instrument which may reasonably be required to evidence the surrendering of all estate and interest of the Lessee in the apartment or in the building of which it is a part.

Lessee's Option to Cancel

35. (a) This lease may be cancelled by the Lessee on any September 30th after the third anniversary of the consummation of the Plan of cooperative organization pursuant to which proprietary leases were originally issued upon complying with all the provisions hereinafter set forth. Irrevocable written notice of intention to cancel must be given by the Lessee to the Lessor on or before April 1 in the calendar year in which such cancellation is to occur. At the time of the giving of such notice of intention to cancel there must be deposited with the Lessor by the Lessee:

Deposits Required

(1) the Lessee's counterpart of this lease

with a written assignment in form required by the Lessor, in blank, effective as of August 31 of the year of cancellation, free from all subleases, tenancies, liens, encumbrances, pledges, security interests and other charges whatsoever (except rights of occupancy of third parties existing on the date the Lessor acquires title to the building);

(2) the Lessee's certificate for his shares of the Lessor, endorsed in blank for transfer and with all necessary transfer tax stamps affixed or with payment of any transfer taxes due thereon;

(3) a written statement setting forth in detail those additions, improvements, fixtures or equipment which the Lessee has under the terms of this lease the right to and intends to remove.

Removal of Fixtures; Possession

(b) All additions, improvements, appliances and fixtures which are removable under the terms of this lease and which are enumerated in the statement made as provided in subdivision (iii) above shall be removed by the Lessee prior to August 31st of the year of cancellation, and on or before said August 31st the Lessee shall deliver possession of the apartment to the Lessor in good condition with all required equipment, fixtures and appliances installed and in proper operating condition and free from all subleases and tenancies, liens, encumbrances, pledges, security interests and other charges and pay to the Lessor all rent, additional rent and other charges which shall be payable under this lease up to and including the following September 30th.

Permission to Show and Occupy Premises

(c) The Lessor and its agents may show the apartment to prospective lessees, contractors and architects at reasonable times after notice of the Lessee's intention to cancel. After August 31st or the earlier vacating of the apartment, the Lessor and its agents, employees and lessees may enter the apartment, occupy the same and make such alterations and additions therein as the Lessor may deem necessary or desirable without diminution or abatement of the rent due hereunder.

Effective Date of Cancellation

(d) If the Lessee is not otherwise in default hereunder and if the Lessee shall have timely complied with

all of the provisions of subdivisions (a) and (b) hereof, then this lease shall be cancelled and all rights, duties and obligations of the parties hereunder shall cease as of the September 30th fixed in said notice, and the shares of Lessor shall become the absolute property of the Lessor, provided, however, that the Lessee shall not be released from any indebtedness owing to the Lessor on said last mentioned date.

Rights on Lessee's Default

(e) If the Lessee shall give the notice but fail to comply with all of the other provisions of this paragraph, the Lessor shall have the option at any time prior to September 30th (i) of returning to the Lessee this lease, the certificate for shares and other documents deposited, and thereupon the Lessee shall be deemed to have withdrawn the notice of intention to cancel this lease, or (ii) of treating this lease as cancelled as of the September 30th named in the notice of intention to cancel as the date for the cancellation of such lease, and bringing such proceedings and actions as it may deem best to enforce the covenants of the Lessee hereinabove contained and to collect from the Lessee the payments which the Lessee is required to make hereunder, together with reasonable attorneys' fees and expenses.

Extension of Option to Cancel

36. (a) If on April 1st in any year the total number of shares owned by lessees holding proprietary leases who have given notice pursuant to Paragraph 35 of intention to cancel such proprietary leases on September 30th of said year shall aggregate ten percent (10%) or more of the Lessor's outstanding shares, exclusive of treasury shares, then the Lessor shall, prior to April 30th in such year, give a written notice to the holder of all issued shares of the Lessor stating the total number of shares then outstanding and in its treasury and the total number of shares owned by lessees holding proprietary leases who have given notice of intention to cancel. In such case the proprietary lessees to whom such notice shall have been given shall have the right to cancel their leases in compliance with the provisions of Paragraph 35 hereof, provided only that written notice of the intention to cancel such leases shall be given on or before the following July 1st instead of the preceding April 1st.

Right of Lessees to Cancel

(b) If lessees owning at least 80% of the then issued and outstanding shares of the Lessor shall exercise

the option to cancel their leases in one year, then this and all other proprietary leases shall thereupon terminate on the September 30th of the year in which such options shall have been exercised, as though every lessee had exercised such option. In such event none of the lessees shall be required to surrender his shares to the Lessor and all certificates for shares delivered to the Lessor by those who had, during that year, served notice of intention to cancel their leases under the provisions hereof, shall be returned to such lessees.

Continuance of Cooperative Management of Building After All Leases Terminated

37. No later than thirty days after the termination of all proprietary leases, whether by expiration of their terms or otherwise, a special meeting of shareholders of the Lessor shall take place to determine whether (a) to continue to operate the building as a residential apartment building, (b) to alter, demolish or rebuild the building or any part thereof, or (c) to sell the building and liquidate the assets of the Lessor, and the Directors shall carry out the determination made at said meeting of shareholders of the Lessor, and all of the holders of the then issued and outstanding shares of the Lessor shall have such rights as enure to shareholders of corporations having title to real estate.

Unsold Shares

38. (a) The term "Unsold Shares" means and has exclusive reference to the shares of the Lessor which were issued to the Lessor's grantor(s) or individuals produced by the Lessor's grantor(s) pursuant to the Plan of cooperative organization of Lessor under grantor(s) or individual(s); and, all shares which are Unsold Shares shall cease to be designated as Unsold Shares or to retain their character as such (regardless of transfer) until (1) such shares become the property of a purchaser for bona fide occupancy (by himself or a member of his family) of the apartment to which such shares are allocated, or (2) the holder of such shares (or a member of his family) becomes a bona fide occupant of the apartment. The term "holder of Unsold Shares" wherever used herein shall include a "purchaser of Unsold Shares", such terms being used interchangeably in this lease.

Subletting Apartment and Sale of Shares

(b) Neither the subletting of the apartment nor the assignment of this lease nor the sale of the shares allocated thereto, by the Lessee who is the holder of the block of Unsold Shares allocated thereto, shall require the consents of the Directors or shareholders, as provided in Paragraphs 15 and 16, nor shall Lessor Make any charge or impose any fee of any kind in connection therewith.

Change in Form of Lease

(c) Without the consent of the Lessee, no change in the form, terms or conditions of this proprietary lease, as permitted by Paragraph 6, shall (1) affect the rights of the Lessee who is the holder of the Unsold Shares accompanying this lease to sublet the apartment or to assign this lease, as provided in this paragraph, or (2) eliminate or modify any rights, privileges or obligations of such Lessee.

Restriction on Cancellation

(d) The provisions of Paragraph 35 may not be availed of by a Lessee who is the holder of a block of Unsold Shares accompanying this lease unless (i) lessees owning a majority of Lessor's outstanding shares shall have given notice of intention to cancel pursuant to Paragraph 35 or 36 or (ii) all Unsold Shares constitute 15% or less of Lessor's outstanding shares, at least five (5) years shall have elapsed since Lessor acquired title to the building and on the effective date of cancellation Lessee shall have paid to Lessor a sum equal to the product of the then current monthly rent (maintenance charges) payable under this lease multiplied by 24.

Foreclosure -- Receiver of Rents

39. Notwithstanding anything contained in this lease, if any action shall be instituted to foreclose any mortgage on the land or the building or the leasehold of the land or building, the Lessee shall, on demand, pay to the receiver of the rents appointed in such action rent, if any, owing hereunder on the date of such appointment and shall pay thereafter to such receiver in advance, on the first day of each month during the pendency of such action, as rent hereunder, the rent for the apartment as last determined and established by the Directors prior to the commencement of said action, and such rent shall be paid during the period of such receivership, whether or not the Directors shall have determined and established the rent payable hereunder for any part of the period during which such receivership may continue. The provisions of this Paragraph are intended for the benefit of present and future mortgagees of the land or the building or the leasehold of the land or building and may not be modified or annulled without the prior written consent of any such mortgage holder.

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To Whom Covenants Apply

40. The references herein to the Lessee or to a shareholder of the Lessor shall be deemed to include the executors, administrators, legal representatives, legatees, distributees and assigns of the Lessee or of such shareholder; and the covenants herein contained shall apply to, bind and enure to the benefit of the Lessor and its successors and assigns, and the Lessee and the executors, administrators, legal representatives, legatees, distributees, successors and assigns of the Lessee, except as hereinabove stated.

Waiver of Trial by Jury

41. To the extent permitted by law, the respective parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this lease, the Lessee's use or occupancy of the apartment, or any claim of damage resulting from any act or omission of the parties in any way connected with this lease or the apartment.

Lessor's Additional Remedies

42. In the event of a breach or threatened breach by Lessee of any provision hereof, the Lessee shall have the right of injunction and the right to invoke any remedy at law or in equity, as if re-entry, summary proceedings and other remedies were not herein provided for, and the election of one or more remedies shall not preclude the Lessor from any other remedy.

Lessee More Than One Person

43. If more than one person is named as Lessee hereunder, the Lessor may require the signatures of all such persons in connection with any notice to be given or action to be taken by the Lessee hereunder, including, without limiting the generality of the foregoing, the surrender or assignment of this lease, or any request for consent to assignment or subletting. Each person named as Lessee shall be jointly and severally liable for all of the Lessee's obligations hereunder. Any notice by the Lessor to any person named as Lessee shall be sufficient, and shall have the same force and effect as though given to all persons named as Lessee.

Effect of Partial Invalidity

44. If any clause or provision herein contained shall be adjudged invalid, the same shall not affect the validity of any other clause or provision of this lease, or consti-

tute any cause of action in favor of either party as against the other; and such clause shall be deemed deleted limited expended or otherwise modified or conditioned to the extent necessary to render it valid.

Notice to Lessor of Default

45. The Lessee may not institute an action or proceeding against the Lessor or defend or assert a counterclaim in any action by the Lessor related to the Lessee's failure to pay rent if such action defense or counterclaim is based upon the Lessor's failure to comply with its obligations under this lease or any law ordinance or governmental regulation unless such failure shall have continued for at least thirty days before such action or proceeding was commenced and the giving of written notice thereof by the Lessee to the Lessor.

Unity of Shares and Lease

46. The shares of the Lessor held by the Lessee and allocated to the apartment have been acquired and are owned subject to the following conditions agreed upon with the Lessor and with each of the other proprietary lessees for their mutual benefit:

(a) the shares represented by each certificate are transferable only as an entirety and only in connection with a simultaneous transfer of this lease unless transferred pursuant to Article V Section 4 of the By-Laws of the Lessor in connection with the regrouping of space in one or more apartments.

(b) the shares shall not be sold or transferred except to the Lessor or to an assignee of this lease after compliance with all of the provisions of this lease relating to assignments.

Charges for Gas and Electricity

47. If at any time or times during the term of this lease the consumption of gas or electricity or both in the apartment is measured by a meter which also measures consumption outside the apartment the Lessor may determine from time to time by resolution of the Board of Directors thereof the charges if any to be paid by the Lessee on account of such consumption of gas or electricity or both and any such charges shall be payable monthly in advance or in such payments or installments as shall be required by the Directors as shall be provided in such resolution.

Such charges may be determined in the proportion that

the number of shares of Lessor allocated to the apartment bears to all shares of Lessor then issued and outstanding, or in the approximate proportion that the floor area of the apartment bears to all floor areas measured by such meter, or such other equitable method as may be determined by the Directors.

No Discrimination

48. The Lessor will not discriminate against any person because of his race, creed, religion, color, national origin, ancestry, sex or other ground proscribed by law when exercising any right reserved to it in this lease.

Marginal Headings

49. The marginal headings of the several paragraphs of this lease shall not be deemed a part of this lease.

Changes to Be in Writing

50. The provisions of this lease cannot be changed orally.

Certain Limitations on Lessor's Right to Increase Cash Requirements

51. Supplementing and modifying Paragraph 1(c) above, so long as the Unsold Shares constitute 25% or more of the outstanding shares of the Lessor, the Lessor shall not take any of the following actions unless Lessees owning at least 75% of the shares of the Lessor approve same in writing or by vote, in person or by proxy, at a duly constituted meeting called for such purpose:

(i) increase the number or change the type of employees from that described in the aforesaid Plan in the footnotes to the Schedule of Projected Receipts and Expenses for First Year of Cooperative Operation;

(ii) provide for new or additional services from those indicated in the aforesaid Plan in the footnotes to the Schedule of Projected Receipts and Expenses for First Year of Cooperative Operation, unless the annual cost of such new or additional services, when added to the annual cost of all other services being provided, is no greater than those provided in said footnotes, or

(iii) undertake any capital or major improvement or addition, unless required by law.

Rights of Non-Purchasing Tenants in Occupancy

52. If the Lessee is a person other than the tenant-in-occupancy, the Lessee hereby irrevocably appoints the managing agent engaged by the Apartment Corporation, and its successors, as his or her agent to provide to the non-purchasing tenant(s) all services and facilities required by law.

Except for the Sponsor and holders of Unsold Shares, if the Lessee is one other than the tenant-in-occupancy of the unit, the Lessee agrees to deposit with such managing agent an amount not less than two months' maintenance charges to be used as working capital to furnish services required under the non-purchasing tenant's lease and under the New York City Rent Stabilization Law and Code, the Emergency Tenant Protection Act, the Multiple Dwelling Law and the Multiple Residence Law. Upon notice by the managing agent that the deposit has been diminished, the fund shall be replenished by the purchaser within 14 days. The failure of the Lessee to replenish the fund in a timely fashion shall result in the Apartment Corporation having a lien against the shares appurtenant to the premises. Interest, if any, earned on the deposits shall be the property of the Lessee.

IN WITNESS WHEREOF, the parties have executed this lease.

Lessor:

350 Bleecker Street Apartment Corp.

By.....

President
Secretary

Lessee:

..... (L.S.)

..... (L.S.)

Lessee.

Witnessed:

.....

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the ____ day of _____, in the year 19____, before me personally appeared _____, to me known, who being by me duly sworn, did depose and say that he resides at _____, that he is the _____ of 350 Bleecker Street Apartment Corp. the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order.

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the ____ day of _____, in the year 19____, before me personally appeared _____, to me known and known to me to be the individual described in and who executed the foregoing instrument, and duly acknowledged to me that he executed the same.

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the ____ day of _____, in the year 19____, before me personally appeared _____, the subscribing witness to the foregoing instrument, with whom I am personally acquainted, who being duly sworn, di depose and say that he resides at _____; that he knows _____ the individual described in and who executed the foregoing instrument; that he, said subscribing witness, was present and saw _____ execute the same; and that he, said witness, thereupon at the same time subscribed his name as witness thereto.

HOUSE RULES

(1) The public halls and stairways of the building shall not be obstructed or used for any purpose other than ingress to and egress from the apartments in the building, and the fire towers shall not be obstructed in any way.

(2) No patient of any doctor who has offices in the building shall be permitted to wait in the lobby.

(3) Children shall not play in the public halls, courts, stairways, fire towers or elevators and shall not be permitted on the roof unless accompanied by a responsible adult.

(4) No public hall above the ground floor of the building shall be decorated or furnished by any Lessee in any manner without the prior consent of all the Lessees to whose apartments such hall serves as a means of ingress and egress. In the event of disagreement among such Lessees, the Board of Directors shall decide.

(5) No Lessee shall make or permit any disturbing noises in the building or do or permit anything to be done therein which will interfere with the rights, comfort or convenience of other Lessees. No Lessee shall play upon or suffer to be played upon any musical instrument or permit to be operated a phonograph or a radio or television loud speaker in such Lessee's apartment between the hours of eleven o'clock p.m. and the following eight o'clock a.m. if the same shall disturb or annoy other occupants of the building. No construction or repair work or other installation involving noise shall be conducted in any apartment except on weekdays (not including legal holidays) and only between the hours of 8:30 a.m. and 5:00 p.m.

(6) No article shall be placed in the halls or on the staircase landings or fire towers, nor shall anything be hung or shaken from the doors, windows, terraces or balconies or placed upon the window sills of the building.

(7) No awnings, window air-conditioning units or ventilators shall be used in or about the building except such as shall have been expressly approved by the Lessor or the managing agent, nor shall anything be projected out of any window of the building without similar approval.

(8) No sign, notice, advertisement or illumination shall be inscribed or exposed on or at any window or other part of the building, except such as shall have been approved in writing by the Lessor or the managing agent.

(9) No velocipedes, bicycles, scooters or similar

vehicles shall be allowed in a passenger elevator and baby carriages and the abovementioned vehicles shall not be allowed to stand in the public halls, passageways, areas or courts of the building.

(10) Messengers and tradespeople shall use such means of ingress and egress as shall be designated by the Lessor.

(11) Kitchen supplies, market goods and packages of every kind are to be delivered only at the service entrance of the building and through the service elevator to the apartments when such elevator is in operation.

(12) Trunks and heavy baggage shall be taken in or out of the building through the service entrance.

(13) Garbage and refuse from the apartments shall be disposed of only at such times and in such manner as the superintendent or the managing agent of the building may direct.

(14) Water closets and other water apparatus in the building shall not be used for any purposes other than those for which they were constructed, nor shall any sweepings, rubbish, rags or any other article be thrown into the water closets. The cost of repairing any damage resulting from misuse of any water closets or other apparatus shall be paid for by the Lessee in whose apartment it shall have been caused.

(15) No Lessee shall send any employee of the Lessor out of the building on any private business of a Lessee.

(16) No bird or animal shall be kept or harbored in the building unless the same in each instance have been expressly permitted in writing by the Lessor; such permission shall be revocable by the Lessor. In no event shall dogs be permitted on elevators or in any or the public portions of the building unless carried or on leash. No pigeons or other birds or animals shall be fed from the window sills, terraces, balconies or in the yard, court spaces or other public portions of the building, or on the sidewalks or street adjacent to the building.

(17) No radio or television aerial shall be attached to or hung from the exterior of the building without the prior written approval of the Lessor or the managing agent.

(18) No vehicle belonging to a Lessee or to a member of the family or guest, subtenant or employee of a Lessee shall be parked in such manner as to impede or prevent ready access to any entrance of the building by another vehicle.

(18) No vehicle belonging to a Lessee or to a member of the family or guest, subtenant or employee of a Lessee shall be parked in such manner &S to impede or prevent ready access to any entrance of the building by another vehicle.

(19) The Lessee shall use the available laundry facilities only upon such days and during such hours as may be designated by the Lessor or the managing agent.

(20) The Lessor shall have the right from time to time to curtail or relocate any space devoted to storage or laundry purposes.

(21) Unless expressly authorized by the Board of Directors in each case, the floors of each apartment must be covered with rugs or carpeting or equally effective noise-reducing material to the extent of at least 80% of the floor area of each room excepting only kitchens, pantries, bathrooms, maid's rooms, closets, and foyer.

(22) No group tour or exhibition of any apartment or its contents shall be conducted, nor shall any auction sale be held in any apartment without the consent of the Lessor or its managing agent.

(23) The Lessee shall keep the windows of the apartment clean. In case of refusal or neglect of the Lessee during 10 days after notice in writing from the Lessor or the managing agent to clean the windows, such cleaning may be done by the Lessor, which shall have the right, by its officers or authorized agents, to enter the apartment for the purpose and to charge the cost of such cleaning to the Lessee.

(24) The passenger and service elevators, unless of automatic type and intended for operation by a passenger, shall be operated only by employees of the Lessor, and there shall be no interference whatever with the same by Lessees or members of their families or their guests, employees or subtenants.

(25) Complaints regarding the service of the building shall be made in writing to the managing agent of the Lessor.

(26) Any consent or approval given under these House Rules by the Lessor shall be revocable at any time.

(27) If there be a garage in the building, the Lessee will abide by all arrangements made by the Lessor with the garage operator with regard to the garage and the driveways thereto.

(28) The following rules shall be observed with respect:

(i) All wet debris is to be securely wrapped or bagged in small package size to fit easily into the hopper panel.

(ii) Debris should be completely drip-free before it leaves the apartment and carried to the incinerator closet in a careful manner and in a drip-proof container; then placed into the flue hopper so it will drop into the flue for disposal.

(iii) No bottles or cans shall be dropped down the flue before 10:00 a.m. or after 5:00 p.m., but shall be left in a neat manner in service elevator area, if such items must be disposed of before 10:00 a.m. or after 5:00 p.m.

(iv) Cartons, boxes, crates, sticks of wood or other solid matter shall not be stuffed into hopper opening. Small items of this nature may be left in a neat manner on the incinerator closet floor. Bulky items should be left at service elevator area between 10:00 a.m. and 6:00 p.m. and service employee summoned to dispose of them by way of the service elevator.

(v) Under no circumstances should carpet sweepings containing naphthalene, camphor balls or flakes, floor scrapings, plastic wrappings or covers, oil soaked rags, empty paint or aerosol cans or any other inflammable, explosive, highly combustible or noxious substances or lighted cigarettes or cigar stubs be thrown into the incinerator flue.

(vi) Vacuum cleaner bags must never be emptied into the flue. Such dust, dirt, etc. should be wrapped in a securely tied bag or package and then be placed through hopper door panel into flue.

(vii) The superintendent shall be notified of any drippings, or moist refuse appearing on incinerator closet floor and corridors.

(29) No Lessee shall install any plantings on the terrace, balcony or roof without the prior written approval of the Lessor. Plantings shall be contained in boxes of wood lined with metal or other material impervious to dampness and standing on supports at least two inches from the terrace, balcony or roof surface, and if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the boxes to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in masonry or hollow tile walls which shall be at least three inches from the parapet

wall, plantings may be contained in masonry or hollow tile walls which shall be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable weep hole. at the sides to draw off water. It shall be the responsibility of the Lessee to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition.

(30) The agents of the Lessor, and any contractor or workman authorized by the Lessor, may enter any apartment at any reasonable hour of the day for the purpose of inspecting such apartment to ascertain whether measures are necessary or desirable to control or exterminate any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests. If the Lessor takes measures to control or exterminate carpet beetles, the cost thereof shall be payable by the Lessee, as additional rent.

(31) These House Rules may be added to, amended or repealed at any time by resolution of the Board of Directors of the Lessor.

(32) No employee of Lessor may be used by any Lessee for the private business of any Lessee without the prior written consent of the Board of Directors having first been obtained in each instance.

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BY-LAWS
of
350 Bleecker Street Apartment Corp.

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BY-LAWS
OF
350 Bleecker Street Apartment Corp.

ARTICLE I
Meeting. of Shareholders

Section 1. Annual Meetings. Except for the first meeting of shareholders to be held within approximately 30 days after closing under the Offering Plan to convert the corporation's property to cooperative ownership, each annual meeting of the shareholders of the corporation, for the election of directors and for such other business as may properly come before such meeting, shall be held in the City, Town or Village where such property is located, at such hour and place as may be designated in the notice of meeting, on the second Tuesday in May of each and every year, unless a legal holiday, in which event such meeting shall be held on the first day thereafter not a legal holiday. The notice of meeting shall be in writing and signed by the president or a vice president or the secretary or an assistant secretary. Such notice shall state the time when and the the place at which such meeting is to be held, and a copy thereof shall be served, either personally or by mail, upon each shareholder of record entitled to votge at such meeting, not less than ten nor more than fifty days before the meeting.

Section 2. Special Meetings. Special meetings of shareholders other than those regulated by statute, may be called at any time by any officer of the corporation or by a majority of the board of directors, and it shall also be the duty of the secretary to call such a meeting whenever requested in writing so to do by shareholders of record of at least one-quarter of the outstanding capital stock. A notice of each special meeting, stating the time, place and purpose thereof and the officer or other person or persons by whom the meeting is called, shall be served, either personally or by mail, on each shareholder of record, not less than ten nor more than fifty days before the date of the meeting. No business other than that stated in the notice shall be transacted at any special meeting unless the shareholders of record of all outstanding shares of the corporation are present thereat in person or by proxy.

Section 3. Waiver of Hailing of Notice. The notice provided for in the two foregoing sections is not indispensable and any shareholders' meeting whatever shall be valid for all purpose. if the shareholders of record of all shares of the corporation are present thereat in person or by proxy, or if a quorum is present as provided in the next

succeeding session and notice of the time, place and purpose of such meeting has been duly waived in writing by all shareholders not so present. The attendance of any shareholder at a meeting, in person or by proxy, without protesting prior to the conclusion of the meeting; the lack of notice of such meeting, shall constitute a waiver of notice by him. Any notice to be served upon a shareholder by mail shall be directed to the shareholder at his address as it appears on the stock book unless the shareholder shall have filed with the secretary of the corporation, prior to the giving of a notice, a written request that notices intended for him be mailed to such other address, in which case it shall be mailed to the address designated in such request.

Section 4. Quorum. At all meetings of shareholders in order to constitute a quorum and to permit the transaction of any business except to adjourn a meeting, there shall be present either in person or by proxy the holders of a majority of the shares entitled to vote thereat. A majority of the shareholders present may adjourn a meeting to a subsequent day despite the absence of a quorum.

Section 5. Voting. Each shareholder of record shall be entitled at each shareholders' meeting to one vote, in person or by proxy, for each share standing in his name on the stock book at the time of the meeting. All proxies shall be in writing out need not be acknowledged or witnessed and shall be filed with the secretary at or previous to the time of the meeting. The person named as proxy need not himself be a shareholder of the corporation. All voting shall be viva voce, except that any qualified voter may demand a ballot vote, in which case the voting shall be by ballot, and each ballot shall state the name of the shareholder voting and the number of shares owned by him, and in addition, the name of the proxy, if such ballot is cast by a proxy. All elections shall be determined by a plurality vote; and unless otherwise specified in these bylaws or the certificate of incorporation, the affirmative vote of a majority represented at any meeting of shareholders shall be necessary for the transaction of any item of business and shall constitute the act of the shareholders.

Section 6. Inspectors of Election. At any election of directors where more candidates are nominated than there are positions to be filled, the election shall be conducted by two inspectors of election to be appointed by the president or other Chairman of the meeting. No director or candidate for director shall be eligible to appointment as inspector. Before entering upon the discharge of their duties, the inspectors appointed to act at any meeting of the shareholders shall be sworn faithfully to execute the duties of inspectors at such meeting with strict impartiality, and according to the best of their ability, and the oath so

taken shall be subscribed by them and immediately filed with the secretary of the corporation with a certificate of the result of the vote taken at such meeting.

Section 7. Consent of Shareholders. Whenever the shareholders are required or permitted to take any action by vote, such action may be taken without a meeting upon the written consent of the holders of all outstanding shares entitled to vote thereon, which consent shall set forth the action so taken.

Section 8. Order of Business. At each meeting of shareholders, the president, or in his absence a vice president, shall act as chairman of the meeting. The secretary, or in his absence such person as may be appointed by the chairman, shall act as secretary of the meeting. So far as is consistent with the purposes of the meeting, the order of business shall be as follows:

1. Call to order.
2. Presentation of proof of due calling of the meeting.
3. Roll call and presentation and examination of proxies.
4. Reading of minutes of previous meeting or meetings.
5. Reports of officers and committees.
6. If an annual meeting, the appointment of inspectors of election, if any.
7. If an annual meeting, the election of directors.
8. Unfinished business.
9. New business.
10. Adjournment.

ARTICLE II

Directors

Section 1. Qualification and Number. At least one less than a majority of the directors to be elected must be residents of the building owned by the corporation, and not

holders of Unsold Shares. (The terms "Unsold Shares" and "holders of Unsold Shares" shall have the same meanings as in the aforesaid Offering Plan.)

All directors shall be at least 18 years of age.

The number of directors shall not be less than three and not more than seven. The first board shall consist of three (3) members. The number of directors shall be determined by the shareholders from time to time at any annual or any special meeting of shareholders called for that purpose, and the number so determined shall be the number of directors of the corporation until changed by further action of the shareholders, provided, however, that the number of directors shall not be decreased to a number less than the number of directors then in office, except at an annual meeting of shareholders. Reference is made to Section 7 of this Article for the power of the board to fix the number of directors.

Section 2. Election and Term. The directors constituting the first board of directors shall be elected by the incorporation at the organization meeting of the incorporator. Directors, other than those constituting the first board, shall be elected at the annual meeting of shareholders, or at a special meeting called for that purpose as provided by law, by a plurality of the votes cast at such election. The entire number of directors to be elected shall be balloted for at one and the same time and not separately.

Directors elected by the incorporator shall serve until the election and qualification of directors elected at the first annual meeting of shareholders. Directors elected at the first annual meeting of shareholders and at meetings subsequent thereto shall serve until the date herein fixed for the next annual meeting of shareholders and until the election and qualification of their respective successors.

Section 3. Vacancies. When any vacancy exists or occurs among the directors by death, resignation or otherwise, the same shall be filled for the remainder of the term by a majority of votes cast at a special meeting of the remaining directors duly called for the purpose or at any regular meeting of the directors, even though a quorum shall not be present at such special or regular meeting. If the number of the directors is increased, the additional directors shall be elected by a plurality of the votes cast at a meeting of shareholders duly called for that purpose and shall serve for the term above prescribed. If all the directors die or resign, any shareholder may call a special meeting of the shareholders as provided herein and directors for the unexpired term may be elected at such special

meeting in the manner provided for their election at the annual meeting.

Section 4. Resignation and Removal. Any director may resign at any time by written notice delivered or sent by certified or registered mail, return receipt requested, to the president or the secretary of the corporation. Such resignation shall take effect at the time specified therein, and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective.

Any director may be removed from office at any time with or without cause and at the pleasure of the shareholders, upon affirmative vote of the shareholders of record taken at a shareholders meeting duly called for that purpose; provided, however, that the directors elected by the holders of "Unsold Shares" may be replaced only by such holders of Unsold Shares.

Any vacancy on the board by a director designated or elected by a holder or holders of Unsold Shares, whether arising from the resignation, removal, death or otherwise, shall be filled only by such holder or holders of Unsold Shares.

Except for directors elected by the holders of Unsold Shares, a director who ceases to be a shareholder or whose spouse ceases to be a shareholder, as the case may be, shall be deemed to have resigned as a director. Notwithstanding the foregoing, any director elected by the holders of Unsold Shares may be removed for dishonesty, fraud or similar egregious misconduct in office, upon affirmative vote of a majority of the shareholders of record, taken at a shareholders meeting duly called for such purpose.

Section 5. Meetings of the board of directors, regular or special, shall be held at such place within the City, Town or Village where the corporation's property is located as shall be specified in the notice calling the meeting. The first meeting of each newly elected board of directors shall be held immediately after the annual meeting of the shareholders and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present, or it may convene at such place and time as shall be fixed by the consent in writing of all the directors. Regular meetings of the board of directors shall be held not less than once every eight weeks and may be held upon such notice, or without notice, and at such time and at such place in the City, Town or Village where the corporation's property is located as shall from time to time be determined

by the board. Special meetings of the board of directors may be called by the president on two days' notice to each director, either personally or by mail or by telegram; special meetings shall be called by the president or secretary in like manner and on like notice on the written request of a majority of the number of directors fixed by Section 1 of this Article II, except in the case of a special meeting called to fill vacancies in the board of directors, in which case a majority of the then acting directors shall suffice. Notice of a meeting need not be given to any director who submits a signed waiver of notice whether before or after the meeting, or who attends the meetings without protesting the lack of notice prior thereto or at its commencement. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting, except where otherwise required by law or by these by-laws. A majority of the number of directors fixed by Section 1 of this Article II shall constitute a quorum for the transaction of business unless a greater or lesser number is required by law or by the certificate of incorporation or elsewhere by these by-laws. The act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by law or by the certificate of incorporation or elsewhere in these by-laws. If a quorum shall not be present at any meeting of directors, the directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At all meetings of the board of directors, each director shall be entitled to one vote.

Section 6. Annual Budget. In furtherance of the definitions and provisions of the proprietary leases entered into or to be entered into by the corporation with its shareholders, the board of directors shall determine the cash requirements as defined therein, for each particular year of the term of such proprietary leases, by resolution or resolutions adopted during the particular year in question or the preceding year, and shall likewise fix the terms and times of payment of the rent due from shareholders who are lessees under such proprietary leases to meet such cash requirements. Immediately after the adoption of such resolution as above provided, the secretary shall mail or cause to be mailed, or deliver or cause to be delivered to each shareholder who is such a lessee a statement of the amount of the cash requirements so determined or a copy of the resolution of the board concerning the same. The board of directors shall have discretionary power to prescribe the manner of maintaining and operating the apartment building of the corporation, and any other premises acquired by the corporation by purchase or otherwise, and to deter-

mine the aforesaid cash requirements. Every such determination by the board shall be final and conclusive as to all shareholders who are lessees under proprietary leases and any expenditures made by the corporation's officers or agents under the direction or with the approval of the board shall, as against such shareholders, be deemed necessarily and properly made for such purposes. The operating year of the corporation shall be the calendar year.

The Board shall have the power to establish any needed reserves for capital purposes, including (without limitation) reserves for capital improvements, capital repairs or alterations or modifications to the building structure and components, and including a reserve for mortgage amortization, payments to which reserves shall be treated on the corporate books as capital contributions and not as income.

So long as the Unsold Shares constitute 25% or more of the outstanding shares of the corporation, the board of directors of the corporation shall not take any of the following actions unless shareholders owning at least 751 of the shares of the corporation approve same in writing or by vote, in person or by proxy, at a duly constituted meeting called for such purchase:

(i) increase the number or change the type of employees from that described in the aforesaid Offering Plan (Schedule of Projected Receipts and Expenses for First Year of Cooperative Operation);

(ii) provide for new or additional services from those indicated in the aforesaid Offering Plan in the Schedule of Projected Receipts and Expenses for First Year of Cooperative Operation unless the annual cost of such new or additional services, when added to the annual cost of all other services being provided, is not in excess of 125% of those provided in said Schedule; or

(iii) undertake any capital or major improvement or addition, unless required by law.

Section 7. Duties and Power.. The affairs and business of this corporation shall be managed by its board of directors except with respect to the powers which are herein delegated to the officers. The directors shall at all times act as a board, regularly convened, and they may adopt such rules and regulations for the conduct of their meetings the execution of their resolutions and the management of the affairs of the corporation as they may deem proper, provided same are not inconsistent with the laws of the State of New York, the certificate of incorporation or these by-laws. Furthermore, the board, from time to time, may fix the number of directors of the corporation, provided, the number of directors shall not be less than three (3), nor more than seven (7) or such higher number as the shareholders

shall have determined pursuant to Article II, Section 1. The power of the board to determine the number of directors as herein provided is subordinate to the power of the shareholders to make such determination under said Article II, Section 1, so that if the board after having fixed a new number of directors shall be overruled by the shareholders, the determination of the shareholders shall govern.

The board of directors shall be responsible for carrying out the duties imposed upon it under these by-laws and the proprietary leases referred to in Article V below, regardless of whether an apartment in the building is vacant or occupied by the owner thereof (i.e., Shareholder-Lessee) or a permitted lessee or other occupant of such owner. This provision shall not be deemed to impose any greater obligation or responsibility on the board of directors than now provided for in the Business Corporation Law.

Section 8. House Rules. The board of directors shall have power to make and change reasonable rules applicable to the apartment building owned or leased by the corporation whenever the board deems it advisable so to do. All house rules shall be binding upon all tenants and occupants of the apartment building. Copies of changes in house rules shall be furnished to each shareholder and shall be binding upon the delivery thereof in the manner provided in the proprietary lease.

Section 9. Executive Committee. The board of directors may by resolution appoint an executive committee to consist of three or more directors of the corporation. Such committee shall have and may exercise all of the powers of the board in the management of the business affairs of the corporation during the intervals between the meetings of the board, so far as may be permitted by law, except that the executive committee shall not have power to determine the cash requirements defined in the proprietary leases, or to fix the rent to be paid under the proprietary leases, or to vary the terms of payment thereof as fixed by the board. Vacancies in membership on the executive committee shall be filled by the board of directors at a regular or special meeting.

Section 10. Admissions Committee. In furtherance of the cooperative purposes of the corporation and to assure, so far as possible, that the occupants of all apartments therein shall be congenial and that all proprietary lessees shall be reputable and financially responsible, the board may by resolution create an admissions committee of two or more persons to interview and consider the qualifications of proposed assignees and subtenants. Once such committee has been created, no consent to transfer of stock or assignment of lease or subletting of apartments shall thereafter be given by any member of the board of directors until the admissions committee shall have approved same, or until there shall have been a meeting of the board of directors to act on an unfavorable report of the admissions committee or any member thereof. All information received and reports by the admissions committee or any member of the board of

directors (whether or not an admissions committee has been created) concerning a proposed assignee or subtenant, and the deliberations of the committee and the board thereon shall be deemed confidential and disclosed to no one except other directors of the corporation. On all applications for consent to assignment or subletting, the only action of the board shall be to "approve" or "disapprove" without comment. No member of the admissions committee or the board of directors shall be required to explain to any shareholder or any other person the reasons for his determination. The provisions of this Section are not applicable to a proposed assignment or subletting by purchasers of Unsold Shares.

Section 11. Other Committees. The board of directors shall also have the power to appoint such other committees, in accordance with Section 712 of the Business Corporation Law as it deems appropriate.

Section 12. Contracts and Transactions of the Corporation. No contract or other transaction between the corporation and any one or more of its directors or any other corporation, firm, association or other entity in which one or more of its directors are directors or officers, or are financially interested, shall be void or voidable for this reason alone or by reason alone that such director or directors are present at the meeting of the board, or of a committee thereof, which approves such contract or transaction, or that he or their votes are counted for such purpose, provided that the provisions of Section 713 of the Business Corporation Law are complied with.

Section 13. Compensation. No director, by virtue of his office as such, nor for any other reason, at any time, shall receive any salary or compensation for his services as such director, or otherwise, unless and until the same shall have been duly authorized in writing, or by affirmative vote taken at a duly held stockholders' meeting, by the record holders of at least two-thirds (2/3) of the then outstanding shares of the stock of the corporation.

Section 14. Distributions. No tenant-shareholder shall be entitled, either conditionally or unconditionally, except upon a complete or partial liquidation of the corporation, to receive any distribution not out of earnings and profits of the corporation.

ARTICLE III Officers

Section 1. Election and Removal. The board of directors at its first meeting after these by-laws become effective, and at each annual meeting, shall elect by a majority

vote, a president and one or more vice-presidents, a secretary and a treasurer, and may also at any time appoint or elect one or more assistant secretaries or assistant treasurers otherwise qualified may hold any two offices, except the offices of president and secretary. Each of the officers shall serve until the next annual meeting of the board and until the election or appointment of his respective successor; but any officer may be removed from office at any time, and a successor chosen, at the pleasure of the board, upon affirmative vote, taken at any meeting, by a majority of the then total authorized number of directors.

Section 2. Qualification and Vacancies. The president shall be a member of the board, but none of the other officers need by a member of the board.

Vacancies occurring in any office may be filled by the board at any time, upon affirmative vote taken at any meeting, by a majority of the then total authorized number of directors. An officer who ceases to be a shareholder or whose spouse ceases to be a shareholder, as the case may be, shall be deemed to have resigned as an officer.

Section 3. President and Vice President. The president shall preside at meetings of shareholders and of the board of directors. He shall, subject to the control of the board, have general management of the affairs of the corporation and shall perform all duties incidental to his office or prescribed for him by these by-laws or by the board, and shall make and sign in the name of the corporation all contracts, leases and other instruments which are authorized from time to time by the board. In the absence or inability of the president, the vice president shall have the powers and perform the duties of the president. The vice president shall at all times have power to make and sign proprietary leases in the name of the corporation.

Section 4. Secretary. The secretary shall keep and record in proper books provided for the purpose, the minutes of meetings of the board of directors and of the shareholders. He shall record all transfers of shares and cancel and preserve certificates of shares transferred, and he shall keep such other records as the board shall required. He shall attend to the giving and serving of notices of the corporation, he shall have custody of the corporate seal and affix the same to certificates of shares and to written instruments required by law, by these by-laws or by the board. He shall keep a book, to be known as the stock book, containing the names, alphabetically arranged, of all persons who are shareholders of the corporation, showing their places of residence, the number of shares of stock

held by them respectively, the time when they respectively became the owners thereof, the amount paid thereon, and the denomination and amount of all stock transfer stamps affixed thereto, and such books shall be open daily during at least three business hours, for inspection by any judgment creditor of the corporation, or by any person who shall have been a shareholder of record for at least six months immediately preceding his demand, or by any person holding, or thereunto in writing authorized by the holders of, at least five per cent of all the outstanding shares. Persons so entitled to inspect the stock book may make extracts therefrom. In the absence or inability of the secretary, the assistant secretary shall have all of the powers and perform all of the duties of the secretary.

Section 5. Treasurer. The treasurer shall, subject to the control of the board, have the care and custody of, and be responsible for, all funds and securities of the corporation and shall keep the same in its name in such banks, trust companies or safe deposit companies as the board shall designate, and shall perform all other duties incidental to his office, or prescribed for him by these by-laws or by the board. If so required by the board, he shall, before receiving any such funds or securities, furnish to the corporation a bond with a surety company as surety, in such form and amount as the board from time to time shall determine. The premium upon such bond shall be paid by the corporation. Within a reasonable time after the close of each year ending December 31st but in no event later than April 1st of the year following said December 31st, the treasurer shall furnish to each shareholder who is a lessee under a proprietary lease then in force a statement of he income, expenses and paid-in surplus of the corporation during such year. In addition, no later than March 15th of the year following the close of each year ending December 31st, the treasurer shall send to each shareholder who is a lessee under a proprietary lease in force during said prior year a statement under his proprietary lease during such year which has been used by the corporation for the payment of taxes on real estate and interest on its mortgage or other indebtedness and such other information as may be necessary to permit him to compute his income tax liability or income tax benefits that may accrue to him in respect thereof. In the absence or inability of the treasurer, the assistant treasurer shall have all of the powers and perform all of the duties of the treasurer.

Section 6. Salaries. No salary or other compensation for service shall be paid to any officer of the corporation for services rendered as such officer unless and until the same shall have been authorized in writing, or by affirmative vote taken at a meeting of shareholders called for that purpose, by the shareholders of record of at least two-thirds of the then outstanding capital stock.

ARTICLE IV
Indemnification of Directors and Officers

Section 1. (a) In Actions by or in the Right of Corporation. Any person made a party to an action by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he, his testator or intestate, is or was a director or officer of the corporation, shall be indemnified by this corporation against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him, in connection with the defense of such action, or in connection with an appeal therein, except in relation to matters as to which such director or officer is adjudged to have breached his duty to the corporation under Section 717 of the Business Corporation Law and except with respect to those amounts and expenses referred to in Paragraph (b) of Section 722 of the Business Corporation Law.

(b) In Other Actions or Proceedings. Any person made, a party to an action or proceeding other than one by or in the right of the corporation to procure a judgment in its favor, whether civil or criminal, brought to impose a liability or penalty on such person for an act alleged to have been committed by such person, his testator or intestate, as a director or officer of the corporation, or of any other corporation which he served as such at the request of the corporation, shall be indemnified by this corporation against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred as a result of such action or proceeding, or any appeal therein, if such director or officer acted in good faith, for a purpose which he reasonably believed to be in the best interest of the corporation and, in criminal actions or proceedings, in addition, had no reasonable cause to believe that his conduct was unlawful.

The termination of any such civil or criminal action or proceeding by judgment, settlement, conviction or upon a plea of nolo contendere, or its equivalent, shall not in itself create a presumption that any such director or officer did not act in good faith for a purpose which he reasonably believed to be in the best interests of the corporation or that he had reasonable cause to believe that his conduct was unlawful.

(c) Payment. A person who has been wholly successful, on the merits or otherwise, in the defense of a civil or criminal action or proceeding of the character described in Sections 722 or 723 of the Business Corporation Law shall be entitled to indemnification as authorized in said Sections.

Except as provided in Paragraph (a) of Section 724 of the Business Corporation Law, any indemnification under Section 722 or 723 of that law, unless ordered by a court under Section 725 thereof, shall be made by the corporation only if authorized in the specific case in accordance with the provisions of Paragraph (a) of said Section 724.

Expenses incurred in defending a civil or criminal action or proceeding may be paid by the corporation in advance of the final disposition of such action or proceeding if authorized under Paragraph (b) of said Section 724.

(d) Other Provision-. Indemnification of directors or officers shall be subject to the other provisions affecting the same as set forth in Section 726 of the Business Corporation Law.

ARTICLE V Proprietary Leases

Section 1. Form. The board of directors shall adopt a form of proprietary lease to be issued by the corporation for the leasing of all apartments, extra servants' rooms and other residential space in the apartment building, if any, to be leased to shareholders under proprietary leases. Such proprietary leases shall be for such term, with or without provisions for renewals, and shall contain such restrictions, limitations and provisions in respect to the assignment thereof, the subletting of the premises demised thereby, and the sale or transfer of the shares of stock of the corporation accompanying the same, and such other terms, provisions, conditions and covenant., as the board deems advisable. After a proprietary lease in the form so adopted by the board has been executed and delivered by the corporation, all proprietary lease. subsequently executed and delivered shall be in the same form (except with respect to commencement of the lease term and the statement as to the number of shares owned by the lessee), and shall not be changed in form or substance unless varied in accordance with the terms thereof. The term of all proprietary leases shall be uniformly extended or renewed if so determined by (i) the holders of a majority of the shares in writing or by vote at a meeting called for such purpose, or (ii) the board of directors (except the board shall not have the right to so extend or renew if the holders of a majority of the shares shall determine not to extend or renew).

Section 2. Assignment. Proprietary leases shall be assigned or transferred only in compliance with, and

shall never be assigned or transferred in violation of, the terms, conditions or provisions, of such proprietary lease. A duplicate original of each proprietary lease shall always be kept on file in the office of the corporation or with the managing agent of the apartment building.

Section 3. Accompanying Shares. The board of directors shall allocate to each apartment to be leased under a proprietary lease the number of shares of the corporation which must be owned by the proprietary lessee thereof. The board shall adopt the allocation of shares set forth in the Offering Plan pursuant to which the corporation was organized. The allocation or any re-allocation of shares to an apartment shall bear a reasonable relationship to the portion of the fair market value of the corporation's equity in the building and the land on which it stands which is attributable to the apartment. In the event of any dispute between the board of director. and a shareholder as to whether such reasonable relationship. test has been met on a proposed reallocation of shares, such dispute shall be resolved by the then managing agent of the building, whose determination shall be final and conclusive.

Section 4. Re-grouping of Space. The board of directors, upon the written request of the owner or owners of one or more proprietary leases covering one or more apartments in the apartment building and of the shares issued to accompany the same, may in its discretion at any time, permit such owner or owners, at his or their own expense: A: (1) to subdivide any apartment into two or more apartments; (2) to combined all or any portions of any such apartments into one or any desired number of apartments; and (3) to reallocate the shares issued to accompany the proprietary lease or leases so affected in such proportions as such owner(s) request, provided only that (a) the allotment of shares is based upon the fair market value of the equity in the property (including the building) is based upon the fair market value of the equity in the property (including the building) attributable to the subdivided or combined apartments, and (b) in any case, the total number of the shares so reallocated remains the same, and (c) the proprietary lease or leases so affected and the accompanying certificate(s) of shares are surrendered, and that there are executed and delivered in place thereof, respectively, a new proprietary lease for each such separate apartment, extra servant's room or suite of extra servant's rooms so created and a new proprietary lease; or B: to incorporate one or more servant's rooms, or other space in the building, not covered by any proprietary lease, into one or more apartments covered by a proprietary lease, whether in connection with any regrouping of space pursuant to subparagraph A of his Section 4 or otherwise, and in allocating shares to any such resulting apartment or apartments, the board shall

determine the number of shares from its treasury shares to be issued and allocated in connection with the incorporation of such additional space (such allocation to be based on the fair market value of the equity in the property (including the building) attributable to such resulting apartment or apartments), provided such incorporation shall be conditioned upon the surrender by the owner making such request of his proprietary lease and share certificate and provided further such owner shall execute a new proprietary lease covering such resulting apartment or apartments. A new certificate of shares for the number of shares so reallocated to the new proprietary lease will be issued to the owner surrendering said share certificate.

Anything hereinabove contained to the contrary notwithstanding, the holders of Unsold Shares shall have the absolute right, without payment of any fee or charge of whatsoever nature, to change the size and layout of any apartment including the right to subdivide any apartment owned by them, or any or them, into two or more apartments or to combined all or any portion of any such apartments into one or any desired number of apartments.

The reallocation of shares shall be based upon the fair market value of the equity in the property (including the building) attributable to the subdivided or combined apartments, but in any event, the total number of shares so reallocated shall remain the same. Upon the surrender of the share certificate or certificates and proprietary lease or leases affected by such subdivision or combination, the board or directors shall issue a new share certificate or certificates and accompanying proprietary lease or leases covering the subdivided or combined apartments (as the case may be) in accordance with the foregoing.

Any dispute under this Section 4 concerning the number of shares to be reallocated, shall be resolved by the then managing agent of the building, whose determination shall be final and conclusive.

Section 5. Allocation of Shares to Additional Space. The board of directors may, in its discretion, authorize the conversion of space in the building not covered by a proprietary lease into space suitable for the primary purposes of the corporation, as set forth in the certificate of incorporation, allocate theretofore unissued shares to such space, and authorize the execution of a proprietary lease or leases covering such space.

Section 6. Fees on Assignment. Subject to the provisions of the form of proprietary lease adopted by the board of directors (and the rights of holders of Unsold Shares as herein and in the proprietary lease set forth), the board of

directors shall have authority to fix by resolution and to collect, before any assignment of a proprietary lease or any reallocation of shares takes effect as against the corporation as lessor, reasonable fees to cover the corporation's expenses and attorneys' fees in connection with such proposed assignment, or reallocation, or both, as the case may be. However, no such fees may be charged to the purchasers of Unsold Shares in connection with the sale or transfer of such Unsold Shares and appurtenant proprietary leases or a reallocation of shares.

Section 7. Lost Proprietary Leases. In the event that any proprietary lease in full force and effect is lost, stolen, destroyed or mutilated, the board of directors may authorize the issuance of a new proprietary lease, require the owner of the lost, stolen, destroyed or mutilated proprietary lease, or the legal representative of the owner, (i) to pay to the corporation a reasonable fee for the time and expense incurred in preparing the same; (ii) to make an affidavit or affirmation setting forth such facts as to the loss, theft, destruction or mutilation as it deems necessary and (ii) to give the corporation a bond in such sum as it directs, not exceeding double the value of the shares accompanying such proprietary lease, to indemnify the corporation.

ARTICLE VI

Capital Shares

Section 1. Shares of stock of the corporation shall be issued only in connection with the execution and delivery by the purchaser and the corporation of a proprietary lease of an apartment in the building owned by the corporation, and the ownership of the said shares so issued shall entitle the holder thereof to occupy for dwelling purposes the apartment specified in the proprietary lease so executed and delivered in connection with the issuance of said shares, subject to the covenants and agreements contained in such proprietary lease. Shares of stock of the corporation hereafter acquired and subsequently reissued, and unissued but authorized shares of the corporation hereafter issued, shall only be so reissued or issued, as the case may be, in conjunction with the execution of a proprietary lease of an apartment in the building.

Section 2. Certificates and Issuance. Certificates of the shares of the corporation shall be in the form prepared by the board of directors, and shall be signed by the president or a vice-president and the secretary or an assistant secretary or the treasurer or an assistant treasurer, and sealed with the seal of the corporation, and

shall be numbered in the order in which issued. Certificates shall be bound in a book and issued in consecutive order therefrom, and in the margin or stub thereof shall be entered the name of the person holding the shares therein represented, the number of shares and the date of issue. Each certificate exchanged or returned to the corporation shall be cancelled, and the date of cancellation shall be indicated thereon, but the secretary and such certificate shall be immediately attached in the certificate book opposite the memorandum of its issue.

Section 3. Transfer. Transfers of shares shall be made only upon the books of the corporation by the holder in person or by power of attorney, duly executed and witnessed (or with such signature guaranty as the board may request) and filed with the secretary, and on the surrender of the certificate of such shares, except that shares sold by the corporation to satisfy an lien which it holds thereon, or shares required to be (but which are not) surrendered under the proprietary lease, may be transferred without the surrender of such certificate. No transfer of shares shall be valid as against the corporation, its shareholders and creditors, for any purpose, except to render the transferee liable for the debts of the corporation to the extent provided for in the Business Corporation Law, until it shall have been entered in the stock book as required by the Business Corporation Law or any other applicable law by an entry from whom and to whom transferred. No such transfer shall be valid or effected until all the requirements with respect thereto set forth in the proprietary lease shall have been satisfied and complied with.

Section 4. Unit. of Issuance. Shares issued to accompany each proprietary lease shall be issued in the amount allocated by the board of directors to the apartment or toerh space described in such proprietary lease. Unless and until all proprietary leases which shall have been executed by the corporation shall have been terminated, the shares of stock which accompany each proprietary lease shall be represented by a single certificate and shall not be sold or transferred except to the corporation or as an entirety to a person who has acquired such .proprietary lease, or a new one in place thereof, after complying with and satisfying the requirements of such proprietary lease in respect to the assignment thereof.

Section 5. Fees on Transfer. Subject to the provisions of Section 6 of Article V hereof and subject further to the provisions of the proprietary lease, the board of directors shall have authority to fix by resolution and to collect, before the transfer of any shares, reasonable fees to cover the corporation's expenses and attorney's fees in connection with such proposed transfer.

Section 6. Corporation's Lien. The corporation shall at all times have a first lien upon the shares of each shareholder to secure the payment by such shareholder of all rent to become payable by such shareholder under the provisions of any proprietary lease issued by the corporation and at any time held by such shareholder and for all other indebtedness from such shareholder to the corporation and to secure the performance by the shareholder of all the covenants and conditions of said proprietary lease to be performed or complied with by the shareholder. Unless and until such shareholder as lessee defaults in the payment of any of such rent or other indebtedness or in the performance of any such covenants or conditions, said shares shall continue to stand in the name of the shareholder upon the books of the corporation and the shareholder shall be entitled to exercise the right to vote thereon as though said lien did not exist. The board may refuse to consent to the transfer of such shares until any indebtedness of the shareholder to the corporation is paid. The corporation shall have the right to issue to any purchaser of such shares upon the enforcement by the corporation of such lien, or to the nominee of such purchaser, a certificate for the shares so purchased substantially of the tenor of the certificate issued to such defaulting shareholder shall become void and such defaulting shareholder shall surrender the same to the corporation on demand. The failure of such defaulting shareholder to so surrender such certificate shall not affect the validity of the certificate issued in replacement thereof.

Section 7. Lost Certificates. In the event that any certificate of shares is lost, stolen, destroyed or mutilated, the board of directors may authorize the issuance of a new certificate of the same tenor and for the same number of shares in lieu thereof. The board may in its discretion, before the issuance of such new certificate, require the owner of the lost, stolen, destroyed or mutilated certificate, or the legal representative of the owner, to make an affidavit or affirmation setting forth such facts as to the loss, theft, destruction or mutilation as it deems necessary, and to give the corporation a bond in such reasonable sum as it directs, not exceeding double the appraised value of the shares, to indemnify the corporation.

Section 8. Legend on Shares Certificate. Certificates representing shares of the corporation shall bear a legend reading as follows:

"The rights of any holder of the shares evidenced by this certificate are subject to the provisions of the certificate of incorporation and the by-laws of the corporation and to all the terms, covenants, conditions and provisions of a certain proprietary lease made between the

made between the corporation, as Lessor and the person in whose name this certificate is issued, as Lessee, for an apartment in the premises known as 205 East 77th Street, New York, New York, which is owned by the corporation and operated as a 'co-operative', which proprietary lease limits and restricts the title and rights of any transferee of this certificate.

The shares represented by this certificate are transferable only as an entirety and only to an assignee of such proprietary lease approved in writing in accordance with the provisions of the proprietary lease.

Copies of the certificate of incorporation, proprietary lease and by-laws are on file and available for inspection at the office of the managing agent of the building.

Pursuant to the certificate of incorporation, certain actions of the Board of directors and of the shareholders require a greater quorum and/or a greater vote than would otherwise be required by law.

Pursuant to Article VI Section 6 of the by-laws, the corporation shall at all times have a first lien upon the shares of each shareholder to secure the payment by such shareholder of all rent to become payable by such shareholder under the provisions of any proprietary lease issued by the corporation and at any time held by such shareholder and for all other indebtedness from such shareholder to the corporation and to secure the performance by the shareholder of all the covenants and conditions of said proprietary lease to be performed or complied with by the shareholder. The corporation shall have the right to issue to any purchaser of such shares upon the enforcement by the corporation of such lien, or to the nominee of such purchaser, a certificate for the shares so purchased substantially of the tenor of the certificate issued to such defaulting shareholder, and thereupon the certificate for such shares issued to such defaulting shareholder shall become void and such defaulting shareholder shall surrender the same to the corporation on demand. The failure of such defaulting shareholder to so surrender such certificate shall not affect the validity of the certificate issued in replacement thereof."

Section 9. No Preemptive Right. Ownership of shares of the corporation shall not entitle the holders thereof to any preemptive right under Section 622 of the Business Corporation Law, or otherwise, it being the purpose and intent hereof that the board of directors, as in its discretion it may deem advisable, shall have the full right, power

and authority to offer for subscription or sale, or to make any other disposition of any or all unissued shares of the corporation or of any or all shares issued and thereafter acquired by the corporation.

ARTICLE VII

Seal

Section 1. Form. The seal of the corporation shall be in the form of a circle and shall bear the name of the corporation, the year of its incorporation and the words "Corporate Seal, New York."

ARTICLE VIII

Checks, Notes, Etc.

Section 1. Signatures on Checks. All checks, drafts, orders for payment of money and negotiable instruments shall be signed by such officer or officers, or employee or employees as shall be designated from time to time by the board of directors by resolution or special order, for that purpose.

Section 2. Signatures on Notes and Bonds. Promissory notes and bonds of the corporation shall be signed by any two officers who, from time to time, shall be designated by the board of directors for that purpose.

Section 3. Safe Deposit Boxes. Any officer or officers who, from time to time, shall be designated by the board of directors for that purpose shall have access to any safe deposit box of the corporation in the vault of any safe deposit company.

Section 4. Securities. Any officer or officers who, from time to time, shall be designated by the board of directors for that purpose shall have the power to control and direct the disposition of any bonds or other securities or property of the corporation deposited in the custody of any bank, trust company or other custodian.

ARTICLE IX

Sale, Lease, Demolition or Disposition of Property

Section 1. No decision to demolish or reconstruct any building standing on the land owned or leased by the corporation, or to sell or exchange the corporation's fee simple interest therein, or to lease any such building in its

entirety or substantially in its entirety, shall be made except upon the affirmative vote of the holders of 80% of the shares of the corporation then issued and outstanding. Notwithstanding the foregoing, the sale, exchange, lease or other disposition of the property owned by the corporation after the termination of all of the proprietary leases which are made by the corporation shall be determined by the affirmative vote of the holders of a majority of the shares of the corporation then issued and outstanding.

ARTICLE X Amendments

Section 1. By the Shareholders. These by-laws may be amended, altered, repealed or added to at any shareholders' meeting by vote of shareholders of record, present in person or by proxy, of at least two-thirds (2/3) of the then outstanding capital shares, provided that the proposed amendment or the substance thereof has been inserted in the notice of meeting or that all of the shareholders are present in person or by proxy.

Section 2. By the Directors. The board of directors may, by a vote of two-thirds (2/3) of the then authorized total number of directors at any meeting (regular or special) of the board, make, alter, amend, or repeal these by-laws, other than Article I Section 5, Article II Sections 6, 13 and 14, Article III Section 6, Article V Sections 1 and 4, and Article VI Sections 1 and 4; provided, however, that the proposed amendment or the substance thereof shall have been contained in the notice of said meeting or that all directors shall be present in person and, provided further, that the board may not repeal or modify an amendment to these by-laws adopted by the shareholders pursuant to Section 1 of this Article X.

Section 3. General. Anything herein contained to the contrary notwithstanding, these by-laws and any provision hereof may not be altered, amended or repealed in such a manner as would adversely affect the rights or interests of the Sponsor under said Offering Plan (or its successors and assigns) in any shares and accompanying proprietary leases that may have been pledged with the Sponsor in connection with financing the purchase of apartments in the building. Anything herein contained to the contrary notwithstanding, so long as any Unsold Shares are issued and outstanding, these by-laws may not be latered, amended, repealed or added to without the unanimous consent of of all of the holders of Unsold Shares.

ARTICLE XI

Fiscal Year

1. Fiscal Year. The Fiscal year of the corporation shall be the calendar year unless otherwise determined by resolution of the board of directors.

ARTICLE XII

Reports

1. Annual Reports. The corporation shall within four (4) months following close of a fiscal year, send to each shareholder then listed on the books of the corporation, a financial statement including a balance sheet (as of the end of said prior fiscal year) and a profit and loss statement (for the entire prior fiscal year) prepared and certified by an independent certified public accountant. On the written request of any former shareholder who owned shares of the corporation during any portion of the fiscal year covered by the financial statement, such financial statement shall be sent to such former shareholder.

2. Tax Deduction Statement. The corporation shall, on or before ,March 15th following the close of a fiscal year, send to each shareholder listed on the books of the corporation for the prior fiscal year, a statement setting forth the amount per share of that portion of the rent paid by such shareholder under his proprietary lease during such year which has been used by the corporation for payment of real estate taxes and interest on mortgage or other indebtedness paid by the corporation with respect to property owned by it.

ARTICLE XIII

Appointment of Board of Directors for Service of Process or Notice

1. Designation of Board of Directors for Service of Process or Notice Under Certain Circumstances. Whenever an apartment in the building is occupied by other than the owner thereof (i.e., the Shareholder-Lessee) as permitted in these by-laws and the proprietary lease covering such apartment, the owner of such apartment, if the purchaser of Unsold Shares, shall be deemed to have designated the board of directors as such owner's agent for the service of process or notice upon said owner by such occupant as to matters relating solely to the occupancy of such apartment. The board of directors hereby consents to such designation

and, upon receipt of process or notice from such permitted occupant of the apartment, shall, with reasonable diligence, forward such process or notice (as the case may be) to the owner, at the last known address of such owner.

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RENT REGULATIONS: SEC. 55 a, c and d

Section 55. Occupancy by landlord or immediate family.

A certificate shall be issued where the landlord seeks in good faith to recover possession of a housing accommodation because of immediate and compelling necessity for his own personal use and occupancy, or for the use and occupancy of his immediate family; provided however that (1) where the housing accommodation is located in the building containing twelve or twelve or less housing accommodations and the landlord does not reside in the building, or (2) is a housing accommodation located in a structure or premise owned by a cooperative corporation or association which is allocated to an individual proprietary lessee and the landlord does not reside in the building, or (3) is a housing accommodation or unit in a property submitted to the provisions of the Condominium Act and the landlord does not reside in the building and the landlord seeks in good faith to recover possession for his own personal use and occupancy, an immediate and compelling necessity need not be established. As used in this paragraph the term "immediate family" includes only a son, daughter, grandson, granddaughter, stepson, stepdaughter, father, mother, father-in-law, mother-in-law, grandfather, grandmother, stepfather, or stepmother.

* * *

c. (1) In the case of a housing accommodation in a structure or premises owned by the cooperative corporation or association, a certificate shall be issued by the Administrator to a purchaser of stock where (a) the tenant originally obtained possession of the housing accommodation by virtue of a rental agreement with the tenant-owner; or (b) the stock was acquired by the purchaser prior to July 1, 1955 and more than two years prior to the date of the filing of the application; or (c) the stock was acquired by the purchaser on or after July 1, 1955 and more than two years have expired since the date of filing of the notice of sale with the Local Rent Office or the District Rent and Rehabilitation Office as hereafter provided in paragraph c(3)(c)(e) of this section; or (d) the stock was acquired less than two years prior to the date of filing of the application and on that date stock in the cooperative has been purchased by persons who are tenant-owners of at least 80 percent of the housing accommodations in the structure or premises and are entitled by reason of stock ownership to proprietary leases of housing accommodations in the structure or premises; or (e) the cooperative was organized and acquired its title or leasehold interest in the structure or premises before February 17, 1945 and on that date stock in the cooperative allocated to 50 percent or more of the housing accommodations in the structure or premises was held by individual tenant-owners who are or whose assignees are subtenants are in occupancy of such housing accommodations in the structure or premises at the date of the filing of the application.

(2) No certificate of eviction shall be issued under paragraph c(1) of this Section unless the applicant shall establish that he has complied with the

requirements of paragraphs a and d of this section; provided, however, that where the applicant seeks to recover possession on for his own personal use, he need not establish an immediate and compelling necessity

(3) No certificate of eviction shall be issued under paragraph c(1) of this section, except as provided in paragraph c(4) thereof, unless the applicant shall also establish that the cooperative corporation or association has complied with the following requirements:

(a) On the date the cooperative plan was first presented to the tenants, each tenant in occupancy of a controlled housing accommodation in the premises was furnished with a copy of the plan and notified in writing that he had the exclusive right for a period of 60 days to purchase the stock allocated to his housing accommodation at the specified price, and that the plan would not be declared effective, unless on or before December 31, 1955 or within 6 months from the time the cooperative plan was presented to such tenants, whichever date is later, stock in the cooperative had been sold in good faith without fraud or duress, and with no discriminatory repurchase agreement or other discriminatory inducement, to at least 35 percent of the tenants in occupancy of controlled housing accommodations at the time of the presentation of the plan. Housing accommodations vacant on the date the plan is presented, or subsequently vacated, shall not be included in the computation of the 35 percent requirement, except when the vacant housing accommodation is purchased for personal occupancy by a tenant of a controlled housing accommodation

(b) Subsequent to the date the cooperative plan had been declared effective the tenants of controlled housing accommodations had been served with a written notice that the plan had been declared effective, setting forth the terms of sale and the names of the tenants of the controlled housing accommodations who had purchased the stock allocated to their own housing accommodations or to vacant housing accommodations and the names and addresses of other purchasers of vacant housing accommodations; and that the tenants of controlled housing accommodations who had not as yet purchased still had the exclusive right, for a period of 30 days from the date of service of the notice, to purchase the stock allocated to their housing accommodations on the terms previously offered to the tenants; except where (1) the cooperative plan had been declared effective prior to July 1, 1955, and (2) prior to that date the tenant of a controlled housing accommodation in the premises had received written notice or notices that for a period of not less than 30 days he had the right to purchase the stock allocated to his housing accommodation at the price and terms specified in said plan and (3) on July 1, 1955 such stock was held or was thereafter reacquired by the cooperative or by a sponsor, nominee of the cooperative or by any other person associated with the formulation of the plan and (4) such stock was offered after July 1, 1955 for sale for personal occupancy at the same or different terms than previously offered to the tenant of such

controlled housing accommodation, the latter was given written notice of the offer to sell and the right for a period of 30 days to purchase the stock on terms specified in such offer.

(c) Within 10 days from the date of service of notice provided by paragraph c(3)(b) of this section, the cooperative had filed with the Local Rent Office or District Rent and Rehabilitation Office having jurisdiction at that time either under the State Rent Act or under these Regulations as the case may be, a copy of the cooperative plan; a copy of the first notice served upon all tenants of controlled housing accommodations; a copy of the notice required by paragraph c(3)(b) of this section and a statement, duly verified by an officer of the cooperative end where the sale was made on or after July 1, 1955, a statement duly verified by such purchaser that the sales had been made in good faith pursuant to the terms set forth in the cooperative plan without fraud or duress and with no discriminatory repurchase agreement or other discriminatory, inducement and whether for personal occupancy by the purchaser. A duplicate set of the above specified papers shall also be kept available in the building for inspection by any tenant of controlled housing accommodations or his authorized representative.

(d) In the event that the stock allocated to a controlled housing accommodation shall be offered for sale by the cooperative its sponsor nominees or other persons associated with the formulation of the plan to a purchaser in good faith for his personal occupancy at terms more favorable than those previously offered to the tenant of such controlled housing accommodation. the latter must first be given a written notice of the new terms and 15 days within which to elect to purchase stock at such new terms.

(e) Within 10 days after any sale or resale of stock subsequent to the effective date of the plan all tenants who had not yet purchased had been served with written notices by the cooperative setting forth the names and addresses of each of the purchasers. the designation of the housing accommodations and in those cases where the stock had been sold for personal occupancy of the purchaser, the terms of the sales. Copies of these notices together with proof of service upon each such tenant. must be filed with Local Rent Office or District Rent and Rehabilitation Office as the case may be, within 5 days of the date of service. Copies of these notices shall also be kept available in the building for inspection.

(4) Where the cooperative plan was declared effective prior to July 1, 1955, the Administrator shall issue a certificate of eviction to a purchaser who acquired the stock prior to July 1, 1955 if he finds that the requirements of the former Section 55(3) of the State Rent and Eviction Regulations as in effect immediately prior to July 1, 1955 have been met and that the purchaser had served the tenant of the controlled housing accommodation before December 31, 1955 with a written notice setting forth the name and address of the purchaser.

designation of the housing accommodation and the terms of the sale. A copy of this notice together with proof of service upon such tenant must be filed with such Local Rent Office within 5 days of the date of service. Where, however, stock allocated to a controlled housing accommodation occupied by a tenant has not in fact been sold prior to July 1, 1955 to a purchaser in good faith for personal occupancy, no certificate of eviction shall be issued unless such tenant had been afforded the rights conferred by paragraph c(3) (b),(c), (d) and (e) of this section. The cooperative must file all documents required by such paragraph c(3), (b), (c), (d) and (e) no later than December 31, 1955 or such later date as is applicable.

(5) As used herein, the term "tenant-owner" includes only (a) a person who purchased the stock allocated to a vacant housing accommodation excluding, however any housing accommodation which had been vacated after the filing of an application for a certificate of eviction or an order of subdivision pursuant to these Regulations within the one-year period preceding the presentation of the cooperative plan to the tenants; or (b) a person who while he was a tenant in occupancy in the building purchased the stock allocated to his housing accommodation; or (c) person who purchased the stock allocated to a housing accommodation which was occupied by a tenant who obtained his possession from said purchaser of the stock; or (d) a person who purchased the stock allocated to a housing accommodation from an owner of such stock who was in occupancy of such housing accommodation; or (e) a person who purchased the stock allocated to a housing accommodation while it was occupied by a tenant and which thereafter became vacant after voluntary removal by the tenant.

(6) As used herein the term "housing accommodation" shall not include servants' rooms which are non-housekeeping and located in the service port on of the building or apartments not subject to these Regulations; and the term "tenant" shall not include the persons occupying such servants' rooms or apartments not subject to these Regulations.

(7) As used herein the term "stock" shall also include other evidence of interest in the cooperative corporation or association with the right to possession of a housing accommodation by virtue of a proprietary lease or otherwise.

(8) As used herein the term "cooperative corporation or association" shall also include the sponsor of a cooperative plan.

(9) Where a cooperative plan and any amendments thereof presented to the tenants of controlled housing accommodations is not declared effective and filed with the Local Rent Office or District Rent and Rehabilitation Office, as the case may be, pursuant to paragraph c(3) (b) and (c) of this section, a period of 18 months from the date of the presentation of the first plan must elapse before another cooperative plan may be presented to the tenants of the structure.

d. Where the landlord purchased and thereby acquired title to the premises on or before September 17, 1947, no certificate shall be issued under this section unless the landlord on or before the date of the filing of the application has made

payment or payments totaling at least 20 percent of the purchase price or the assessed valuation of the premises, whichever is the greater; provided, however, that where the Administrator finds (1) that equivalent accommodations are available for rent into which the tenant can move without substantial hardship or loss, or (2) that undue hardship would result to the landlord, a certificate may be issued although less than 20 percent has been paid. The requirements of this paragraph d shall not apply where the landlord is a former member of the armed forces of the United States of America who obtained a loan for use in purchasing housing accommodations guaranteed in whole or part by the Administrator of Veterans' Affairs.

SECTION 61 OF THE RENT STABILIZATION CODE

Section 61. Converting to a Cooperative or Condominium Form of Ownership -

The owner of a structure containing dwelling units subject to this Code may refuse to renew leases for such dwelling units when:

1. The Attorney General of the State of New York has accepted for filing an offering Plan to .convert the building to cooperative or condominium ownership, and

2. The owner has presented the offering Plan to the tenants in occupancy, and

3. The owner has filed a copy of the accepted offering Plan with the Housing and Development Administration, and

4. The Plan provides

(a) The Plan will not be declared effective by the Owner (Sponsor) unless and until 35% of the tenants then in occupancy have agreed to purchase their dwelling units or the stock entitling them to proprietary leases for their dwelling units with no discriminatory repurchase agreement or other discriminatory inducement.

In establishing a base for computing the required 35%, all residential apartments in the building shall be included, except those that were vacant and not under lease at the time of the presentation of the Plan, and, in computing the 35% requirement the following shall apply:

(i) All purchases by occupants who were in possession at the time of the presentation of the Plan shall be included;

(ii) All purchases of apartments that became vacant after the Plan was presented will be included;

(iii) A purchasing tenant residing in the Building who agrees to purchase ;he shares allocated to another apartment in the Building, vacant at the time the Plan is declared effective. will be included;

(iv) A purchase by a tenant residing in the Building who agrees to purchase the shares allocated to an apartment occupied by another tenant will be included if that other tenant has agreed to purchase the first tenant's apartment or a vacant apartment;

(v) Purchases by the tenant of record of a subleased apartment will be included: subtenants will have no right to purchase unless approved by the tenant of record and only then would purchases by sub-tenants be included; purchases of apartments leased to a Corporation or Partnership will be included if purchased by an individual approved ,by said Corporation or Partnership.

(b) A tenant in occupancy at the time of the offering shall have the exclusive

right to purchase his apartment or the shares allocated thereto for ninety days after the offering during which time his apartment shall not be shown to a third party unless he has, in writing, waived his right to purchase.

(c) Subsequent to the expiration of the 90 day exclusive right to purchase set forth in (b) above, a tenant in occupancy of a dwelling unit who has not purchased will be given exclusive right for an additional period of six months from said expiration date to purchase said dwelling unit or shares allocated thereto on the same terms and conditions as contained in an executed contract to purchase made between the sponsor and a bona fide purchaser. The tenant must be given 15 days to which to exercise such right to purchase from the date of mailing by registered mail, of notification of the execution of a contract of sale, which notification shall contain a copy of said executed contract.

(d) For a period of one year after presentation of the Plan or until such time as the Plan is declared effective or until such time as tenant's lease has expired, whichever date is the latest, a tenant in occupancy shall be entitled to remain in possession without any increase in his rent, except as specified in his existing lease. Thereafter, if he has not purchased he may be removed by the owner of the building, or the owner of the stock and lease allocated to his apartment.

(e) If the tenant's lease expires after the period during which he otherwise has the right to remain in possession, as hereinabove provided, he shall not be required to vacate his apartment until the expiration of his lease, unless such lease is terminated in accordance with this Code.

(f) If the Plan has not been declared effective within eighteen months from the date of presentation of the Plan to the tenants, it will be declared abandoned, and, if the Plan is abandoned or is not declared effective within such eighteen month period, the tenants then in possession shall have the right to demand leases on the terms and conditions heretofore set forth in the law and regulations.

5. This Section 61 shall only apply to tenants in occupancy and lessees of record of vacant or subleased apartments at the time of the offering, it shall not be applicable or available to subtenants, or tenants leasing an apartment that was vacant at the time of presentation of the Plan.

6. Any dwelling unit which becomes vacant after the offering and prior to the transfer of the property to the cooperative corporation or the condominium owner, or a declaration of abandonment of the offering Plan, shall not be rented except at a rental which would have been authorized had the vacating tenant remained in possession.

7. Notwithstanding anything contained herein to the contrary, any renewal or vacancy lease executed after notice to the HDA that a proposed cooperative or condominium Plan has been submitted to the Attorney General may contain a provision that the lease may be cancelled after 90 days' notice to the tenant that the Plan has been declared effective. In any case containing such a provision, upon submission of the Plan of cooperative or condominium ownership to the tenant after acceptance for filing by the Attorney General, no increase in rent

may be collected thereafter pursuant to said lease. If the Plan is abandoned then rent will be at the rate set forth in said lease from the date of abandonment.

8. When the 35% requirement, provided in 4 (a) above, has been met the owner will promptly notify all occupants and shall file a copy of the notice with the HDA along with an affidavit indicating the total number of apartments involved in computing the 35% and the names and apartments of the purchasing tenants.

9. (a) It after an offering Plan is presented to the tenants it is substantially amended prior to the transfer of title to the cooperative corporation, the time periods set forth in this Section 61 shall be extended, if applicable, from the date such amended offering Plan is presented to the tenants, as follows:

(i) It such date of presentation occurs during the ninety-day period provided under subsection 4(b), such period shall terminate not less than thirty days thereafter;

(ii) It such date of presentation occurs at any time after such ninety-day period under subsection 4(b) has expired, then for 30 days after such date a tenant in occupancy shall have the exclusive right to purchase on such amended terms. during which time his apartment shall not be shown to a third party unless he has, in writing, waived his right to purchase, followed by a period of 30 days or, if such date occurs during the six-months period provided under subsection 4(c), by the balance of such six-months period, whichever is later, during which time the tenant shall have the rights provided under subsection 4(c);

(iii) The one-year period provided under subsection 4(d) shall in no event terminate less than six months after such date of presentation.

(b) "Substantial amendment" shall include but not be limited to: an increase or decrease in the mortgage amount or cash purchase price, an increase in the working capital or reserve fund, agreement by the Sponsor to make additional repairs or improvements, or to repurchase apartments, or the offer of new or better terms for financing the purchase price of an apartment.

(c) Nothing contained in this subsection 9 shall shorten any of the time periods in subsections 4(b), 4(c) or 4(d) but shall only extend the same, if applicable; nor shall anything contained in this subsection 9 extend the 18 month period provided in 4(f).

(d) This subsection 9 shall be effective only as to amendments accepted for filing by the Attorney General after January 31, 1972.

§352-eeee. Conversions to cooperative or condominium ownership in the city of New York

1. As used in this section the following words and terms shall have the following meanings:

(a) "Plan". Every offering statement or prospectus submitted to the department of law pursuant to section three hundred fifty-two-e of this article for the conversion of a building or group of buildings or development from residential rental status to cooperative or condominium ownership or other form of cooperative interest in realty, other than an offering statement or prospectus for such conversion pursuant to article two, eight or eleven of the private housing finance law.

(b) "Non-eviction plan". A plan which may not be declared effective until written purchase agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family intend to occupy the unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made in good faith without fraud and discriminatory repurchase agreements or other discriminatory inducements.

(c) "Eviction plan". A plan which, pursuant to the provisions of this section, can result in the eviction of a non-purchasing tenant by reason of the tenant failing to purchase pursuant thereto, and which may not be declared effective until at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(d) "Purchaser under the plan". A person who owns the shares allocated to a dwelling unit or who owns such dwelling unit itself.

(e) "Non-purchasing tenant". A person who has not purchased under the plan and who is a tenant entitled to possession at the time the plan is declared effective or a person to whom a dwelling unit is rented subsequent to the effective date. A person who sublets a dwelling unit from a purchaser under the plan shall not be deemed a non-purchasing tenant.

(f) "Eligible senior citizens". Non-purchasing tenants who are sixty-two years of age or older on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenant under the provisions of this section, provided that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit on the terms then offered to tenants in occupancy.

(g) "Eligible disabled persons". Non-purchasing tenants who have an impairment which results from anatomical, physiological or psychological conditions, other than addiction to alcohol, gambling, or any controlled substance, which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques, and which are expected to be permanent and which prevent the tenant from engaging in any substantial gainful employment on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this section; provided, however, that if the disability first occurs after acceptance of the plan for filing, then such election may be made within sixty days following the onset of such disability unless during the period subsequent to sixty days following the acceptance of the plan for filing but prior to such election, the offeror accepts a written agreement to purchase the apartment from a bona fide purchaser; and provided further that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit or the shares allocated thereto on the terms then offered to tenants in occupancy.

2. The attorney general shall refuse to issue a letter stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this chapter has been filed whenever it appears that the offering statement or prospectus offers for sale residential cooperative apartments or condominium units pursuant to a plan unless:

(a) The plan provides that it will be deemed abandoned, void and of no effect if it does not become effective within fifteen months from the date of issue of the letter of the attorney general stating that the offering statement or prospectus has been accepted for filing and, in the event of such abandonment, no new plan for the conversion of such building or group of buildings or development shall be submitted to the attorney general for at least twelve months after such abandonment.

(b) The plan provides either that it is an eviction plan or that it is a non-eviction plan.

(c) The plan provides, if it is a non-eviction plan, as follows:

(i) The plan may not be declared effective until written purchase agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made without discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced at any time against non-purchasing tenants for failure to purchase or any other reason applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the non-purchasing tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto; and provided further that an owner of a unit or of the shares allocated thereto may not commence an action to recover possession of a dwelling unit from a non-purchasing tenant on the grounds that he seeks the dwelling unit for the use and occupancy of himself or his family.

(iii) Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to the conversion of the building or group of buildings or development to cooperative or condominium ownership shall continue to be subject thereto.

(iv) The rentals of non-purchasing tenants who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and non-purchasing tenants who reside in dwelling

units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing by the attorney general shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy. In determining comparability, consideration shall be given to such factors as building services, level of maintenance and operating expenses.

(v) The plan may not be amended at any time to provide that it shall be an eviction plan.

(vi) The rights granted under the plan to purchasers under the plan and to non-purchasing tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vii) After the Issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been filed, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth day after such date and at least once every thirty days until the plan is declared effective or is abandoned, as the case may be, and on the second day before the expiration of any exclusive purchase period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of the dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant as of the date of such statement and, (2) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(d) The plan provides, if it is an eviction plan, as follows:

(i) The plan may not be declared effective unless at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced against a non-purchasing tenant for failure to purchase or any other reason applicable to expiration of tenancy until the later to occur of (1) the date which is the expiration date provided in such non-purchasing tenant's lease or rental agreement and (2) the date which is three years after the date on which the plan is declared effective. Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to conversion shall continue to be subject thereto during the period of occupancy provided in this paragraph. Thereafter, if a tenant has not purchased, he may be removed by the owner of the dwelling unit or the shares allocated to such dwelling unit.

(iii) No eviction proceedings will be commenced, except as hereinafter provided, at any time against either eligible senior citizens or eligible disabled persons. The rentals of eligible senior citizens and eligible disabled persons who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and eligible senior citizens and eligible disabled persons who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted (or filing shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy considering, in determining comparability, such factors as building services, level of maintenance and operating expense; provided that such proceedings may be commenced against such tenants for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto.

(iv) Eligible senior citizens and eligible disabled persons who reside in dwelling units subject to government regulation as to rentals and continued occupancy shall continue to be subject thereto.

(v) The rights granted under the plan to eligible senior citizens and eligible disabled persons may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vi) Any offeror who disputes the election by a person to be an eligible senior citizen or an eligible disabled person must apply to the attorney general within thirty days of the receipt of the election forms for a determination by the attorney general of such person's eligibility. The attorney general shall, within thirty days thereafter, issue his determination of eligibility. The foregoing shall, in the absence of fraud, be the sole method for determining a dispute as

to whether a person is an eligible senior citizen or an eligible disabled person. The determination of the attorney general shall be reviewable only through a proceeding under article seventy-eight of the civil practice law and rules, which proceeding must be commenced within thirty days after such determination by the attorney general becomes final.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been accepted for filing, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth days after such date and at least once every thirty days until the plan is declared effective or abandoned, as the case may be, and on the second day before the expiration of any exclusive purchase period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general who have executed and delivered written agreements to purchase under the plan as of the date of such statement and (2) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(viii) If the plan is amended before it is declared effective to provide that it shall be a non-eviction plan, any person who has agreed to purchase under the plan prior to such amendment shall have a period of thirty days after receiving written notice of such amendment to revoke his agreement to purchase under the plan.

(ix) The tenants in occupancy on the date the attorney general accepts the plan for filing shall have the exclusive right to purchase their dwelling units or the shares allocated thereto for ninety days after the plan is accepted for filing by the attorney general, during which time a tenant's dwelling unit shall not be shown to a third party unless he has, in writing, waived his right to purchase; subsequent to the expiration of such ninety day period, a tenant in occupancy of a dwelling unit who has not purchased shall be given the exclusive right for an additional period of six months from said expiration date to purchase said dwelling unit or the shares allocated thereto on the same terms and conditions as are contained in an executed contract to purchase said dwelling unit or shares entered into by a bona fide purchaser, such exclusive right to be exercisable within fifteen days from the date of mailing by registered mail of notice of the execution of a contract of sale together with a copy of

(e) The attorney general finds that an excessive number of long-term vacancies did not exist on the date that the offering statement or prospectus was first submitted to the department of law. "Long-term vacancies" shall mean dwelling units not leased or occupied by bona fide tenants for more than five months prior to the date of such submission to the department of law. "Excessive" shall mean a vacancy rate in excess of the greater of (i) ten percent and (ii) a percentage that is double the normal average vacancy rate for the building or group of buildings or development for two years prior to the January preceding the date the offering statement or prospectus was first submitted to the department of law.

(f) The attorney general finds that, following the submission of the offering statement or prospectus to the department of law, each tenant in the building or group of buildings or development was provided with a written notice stating that such offering statement or prospectus has been submitted to the department of law for filing. Such notice shall be accompanied by a copy of the offering statement or prospectus and a statement that the statements submitted pursuant to subparagraph (vii) of paragraph (c) or subparagraph (vii) of paragraph (d) of this subdivision, whichever is applicable, will be available for inspection and copying at the office of the department of law where the submission was made and at the office of the offeror or a selling agent of the offeror. Such notice shall also be accompanied by a statement that tenants or their representatives may physically inspect the premises at any time subsequent to the submission of the plan to the department of law, during normal business hours, upon written request made by them to the offeror, provided such representatives are registered architects or professional engineers licensed to practice in the state of New York. Such notice shall be sent to each tenant in occupancy on the date the plan is first submitted to the department of law.

3. All dwelling units occupied by non-purchasing tenants shall be managed by the same managing agent who manages all other dwelling units in the building or group of buildings or development. Such managing agent shall provide to non-purchasing tenants all services and facilities required by law on a non-discriminatory basis. The offeror shall guarantee the obligation of the managing agent to provide all such services and facilities until such time as the offeror surrenders control to the board of directors or board of managers.

4. It shall be unlawful for any person to engage in any course of conduct, including, but not limited to, interruption or discontinuance of essential services, which substantially interferes with or disturbs the, comfort, repose, peace or quiet of any tenant in his use or occupancy of his dwelling unit or the facilities related thereto. The

attorney general may apply to a court of competent jurisdiction for an order restraining such conduct and, if he deems it appropriate, an order restraining the owner from selling the shares allocated to the dwelling unit or the dwelling unit itself or from proceeding with the plan of conversion; provided that nothing contained herein shall be deemed to preclude the tenant from applying on his own behalf for similar relief.

5. Any local legislative body may adopt local laws and any agency, officer or public body may prescribe rules and regulations with respect to the continued occupancy by tenants of dwelling units which are subject to regulation and to renewal and continued occupancy pursuant to law, provided that in the event that any such local law, rule or regulation shall be inconsistent with the provisions of this section, the provisions of this section shall control.

6. Any provision of a lease or other rental agreement which purports to waive a tenant's rights under this section or rules and regulations promulgated pursuant hereto shall be void as contrary to public policy.

7. The provisions of this section shall only be applicable in the city of New York.

(Added L.1982, c. 555, § 2.)

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SUBSCRIPTION AGREEMENT

Purchaser(s) _____
Building Address 350 Bleecker Street, New York, N.Y.
Apartment _____ No. of Shares _____
Purchase Price \$ _____
Down Payment (herewith) \$ _____
Balance \$ _____
Information for non-tenant purchaser(s):
Existing lease expires _____
or
Monthly tenancy ()
Rent under existing lease or tenancy \$ _____ per month

To: Kenneth B. Newman Realty Corp.
488 Madison Avenue
New York, New York 10022

1. I have received at least 3 full business days prior to the date hereof and read the Offering Statement-Plan of Cooperative Organization (the "Plan") with respect to premises New York, dated .

2. I agree to purchase the above number of shares of 350 Bleecker Street Apartment Corp. (the "Apartment Corporation") allocated to the above apartment for the purchase price stated above and to become the proprietary lessee of said apartment.

3. Herewith is my check for the down payment drawn to the order of "350 Bleecker Street Apartment Corp. Special Account". If the Plan becomes effective, I will pay the balance of the purchase price by my certified or bank check similarly drawn within 10 days after notice specifying the Closing Date is given to me and at the same time sign the proprietary lease for said apartment.

Instead of paying the entire balance as herein set forth, I shall have the right to submit to the Sponsor a commitment for a bank loan with the understanding that the amount of the loan will be paid over to the Sponsor simultaneously with the closing of the sale of the property to the Apartment Corporation; and if the bank loan is in an amount less than the entire balance of the purchase price then due, I will pay the difference in accordance with the previous provisions of this paragraph 3. This agreement is not contingent upon the obtaining of any financing.

4. The date of the commencement of the term of the proprietary lease and the date of issuance of the certificate for the aforesaid shares, which may be inserted by either you or the Apartment Corporation, shall be the

Closing Date. Provided that I have paid the full purchase price for the shares and shall not be in default hereunder, I am to receive the certificate and the aforesaid lease promptly after the Closing Date. I agree that my present lease (if any) or monthly tenancy (if any) of said apartment shall be deemed terminated and cancelled as of such date. If I shall not be the tenant of said apartment when the proprietary lease is issued, I will accept it subject to the then tenant's lease or tenancy of the apartment.

5. I understand that if the tenant in occupancy does not voluntarily remove from the apartment when his lease expires or is terminated, or his right to occupancy ends, obtaining possession will be my sole responsibility and at my own expense. I also understand that if the apartment I am purchasing is subject to an existing lease or tenancy, I will be assuming the landlord's rights and obligations under the existing lease or tenancy which will include the obligation to repair and maintain the apartment for the benefit of the existing tenant and the right to collect rent payable pursuant to the existing lease or tenancy whether the same is more or less than the rent payable under the proprietary lease.

6. The Sponsor will hold all moneys received by it directly or through its agent, or employees in trust until actually employed in connection with the consummation of the Plan. All such moneys will be deposited by the Sponsor with Bank of Commerce branch at 56 East 42nd Street, New York, New York and will be held in trust in an escrow account by the Sponsor entitled "350 Bleecker Street Apartment Corp. Special Account", or similar name. The funds so deposited will be held pursuant to S352(h) and (e) 2b of the General Business Law and disbursed only upon the signature of an attorney and only for the purposes of the consummation of the Plan or returned to me without interest.

7. My signing of this Subscription Agreement shall constitute my acceptance of said apartment in the condition in which it and existing kitchen, bathroom and other appliances, fixtures and equipment owned by the Sponsor shall be at the time of closing.

8. This contract is contingent upon the Plan being declared effective in accordance with its terms.

9. I understand that the Plan may be abandoned by the Sponsor at any time prior to its being declared effective and shall be abandoned or deemed abandoned if it is not declared effective as and within the time prescribed by the Plan.

10. If the Plan is abandoned or does not become

effective, or, after being declared effective, the Plan is not consummated for any reason on or before 2 years after the date of Offering, this agreement shall be deemed cancelled and the Plan terminated and within 45 days thereafter, my down payment shall be refunded to me without interest and all parties shall be released from any further obligation hereunder.

11. Title shall be transferred to the Apartment Corporation not less than 30 nor more than 180 days after the Plan has been declared effective, unless the closing of title is adjourned.

12. If I shall fail to pay the balance of the purchase price when due, the Sponsor may elect to cancel this agreement by notice given to me; and unless I pay the balance of the purchase price within 30 days thereafter, this agreement shall terminate as of the end of such 30 day period and my down payment shall be paid over to the Sponsor, with the interest, if any, earned or accrued thereon, as liquidated damages. In the event of such cancellation, the Sponsor shall have the right to sell said shares and proprietary lease to another purchaser as though this agreement had never been made.

13. The entire contract between us is set forth herein and in the Plan. I have not relied upon any representations, statements or warranties, written or oral, as to any matter or estimate that are not set forth herein or in the Plan, and, I acknowledge that I have had full opportunity to examine all documents and investigate all facts referred to and stated in the Plan. This agreement is not assignable by me without the prior written consent of Sponsor and may not be changed orally.

14. Conflicts between this agreement and the Plan shall be resolved in favor of the Plan; and all terms used herein shall have the same meaning as they do under the Plan.

15. If this Offering is for an apartment not occupied by me, and, if within the exclusive period granted to the tenant thereof under the Plan or any amendment thereto, the shares allocated to the apartment are purchased by such tenant, this agreement shall be deemed cancelled, and, within 45 days after the occurrence of such event my down payment shall be refunded to me all without interest and all parties shall be released from any further obligation hereunder.

16. This agreement shall not be binding on either of us if I am a non-resident until I have been accepted by endorsement hereon by the Sponsor and a fully signed copy is

given to me. If such endorsed and fully signed copy is not sent to me within 40 days, this agreement shall be refunded to me without interest.

17. If I am the tenant in occupancy of the apartment, I will pay all charges, including, but not limited to, rent, permissible rent increases under any law or regulation, and such late charges as may be assessed under the terms of my lease or tenancy up to and including the Closing Date. My failure to make timely payment of such charges shall constitute a default hereunder.

18. I represent that I am a resident of the State of New York and that I am over 18 years of age. The term "I" shall be read as ~we. if more than one person signs as Purchaser, in which case our obligations shall be joint and several.

19. Notices hereunder shall be deemed given when delivered personally against written receipt or posted for mailing addressed as follows:

If to the Purchaser(s) at the addresses stated below; and if to the Sponsor, c/o Kenneth B. Newman Esq. 488 Madison Avenue, New York, New York 10022.

20. If I am not a tenant in occupancy, I agree to sign an interim lease of the apartment. If I breach the interim lease, that breach shall also constitute a breach of this Agreement.

21. If this space is initialed by Purchaser _____, this subscription agreement shall be subject to cancellation on the terms hereof or before 30 days from the date of this subscription agreement (or such extended date as Sponsor may elect by giving written notice to Purchaser) such date hereafter being referred to as the "option date". If the Purchaser is unable to obtain a commitment from a bank, savings and loan association or similar financial institution for a loan to be secured by the Purchaser's stock and lease and interest in the apartment, in an amount not in excess of 75% of the purchase price for a term of not less than 25 years at the maximum rate of interest permissible, the proceeds of which mortgage are to be used on account of payment of the purchase price as herein provided. Such commitment and loan shall be obtained by the Purchaser at his own cost and expense (including any "points" or other costs and fees related thereto), and Purchaser agrees to immediately apply and to diligently pursue application therefor and to furnish all information and records that may be required for said application to the lending institution to whom the application is made. Purchaser represents that he has no judgments outstanding against him in any court, nor has he ever been adjudicated as bankrupt. Any extension of the option date by Sponsor must be by written notice to the Purchaser.

If, without fault on Purchaser's part, he is unable to obtain a commitment as provided for herein on or before the option date, then the Sponsor and Purchaser shall each have the option to cancel this agreement by giving written notice within 5 days following the option date. In the event that the Sponsor or Purchaser elect to cancel this contract as provided herein, this agreement shall terminate and Sponsor shall return to Purchaser the down payment with interest if earned, and the parties shall have no further rights or obligations to each other hereunder.

22. If this unit is being purchased by a person other than the tenant-in-occupancy, the subscriber hereby irrevocably appoints the managing agent engaged by the Apartment Corporation, and its successors, as his or her agent to provide to the non-purchasing tenants) all services and facilities required by law.

Except for the Sponsor and holders of unsold shares, if the subscriber is one other than the tenant-in-occupancy of the unit, the subscriber agrees to deposit with the managing agent at the closing an amount not less than two months' maintenance charges to be used as working capital to furnish services required under the non-purchasing tenant's lease and under the New York City Rent Stabilization Law and Code, the Emergency Tenant Protection Act, the Multiple Dwelling Law and the Multiple Residence Law. Upon notice by the managing agent that the deposit has been diminished, the fund shall be replenished by the purchaser within 14 days. The failure of the shareholder to replenish the fund in a timely fashion shall result in the Apartment Corporation having a lien against the shares appurtenant to the unit. Interest, if any, earned on the deposits shall be the property of the shareholders.

23. Closing of title to the shares and the related Proprietary Leases will take place at the office of Blumenthal & Lynne, a Professional Corporation, counsellors at law, 488 Madison Avenue, New York, New York 10022. Purchasers desiring to arrange for such closing to take place at another place in New York City should promptly notify the Sponsor at that address, and, in addition, will be responsible for the payment of an attendance fee to Counsel for the Apartment Corporation of not more than \$400. If a purchaser defaults in performance of this Subscription Agreement and thereafter cures it, or closes at a later date than the Closing, the purchaser will pay a fee of \$300 to such Counsel at the closing of his apartment and as a condition thereof.

In addition, it will be a condition of closing of title to any apartment with the tenant in occupancy that he has paid all charges up to and including the date upon which he signs proprietary lease and receives the shares of stock allocated to his apartment. It is a default under this Subscription Agreement if such charges are not paid.

Dated:

PURCHASER***

SECOND PURCHASER (if more than one)

ADDRESS

ACCEPTED AND APPROVED:

By: _____

***To be executed in duplicate

LEGAL DESCRIPTION OF PROPERTY

BEGINNING at the corner formed by the intersection of the southerly side of Charles Street with the westerly side of Bleecker Street running thence southerly along said westerly side of Bleecker Street 191 feet 3-3/4 inches to its intersection with the northerly side of West 10th Street; running thence westerly along said northerly side of West 10th Street, 100 feet 9-1/2 inches; thence northerly along a line which forms an angle of 89 degrees, 46 minutes, 30 seconds on its easterly side with said northerly side of West 10th Street, 95 feet and 1/4 of an inch; thence westerly along a line which forms an angle of 89 degrees, 27 minutes, 30 seconds on its southerly side with the last course, 1 foot 1-7/8 inches; thence northerly along a line which forms an angle of 90 degrees, 38 minutes, 20 seconds on its easterly side with the last course, 96 feet 7 inches to the said southerly side of Charles Street; thence easterly along said southerly side of Charles Street, 100 feet to the point or place of BEGINNING.

TITLE YYY
COOPERATIE AND CONDOMINIUM CONVERSIONS

§YYYYY51-1.0 Application. The provisions of this title shall apply to conversions from rental to cooperative or condominium status of a building or a group of buildings or a development for which a plan must be filed with the state department of law pursuant to section three hundred fifty-two-eeee of the general business law.

§YYYYY51-2.0 Definitions. As used in this title the following words shall mean:

a. "Building" – any building, group of buildings or development.

b. Total price –

(1) With respect to cooperative conversions, the number of all shares in the offering multiplied by the last price per share which was offered to tenants in occupancy prior to the effective date of the plan regardless of number of sales made;

(2) With respect to condominium conversions, the sum of the cost of all units in the offering at the last price which was offered to tenants in occupancy prior to the effective date of the plan regardless of number of sales made.

c. Capital replacement – a buidling-wide replacementof a major component of any of the following systems:

(1) Elevator;

(2) heating, ventilation and air conditioning;

(3) plumbing;

(4) wiring;

(5) window;

or, a major structural replacement to the building; provided,. however, that replacements made to cure code violations of record shall not be included.

d. "Offeror" – the offeror, his nominees. assignees and successors in interest.

§YYYYY51-3.0 Establishment of reserve fund. – a. within thirty days after the closing of a conversion pursuant to an offering plan the offeror shall establish and transfer to the cooperative corporation or condominium board of managers a reserve fund to be used e.xclu- sively for making capital repairs. replacements ant improvements necessary for the health and safety of the residents of such buildings. Such reserve fund shall be exclusive of any other funds required to be reserved under the plan or applicable law or regulation of the

state attorney general except a fund for capital repairs, replacements and improvements, substantially similar in purpose to and in an amount not less than the reserve fund mandated by this section. Such reserve fund also shall be exclusive of any working capital fund and shall not be subject to reduction for closing apportionments.

b. Such fund shall be established in an amount equal to either (i) three per cent of the total price or (ii) (A) three per cent of the actual sales price of all cooperative shares or condominium units sold by the offeror at the time the plan is declared effective, provided, however, that if such amount is less than one per cent of the total price, then the fund shall be established as a minimum of one per cent of the total price; plus; (B) supplemental contributions to be made by the offeror at a rate of three per cent of the actual sales price of cooperative shares or condominium units for each unit or its allocable shares held by the offeror and sold to bona fide purchasers subsequent to the effective date of the plan and within 5 years of the closing of the conversion pursuant to such plan notwithstanding that the total amount contributed may exceed three per cent of the total price; and provided, further, that if five years from thirty days after the closing of the conversion pursuant to such plan the total contributions by the offeror to the fund are less than three per cent of the total price the offeror shall pay the difference between the amount contributed and three per cent of the total price. Supplemental contributions shall be made within 30 days of each sale.

c. The contributions required pursuant to this section may be made earlier or in an amount greater than so provided. An offeror may claim and receive credit against the mandatory initial contribution to the reserve fund for the actual cost of capital replacements which he has begun after the plan is submitted for filing to the state department of law and before the plan is declared effective: provided however, that any such replacements must be set forth in the plan together with the actual or estimated costs and further provided, that such credit shall not exceed the lesser of the actual cost of the capital replacements or one per cent of the total price.

d.. Any building, construction of which was completed within three years prior to the closing of a conversion pursuant to an offering plan, shall be exempt from the requirements of this section.

§YYYY51-4.0 Report on status of reserve fund. – The cooperative corporation or condominium board of managers shall report to shareholders and unit owners on a semi-annual basis with respect to all deposits into and withdrawals from the reserve fund mandated by section YYYY51-3.0.

§YYYY51-5.0 Posting of violations. – The offeror, not later than the thirtieth day following the acceptance of a plan for filing by the state department of law pursuant to section three hundred fifty-two-eeee of the general business law and until the closing of the conversion pursuant to such plan, shall post and maintain in a prominent place, accessible to all tenants in each building covered by the plan, a listing of all violations of record against such buildings as determined by the department of buildings and the department of housing preservation and development. All newly issued violations shall be posted within forty-eight

hours of their issuance and maintained as described above. The offeror may satisfy the requirements of this section by designating an agent on the premises with whom such listing shall be made available for inspection by the tenants.

§YYYY51-6.0 Report on condition of premises. – Where, pursuant to law or regulation of the state attorney general, an offeror is required to file a report with the state department of law describing the condition of the physical aspects of the premises to be converted and the surrounding neighborhood a copy of such report shall be submitted simultaneously to the commissioner of buildings.

§YYYY51-7.0 No waiver of rights. – Any provision purporting to waive the provisions of this title in any contract to purchase or agreement between an offeror and the cooperative corporation or the condominium board of managers pursuant to a conversion plan shall be void as against public policy.

§YYYY51-8.0 Criminal and civil penalties; enforcement. – a. Except as otherwise provided in subdivision b of this section, any person who knowingly violates or assists in the violation of any section of this title shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than one hundred nor more than one thousand dollars. Except as otherwise provided in subdivision b of this section, any person who violates or assists in the violation of any section of this title shall be subject to a civil penalty of one hundred dollars per day per unit for each day that a building is not in compliance with the provisions of such sections: provided however, that such civil penalty shall not exceed one thousand dollars per unit.

b. Any person v ho knowingly violates or assists in the violation of section YYYY51-3.0 shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not more than two times the amount required to be reserved by section YYYY51-3.0 which was not so reserved. Any person who violates or assists in the violation of section YYYY 51-3.0 shall also be subject to a civil penalty of one thousand dollars per day for each day that the reserve fund required by section YYYY51-3.0 is not established; provided, however, that such civil penalty shall not exceed the amount required to be reserved pursuant to section YYYY51-3.0.

c. In addition, any other action or proceeding in any court of competent jurisdiction that may be appropriate or necessary for the enforcement of the provisions of this title may be brought in the name of the city, including actions to secure permanent injunctions enjoining any acts or practices which constitute a violation of any provision of this title, mandating compliance with the provisions of this title or for such other relief as may be appropriate. In any such action or proceeding the city may apply to any court of competent jurisdiction, or to a judge or justice thereof, for a temporary restraining order or preliminary injunction enjoining and restraining' all persons from violating any provision of this title. mandating compliance with the provisions of this title, or for such other relief as may be appropriate, until the hearing and determination of such action or proceeding and the entry of final judgement or order therein. The court, or judge or justice thereof, to whom such application is made, is hereby authorized forthwith to make any or all of the orders above

specified, as may be required in such application, with or without notice, and to make such other or further orders or directions as may be necessary to render the same effectual. No undertaking shall be required as a condition of the granting or issuing of such order, or by reason thereof.

d. Nothing contained in this section shall impair any rights, remedies or causes of action accrued or accruing to purchasers of cooperative shares or condominium units.

e. The department of housing preservation and development is empowered to enforce the provisions of this title.

§3. If any provision of this local law or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of this local law and the applicability of such provision to any other person or circumstances shall not be affected thereby.

§4. This local law shall take effect February first nineteen hundred eighty three and shall apply to all plans not yet accepted for filing by the state department of law pursuant to section three hundred fifty-two-eeee of the general business law as of that date.

CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPAL
PURSUANT TO SEC. 18.4(b) OF THE REGULATIONS
ISSUED PURSUANT TO GENERAL BUSINESS LAW,
ARTICLE 23-A, AS AMENDED

We are the sponsor and the principal of the sponsor of the offering to convert this property, known as 350 Bleecker Street, City, County and State of New York, to cooperative ownership.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 18 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors and purchasers an adequate basis upon which to found their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statements made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

BLEECKER CHARLES COMPANY

By /s/ Kenneth B. Newman
Kenneth B. Newman

/s/ Kenneth B. Newman
Kenneth B. Newman
Managing Partner

Sworn to before me in
New York, New York,
on December 26, 1984

/s/ Kathleen M. Gianetti
KATHLEEN M. GIANNETTI
Notary Public, State of New York
No. 52--6504350
Qualified in Suffolk County
Commission Expires March 30, 1996

CERTIFICATION OF SPONSOR'S ENGINEER
OR ARCHITECT PURSUANT TO SEC. 18.4(c)
OF THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW ARTICLE 23-A
AS AMENDED

New York State Department of Law
Two World Trade Center
New York N.Y. 10047

Attention: Real Estate Financing Bureau

RE:

350 BLEECKER STREET

NEW YORK NEW YORK

Name and address of Property

The undersigned (a Professional Engineer registered in New York State) (licensed to practice engineering in New York State) certify as follows:

The sponsor of the Offering to convert the captioned property to a cooperative retained our firm to prepare a report disclosing the condition of the property (the ~Report.). We visually inspected the property on 4/25/84 and prepared the Report dated 5/07/84, a copy of which is intended to be incorporated into the Offering Plan so that tenants and prospective purchasers may rely on the Report.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 18 insofar as they are applicable to this Report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it and conducted the visual inspection referred to above with due diligence in order to form a basis for this certification. We certify that the Report and all documents prepared by us disclose all the material facts which were then discernable from a visual inspection of the property. This certification is made for the benefit of all persons to whom this offer is made. We certify that the Report based on our visual inspection:

- (i) sets forth in narrative form the physical condition of the entire Property and is current and accurate as of the date of inspection;
- (ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the property;

- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where we:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representations or statement made.
- (viii) it is to be understood that all aspects of the physical condition of the property cannot be determined by a visual inspection and that all statements contained in this certification are premised on and limited to such visual inspection.

We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that our compensation for preparing this Report is not contingent on the conversion of the property to a cooperative or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

CHARLES B. FERRIS ASSOCIATES

Name of Firm

By: /s/ Charles B. Ferris

PRESIDENT

Title or position

Sworn to before me
this 5th day of
June, 1984

/s/ Seabury T. Stebbins

Notary Public

SEABURY T. STEBBINS

Notary Public, State of New York

No. 60-4761053

Qualified in Westchester County
Commission Expires March 30, 1985

CERTIFICATION OF SPONSOR'S EXPERT
CONCERNING ADEQUACY OF BUDGET
PURSUANT TO PART 21 OF THE REGULATIONS
ISSUED PURSUANT TO GENERAL BUSINESS
LAW, ARTICLE 23-A AS AMENDED



1501 Broadway
New York, N.Y. 10036
212 764 5600

AJ. CLARKE CPM(1943-1979)
HARVEY A. CLARKE
ANDREW M. CLARKE
MICHAEL D. GRABOW

New York State Department of Law
Two World Trade Center
New York, New York 10047

Attn: Real Estate Financing Bureau

RE: 350 Bleecker Street, New York, New York

Gentlemen:

The undersigned certifies as follows:

The sponsor of the cooperative offering plan for the captioned property retained our firm to review Schedule B containing projections of income and expenses for the first year of cooperative operation

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 21 insofar as they are applicable to Schedule B.

We have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification.

We certify that the Projections in Schedule B appear Reasonable and adequate based on present prices adjusted to reflect continued inflation and present levels consumption for comparable units similarly situated.

We certify that this certification and all documents Prepared by us hereafter that concern the Schedule does:

- (1) set forth in detail the terms of the transaction as it relates to the Schedule and be complete, current and accurate.
- (ii) afford potential investors, purchasers and participans an adequate basis upon which to found their judgment;



1501 Broadway
New York, N.Y. 10036
212 764 5600

AJ. CLARKE CPM(1943-1979)
HARVEY A. CLARKE
ANDREW M. CLARKE
MICHAEL D. GRABOW

- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, or suppression;
- (vi) not contain any premise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statement made.


We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that our compensation for preparing this Certification is not contingent on the conversion of the property to a cooperative or on the profitability or price of the offering. We understand that a copy of this certification is intended to be incorporated into the offering plan so that prospective purchasers may rely on it.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law.

A. J. CLARKE MANAGEMENT CORP.

BY: 

Sworn to before me this
14 day of DEC, 1984.


Notary Public
NOTARY PUBLIC
No. 52
Qualifies in New York County
Commission Expires March 30, 1985

CONTRACT OF SALE

AGREEMENT made as of the 24th day of April, 1984 between BLEECKER CHARLES COMPANY, a New York limited Partnership having an office at 488 Madison Avenue, New York, New York (hereinafter referred to as the "Seller") and 350 BLEECKER STREET APARTMENT CORP., a New York corporation having an office at c/o Kenneth B. Newman, Esq. 488 Madison Avenue, New York, New York (hereinafter referred to as the "Purchaser").

W I T N E S S E T H

WHEREAS, Seller is the owner in fee simple of the land and the apartment building and improvements erected thereon (hereafter called the "Building") known as and by the street number 350 Bleecker Street, New York, New York and more particularly described on Schedule A annexed hereto and made a part hereof (said land and building are hereinafter collectively described as the "Property"): and

WHEREAS, Purchaser intends to (a) sell its shares of capital stock (the "Shares") to tenants in the Building and others, together with proprietary leases for apartments to which the Shares are allocated, pursuant to an Offering Plan to convert the Property to cooperative ownership and the documents therein referred to (the "Plan") after the Plan has been accepted for filing by the Department of Law of the State of New York; and (b) purchase of the Property from Seller pursuant to the provisions of this contract and the Plan after the Plan has been declared effective;

NOW, THEREFORE, in consideration of the mutual premises and covenants herein contained and for other good and valuable consideration, receipt of which by the respective parties is hereby acknowledged, Seller and Purchaser agree as follows:

1. Property: Seller agrees to sell and convey, and Purchaser agrees to purchase, the Property subject to the terms and conditions herein and in the Plan set forth. This sale includes all of the right, title and interest, if any, of Seller in and to the following:

(a) Any land lying in the bed of any street, road or avenue opened or proposed, in front of or adjoining the Property, to the center line thereof, and any future award to be made in lieu thereof, and any future award for damages to said Property by reason of change of grade of any street; and Seller will execute and deliver to Purchaser, on closing of title, or thereafter on demand, all proper instruments for the conveyance of such title, and for the assignment and collection of any such award.

(b) Strips and gores of land adjoining or abutting the Property.

(c) Any appurtenances or hereditaments belonging or in any wise pertaining to the Property.

(d) All fixtures and articles of personal property owned by Seller which are attached to or used in connection with the operation of the Property. Such fixtures and articles of personal property (including kitchen appliances, building equipment and lobby and hallway furnishings and furniture) are to be acquired by the Purchaser in the condition in which they exist on the Closing Date as such term is defined in Paragraph 23 hereof, without any obligation of Seller to make any repairs or improvements thereto. All kitchen appliances and air conditioning units (if any) in the Property owned by the Seller will become the property of the Purchaser on the Closing Date (subject to the lien of the mortgages described in Paragraph 2(a) be-

low), but may be used by tenant-shareholders without charge. If a non-purchasing tenant vacates his apartment prior to the Closing Date and removes a stove or refrigerator belonging to him, Seller, at its own expense, will supply a replacement which may not be new, but will be in good working order and will be similar in size and quality to the stoves and refrigerators contained in comparable apartments in the Building on the presentation date of the Plan. Fixtures, appliances and articles or personal property owned by tenants of the Building are not included in the sale.

2. Permitted Encumbrances: (a) The Property is sold and will be conveyed, and Purchase shall take same subject to, the following "Permitted Encumbrances":

(i) the first mortgage held by the East River Savings Bank in the original principal amount of \$1,750,000 with interest at the rate of 8 7/8% per annum payable in monthly installments of principal and interest of \$14,262.50 up to and including October 1, 1987 and the wrap around mortgage to be issued hereunder in the principal sum of \$3,000,000 with interest payable monthly at the rate of 10% per annum, all as described in the Plan;

(ii) the short term mortgage which Seller may elect to obtain, all as described in the Plan;

(iii) leases in force on the closing date and rights of all tenants in possession;

(iv) any state of facts shown on a survey made by Charles J. Dearling dated March 7, 1962 and redated September 5, 1972 by Peter C. Hansen, and any changes since that date, provided such changes do not render title unmarketable;

(v) zoning regulations and ordinances, as the same may be amended between the date of presentation of the Plan and the closing date, provided they do not prohibit the existence or present use of the building;

(vi) any rights of gas, electricity, steam, telephone or other utility companies to maintain, repair and replace any wires, conduits, pipes, valves, chutes and vaults on, over, under and adjacent to the property;

(vii) encroachment of stoops, areas, cellar steps, trim, cornices and projections, if any, on streets or highways; and consents by any owner of the property for the erection of any structure on, under or above any street or streets on which the property may abut;

(viii) management, selling agent and service agreements referred to in the Plan;

(ix) covenants, easements, agreements and restrictions of record which do not prohibit the present use of the property;

(x) variations between record lines and fences, hedges, retaining walls and tax lots;

(ix) the following standard printed exceptions contained in the form of title insurance policies; (i) defects and encumbrances arising or becoming a lien after the date the policy becomes effective, except as therein provided; (ii) consequences of the exercise and enforcement or attempted enforcement of any governmental war or police powers over the premises; (iii) judgments against the insured or estates, interests, defects, objections, liens or encumbrances created, suffered, assumed or agreed to, by or with the privity of the insured; (iv) title to any property beyond the lines of the premises, or title to areas within or rights or easements in any abutting streets, roads, avenues, lanes, ways or waterways, or the right to maintain

therein vaults, tunnels, ramps or any other structure or improvement, unless the policy specifically provides that any titles, rights or easements are insured (notwithstanding any provisions of this clause (iv) to the contrary, the policy, unless otherwise excepted, will insure the ordinary rights of ingress and egress belonging to abutting owners); (v) compliance by the building or other structures upon the premises or their use with federal, state and municipal laws, regulations and ordinances; and (vi) title to any personal property, whether attached to or used in connection with the premises or otherwise.

(xii) the lien for any unpaid assessment payable in installments, except Seller will pay all such assessments due and payable prior to the closing Date and the Purchaser will be obligated to pay all installments due at or subsequent to said closing (except further that the then current installment, if any, shall be apportioned as of the Closing Date);

(xiii) the lien of any unpaid franchise or corporation tax or estate tax with respect to any corporation or individual in the chain of title, provided the title insurance company insuring the Purchaser's title to the Property shall insure against the collection of such taxes out of the Property;

(xiv) violations noted or issued by any governmental authority to be performed by, or caused by the acts or omissions of, tenants of the Property; all other violations that are noted or issued on the Closing Date by any governmental authority having jurisdiction and work orders issued by the Closing Date by the holder of the First Mortgage or an insurance carrier which cost in the aggregate not in excess of Twenty Thousand (\$20,000.00) Dollars to correct and remove; and any condition that may constitute a violation, although not so noted or issued; and

(xv) the terms of the Plan (subject to Seller's approval thereof); and

(xvi) any other lien or encumbrance which does not render title unmarketable.

(b) Purchaser acknowledges having examined and hereby approves the commercial and/or professional leases, service contracts and agreements affecting the Property on the date hereof. At the closing of the title, Purchaser shall execute and deliver to Seller an instrument under which Purchaser shall agree to assume the payment and performance of all obligations of Seller under such leases, contracts and agreements or replacements thereof (as herein permitted) that arise on or after the Closing Date and shall further agree to indemnify and hold Seller harmless against any claims, liabilities, obligations, costs and expenses (including reasonable attorney's fees) arising under such leases, contracts and agreements or said replacements thereof that relate to matters or events occurring from and after the closing of the title.

(c) Seller represents that no tenant, concessionaire or licensee of the Property shall be entitled under any lease or other agreement to any rebate, reduction in rent or interest, right of set-off, concession or other benefit, except as may be expressly set forth herein, and Seller shall indemnify and hold Purchaser harmless from and against any claim, loss or expense with respect to any such benefit not set forth herein accrued prior to the Closing Date. Seller shall not collect prepaid rent for more than (1)

month or other advance payment from any party (other than tenants), except as expressly set forth herein. The provisions of this subparagraph (c) shall survive the closing for a period of one (1) year.

3. Leases and Contracts: (a) Seller reserves the right to renew, extend and modify existing leases and to enter into new leases prior to the Closing Date, on such terms and rental (but not to exceed the maximum legal rent, if any) as Seller deems desirable, for any residential or non-residential space (including any space vacant on the date hereof or which becomes vacant hereafter), except an apartment for which a Subscription Agreement is in force and effect (unless entered into with the subscriber of the block of Shares allocated to such apartment). However, Seller will not be obligated to rent any apartment which is vacant on the date hereof or which becomes vacant hereafter and it is likely that any such vacancies will not be offered for rent except to the subscriber of the block of Shares allocated to such apartment. Seller also reserves the right to evict any tenant who defaults under his lease or tenancy, subject to, and in accordance with the ETPA, the Tenant Regulations and Section 352-eee. A current rent roll will be made available by Seller for inspection by prospective purchasers under the Plan and their representatives at the office of the Selling Agent (as such term is hereinafter defined).

(b) Unless disclosed in the Plan, no lease for any non-residential space will be made with Seller or the partners of Seller and no existing non-residential lease entered into, at a rental less than that projected in Purchaser's "Schedule of Projected Receipts and Expenses for the First Year of Cooperative Operation" to be set forth in the Plan (hereafter called the "First Year's Budget") unless (i) Seller agrees to pay the difference between the projected rent and the actual rent for the term of the lease, or (ii) a majority of all then existing purchasers under the Plan consent in writing thereto, or (iii) in lieu of obtaining such consent, a majority of those members of the Board of Directors who reside in the Building approve and ratify such lease within ninety (90) days after the Closing Date.

(c) Seller further reserves the right, prior to the Closing Date, to renew, extend or modify the existing service, maintenance and concessionaire contracts in place of present contracts on such terms as it deems desirable, except that Seller shall not enter any new contract which will materially raise the estimated maintenance charges for the first year of cooperative operation as will be set forth in the First Year's Budget.

4. Purchase Price: The purchase price of the Property is \$13,321,200 subject to change and adjustment as follows:

(a) The purchase price shall be reduced by an amount equal to all costs and expenses (other than the customary items of closing adjustments to be apportioned between Seller and Purchaser as discussed in Paragraph 7 herein below) incurred by the Purchaser on or prior to the Closing Date in connection with the promulgation and consummation of the Plan (hereinafter collectively called the "Offering Expenses"), including, but not limited to: selling expenses and commissions; the cost of a fee title insurance policy in the amount of the total consideration

paid to Seller for the Property: printing, advertising and Purchaser's organizational costs: legal fees and disbursements: governmental filing fees: revenue stamps to be affixed to the deed: mortgage taxes; recording charges; amounts reimbursed Seller for expenses incurred by it on behalf of the Purchaser and the working capital fund and Reserve Fund required by the Plan. If any of the foregoing items are not in an ascertainable amount at Closing, or if there is any disagreement with respect to the amount of any item, Purchaser will deposit with the Seller's attorney, in escrow, a sum mutually satisfactory to the parties (in the event the amount thereof is not ascertainable) or the amount of such disputed item, as the case may be. All such disagreements shall be settled by arbitration held in the City of New York in accordance with rules of the American Arbitration Association then in effect. The foregoing Offering Expenses are to be paid by Purchaser from the proceeds received on the sale of its Shares under the Plan but shall in no event reduce the Working Capital Fund (as hereinafter defined) and, in the event any of same are not paid and satisfied by the Closing Date, and are paid thereafter by Purchaser with funds not specifically retained at closing for such purpose, then Seller shall reimburse Purchaser for the amount so paid by Purchaser as a reduction in the purchase price of the Property. Such obligation of Seller to reimburse Purchaser shall survive the closing of title.

(b) If any block of Shares is sold on or prior to the Closing Date for a Total Cash Payment of more or less than \$600 per share pursuant to the right hereby reserved to the Purchaser to change such Total Cash Payment upon (and subject to) obtaining the prior approval of the Seller for each such change, the purchase price of the Property shall be increased or decreased as the case may be, by the net difference resulting from all such changes in Total Cash Payments. The reduction in the Total Cash Payment paid by tenants of the Building or others below \$600 per share (the amount represented by Purchaser in Paragraph 6 below, to be the maximum payment at which the Shares will be initially offered under the Plan to Tenants) shall be considered a "change in the Total Cash Payment" and the purchase price of the Property shall be decreased by the aggregate amount of all such reductions.

(c) The purchase price of the Property shall be increased by a sum equal to all monies (including interest, if any) forfeited by defaulting subscribers under their respective Subscription Agreements for the Shares. Unless waived in writing by Seller in any instance, Purchaser shall promptly send to each and every subscriber, if any, who shall be in default in respect to the payment of any sums under his Subscription Agreement for a block of Shares, the thirty (30) day written demand required by Section 503 (d) of the Business Corporation law of the State of New York.

(d) Seller will make all interest and amortization payments becoming due under the First Mortgage prior to the Closing Date and shall comply with all of the terms of said Mortgage (it being a condition of the closing that the First Mortgage shall not be in default at the time of delivery of the deed). Purchaser shall acquire the Property subject to the actual principal balance of the Mortgage unpaid as of the Closing Date, without any requirement to adjust any amortization payments made prior to the Closing Date.

5. Payment of Purchase Price: The purchase price, as adjusted in accordance with the foregoing, shall be paid at title closing as follows:

(a) By payment by the Purchaser to Seller, upon delivery of the deed, the net cash proceeds received by Purchaser on the sale of its Shares up to and including the Closing Date (after being adjusted in accordance with Paragraph 4(a), (b) and (c) above), less (i) \$15,000 (as such sum may be increased or reduced by the closing adjustments as hereafter provided) constituting Purchaser's working capital fund referred to in Paragraph 6(b) below, and (ii) the amount of the short term mortgage described in subparagraph (d) below, which net cash proceeds shall be paid in cash, or good certified check of Purchaser or official bank check, drawn on a bank which is a member of the New York Clearing House Association, and made payable to the direct order of Seller. The cash portion of the purchase price shall be computed as follows

(i) \$10,321,200- minus the Offering Expenses to be deducted from the purchase price as provided in subparagraph (a) of Paragraph 4 hereof,

plus or minus (as the case may be)

(ii) the net increase or decrease resulting from all changes in Total Cash Payments for Shares as provided in subparagraph (b) of Paragraph 4 hereof,

plus

(iii) the aggregate of all monies (including interest, if any forfeited by defaulting purchasers as provided in subparagraph (c) of Paragraph 4 hereof.

(b) by the issuance of unsold shares (which shall include shares subscribed for but not fully paid) of its capital stock as directed by the Seller as provided in the Plan (the proceeds from the sale of which shall be retained by Seller);

(c) by executing, acknowledging and delivering to the Seller at the closing a mortgage note secured by a purchase money wrap-around mortgage on the premises for \$3,000,000 as described in the Plan;

(d) by executing, acknowledging and delivering to the Seller at the closing a second mortgage secured by a second purchase money mortgage on the premises as described in the Plan in such amount as Seller shall elect to enable the Seller to qualify for an installment sale under the applicable provisions of the Internal Revenue Code of 1954, as amended, as described in the Plan;

6. Purchaser's Representations: (a) Purchaser represents to Seller;

(i) Purchaser will offer for sale, pursuant to the Plan, a total of 17,202 Shares allocated in blocks to a total of 137 apartments, comprising all residential apartments (exclusive of the superintendent's apartment) at the Building;

*This sum is based on Purchaser's representations under Paragraph 6 as to the total number of Shares and the minimum Total Cash Payment per share which Purchaser will offer under the Plan. In the event the actual total number of Shares or actual Total Cash Payment in the Plan or any amendment thereto shall be different from that represented in Paragraph 6 below, then this figure shall be correspondingly increased or decreased.

(ii) The Shares will be initially offered for sale to existing tenants for a Total Cash Payment of \$600 per Share and to others (including Tenants who have not executed and delivered Subscription Agreements within 90 days of the presentation date of the Offering Plan) of \$850 per Share; and

(iii) The total proceeds to be received in the event all 17,202 shares are sold for a Total Cash Payment of \$600 per Share will be \$10,321,200 plus the wrap-around mortgage note.

(b) The parties acknowledge and agree that the proceeds received on the sale of Purchaser's Shares shall be used as follows:

(i) First, to pay the Offering Expenses referred to in Paragraph 4 (a) above:

(ii) Second, to establish a working capital fund in the amount of Fifteen Thousand \$15,000 Dollars, which shall be retained by Purchaser at the closing from the net proceeds of the sale of its Shares, except that in the event the net closing adjustments referred to in Paragraph 7 below are in favor of Seller, same will be paid to Seller from such working capital fund and, if the net closing adjustments are in favor of Purchaser, then the working capital fund shall be increased by the amount thereof: and

(iii) Third, to establish the Reserve Fund required by Title YYYY of Chapter 51 of the Administrative Code of the City of New York; and

(iv) Fourth, to pay the cash portion of the purchase price as computed in Paragraph 5 above.

The proceeds received by Purchaser from the sale of its Shares (the "Offering Proceeds") shall be delivered to KENNETH B. NEWMAN REALTY CORP. (the "Selling Agent"), and deposited in a special account as provided in the Plan. Purchaser herewith irrevocably authorizes and directs the Selling Agent to disburse said Offering Proceeds and the interest (if any) earned thereon to the respective parties hereto and to the purchasers of Shares in accordance with the provisions of this Agreement and the Plan.

7. Apportionments: (a) The following shall be apportioned and adjusted to and including the day immediately prior to the date on which title is actually closed:

(i) All rents as and when collected (subject to subparagraph (f) of this paragraph).

(ii) Real estate taxes, sewer rents, water charges and vault charges (if any) on the basis of the fiscal or calendar year for which assessed.

(iii) Employees' wages, payroll expenses, bonuses, vacation and severance pay, pension and welfare benefits and any other obligations payable to employees by reason of their employment.

(iv) Charges and receipts in connection with service and maintenance contracts and concessionaire agreements.

(v) Monies paid into the Building Service Welfare and Building Employees' Pension Fund.

(vi) Cost of fuel on hand on the day prior to closing, at Seller's actual cost, plus sales tax, as computed by Seller's fuel supplier (which shall be conclusive and binding on the parties).

(vii) Charges for electricity, gas, steam and other utilities and any other income due from tenants.

(viii) Deposits with utility companies and governmental permits and license fees, if any, and if assignable.

(ix) Realty Advisory Board charges (if any).

(x) Premiums on existing transferable insurance policies or renewals of those expiring prior to the Closing Date.

(xi) Accrued Senior Citizen exemptions.

(xii) Tax abatement from capital improvements made prior to the closing.

In addition, Purchaser shall reimburse Seller for Building supplies on hand at closing at Seller's cost, plus sales tax. Escrow funds held by the holder of the Mortgages, shall belong to Seller and shall not be adjusted.

(b) If the closing of title shall occur before the tax rate is fixed, the apportionment of taxes shall be upon the basis of the tax rate for the next preceding year applied to the latest assessed valuation.

(c) If there is a water meter or meters at the Property, Seller shall furnish a reading to a date not more than thirty (30) days prior to the closing of title and the unfixed water meter and unfixed sewer rent, if any (not payable by tenants) for the intervening time shall be apportioned on the basis of such last reading. If Seller is unable to furnish such reading, Purchaser will accept from Seller an agreement to the effect that any reading obtained subsequent to the closing of title will be apportioned on a per diem basis from the date of the reading immediately prior thereto. Water or meter charges required to be paid by any tenant under his lease and not paid by Seller prior to closing shall not be apportioned and Purchaser shall look solely to such tenant for payment thereof, unless such tenant is at the time of closing in arrears in payment of rent for more than one (1) month.

(d) If any of the foregoing items referred to in the preceding subparagraph (a) cannot be apportioned and adjusted at the closing of title because they are not fully ascertainable, they shall be apportioned and adjusted at such closing to the extent reasonably possible and the balance as soon thereafter as the undetermined amounts are

ascertained. The provisions of this subparagraph to apportion and adjust unascertained items subsequent to closing shall survive the delivery of the deed and Purchaser and Seller shall execute a Letter Agreement to that effect.

(e) Except as herein otherwise expressly provided, the customs in respect to title closings adopted by the Real Estate Board of New York, Inc., as amended, shall apply to apportionments and other matters therein mentioned.

(f) At the option of Seller, prepaid rents of tenants of residential apartments will be either: (i) paid to Purchaser or, at Seller's option, (ii) paid to the appropriate purchasers of Shares allocated to apartments to which such prepayment relates.

(g) Receipts or letters signed by the holder of the Mortgages, its agents or employees, or an officer thereof, evidencing the payment of installments of principal and/or interest and/or reserves and escrows and reciting the status of said Mortgages as to principal, interest, reserves, escrows and accruals as of the Closing Date shall be sufficient evidence of the amount of the principal of such Mortgages, the date to which interest has been paid, the amount of any reserves, escrows and accruals, the maturity of such Mortgages and the interest payable thereunder, provided the title company insuring Purchaser's title to the Property shall insure based thereon.

8. Payment of Closing Adjustments: If the net closing adjustments are in favor of Purchaser, the amount thereof will be paid or (at Seller's option) credited to Purchaser at closing. If the net closing adjustments are in favor of Seller, same will be paid to Seller.

9. First Mortgage: Seller shall retain all right title and interest to any escrow deposits made under the First Mortgage.

10. Assessment: If, at the date hereof and on the Closing Date, the Property or any part thereof shall be or shall have been affected by an assessment or assessments which are or may become payable in annual installments, of which the first installment is then a charge or lien, or has been paid, then for the purposes of this agreement all the unpaid installments of any such assessment which become due and payable after the delivery of the deed, shall not be deemed to be liens upon the Property and Purchaser shall take title subject thereto and shall be solely responsible for the payment thereof. Seller will pay all such installments due and payable prior to the Closing Date (except the then current installment, if any, shall be apportioned as of the Closing Date).

11. Default, Remedy: If, at the closing of title, Seller shall be unable to convey to Purchaser title to the Property, in fee simple, subject only to the Permitted Encumbrances, the sole remedy of the Purchaser will be either:

(i) to accept whatever title Seller is able to convey, without credit against, or any abatement in the purchase price, or any claim or right of action against the Seller; or

(ii) to rescind this agreement.

If this agreement is rescinded under the provisions of this Paragraph, neither Seller nor Purchaser shall have any further obligation or liability to the other hereunder, except that Purchaser shall be obligated to cause the Selling Agent to refund to non-defaulting subscribers of Shares the sums deposited by them with the Selling Agent, as will be more particularly provided in the Plan.

The existence of any of the Permitted Encumbrances set forth in Paragraph 2 shall not be deemed or construed to render Seller's title unmarketable and, to the extent of the amount of any of the Permitted Encumbrances specified above, the purchase price shall not be reduced nor shall Purchaser be entitled to damages by reason thereof.

In the event of the existence of any lien or encumbrance other than the Permitted Encumbrances, Seller shall be under no obligation to take any steps or institute or prosecute any action or proceeding or expend any sums of money (except to the extent of Five Thousand (\$5,000) Dollars to cure certain violations, as hereinafter set forth, and work orders of the holder of the First Mortgage or an insurance carrier) or make any effort to remove any such lien or encumbrance or to make the title good and marketable or to eliminate any defect, or objection to title: and Purchaser shall not, in any event be entitled to damages of any kind by reason of Seller's inability to convey good and marketable title to the Property in accordance with the provisions of this contract. It is intended that Purchaser's rights and Seller's obligations consequent upon such inability shall be limited solely to those specifically set forth in this Paragraph 11.

12. Title Insurance: Seller shall give and Purchaser shall accept such title as any title insurance company licensed to do business in the State of New York and which is a member of the New York Board of Title Underwriters will approve and insure, subject only to the Permitted Encumbrances. Purchaser shall submit a copy of its title report together with a written statement of all claimed objections to title not less than thirty (30) days prior to the Closing Date.

13. Affidavit re Title: If a search of title discloses judgments, bankruptcies or other returns against other persons having names the same as or similar to that of the Seller, the Seller will on request deliver to the Purchaser an affidavit showing that such judgments, bankruptcies or other returns are not against the Seller.

14. No Objections to Title: The existence of mortgages, liens and encumbrances, other than the Permitted Encumbrances, shall not be objections to title, provided that properly executed instruments, in form for recording, necessary to satisfy them are delivered to Purchaser at the closing and proper allowances made to it for the cost of recording or filing such instruments.

15. Adjournments: If at the closing of title, any exceptions to the title (other than Permitted Encumbrances) shall exist and be asserted by Purchaser, then Seller, at its election, shall be entitled to a reasonable adjournment of the Closing Date, to eliminate such exceptions but without in any respect affecting or enlarging the obligations of Seller as set forth in Paragraph 10 hereof.

16. Unpaid Charges: The amount of any unpaid taxes, assessments, water charges and sewer rents which the Seller is obligated to pay and discharge, with the interest and penalties thereon to a date not less than two (2) business days after the date of closing of title, may, at the option of the Seller, be allowed to the Purchaser out of the purchase price, provided official bills therefor with interest and penalties thereon figured to said date are furnished by the Seller at the closing. If at the date of closing of title there are any other liens or encumbrances which the Seller is obligated to pay and discharge, the Seller may use any part of the cash portion of the purchase price to satisfy the same, provided the Seller shall have delivered to the Purchaser, at the closing of title, instruments in recordable form and sufficient to satisfy such liens and encumbrances of record, together with the cost of recording or filing said instruments. The Purchaser, if request is made within a reasonable time prior to the date of closing of title, agrees to provide at the closing, separate certified checks or bank checks as requested, aggregating not in excess of the amount of said cash portion of the purchase price, to facilitate the satisfaction of any such liens or encumbrances. The existence of any such taxes or other liens and encumbrances shall not be deemed objections to title if the Seller shall comply with the foregoing requirements.

17. Violations: (a) Seller shall, at its expense, by the Closing Date or within a reasonable period of time thereafter, cure or cause to be cured all notes or notices or violations of law or municipal ordinances, orders or requirements noted in or issued by the Department of Buildings, Fire, Labor or Health or other state or municipal departments, agencies or governmental authorities having jurisdiction against or affecting the Property on the Closing Date (except certain violations hereinafter referred to) and all proper work orders of the holder of the Mortgage or insurance carrier received by the Closing Date. No such note or notice or work order shall be an objection to title. Seller shall furnish Purchaser, upon request, with an authorization to make the necessary searches for violations. Notes or notices or violations and work orders, if any, which Purchaser is required to take title subject to pursuant to the terms of this Agreement, may be complied with and performed by Seller, at the expense of Purchaser, if failure to do so may subject Seller to any civil or criminal prosecution or penalty or constitute a default under the Mortgage.

(b) Notwithstanding the foregoing, Seller will not be required to cure any such violations if same are required to be cured by, or were caused by the acts or omissions of, tenants of the Building. Further, if the net cost (as reasonably estimated by the Selling Agent) to cure all violations and work orders under the preceding subparagraph (a) shall exceed in the aggregate Five Thousand (\$5,000) Dollars, the Seller shall not be required to cure same and Purchaser shall have the right to either (1) waive compliance with such violations and work orders which will require an expenditure in excess of Five Thousand (\$5,000.00) Dollars to cure or remove and thereby accept title subject thereto, without any obligation of Seller to expend more than Five Thousand (\$5,000.00) Dollars (it being intended

that Seller will in such case correct only those violations and/or work orders which cost in aggregate not more than Five Thousand (\$5,000.00) Dollars to remove) or (2) terminate this agreement.

(c) All work in connection with the Property required to be performed by Seller under the terms of any lease, contract, or other agreement (aside from the First Mortgage or any insurance policy), and all leasing commissions which may be due or payable by Seller in connection with any lease, tenancy or occupancy in effect on the Closing Date, shall be performed and paid by Seller, irrespective of the cost thereof, by the Closing Date. Seller shall not be in default in performance of any of its obligations to any tenant of the Property on the Closing Date.

(d) At title closing, Seller shall deliver to Purchaser all certificates and permits for permitting the operation of the oil burner, incinerator or compactor, and other fuel burning devices, if any. All such certificates and permits are to be current and in effect. Seller shall cause all work that may be required to be done to renew any such certificates or permits which expire prior to the Closing Date.

(e) The provisions of this Paragraph 17 shall survive the closing.

18. Risk of Loss: If between the date of this contract and the closing of title, the Property is damaged by fire or other casualty, the provisions of Section 5-1311 of the General Obligations Law of the State of New York, or any like statute which may be enacted in substitution or in place thereof, shall not apply and such provisions are hereby waived and the following shall apply instead:

(a) In the event the Property is damaged by fire or other casualty prior to the Closing Date, Seller will repair the damage if the cost of repairs, less any deductible provided in the insurance policy, is not greater than the amount of any and all retained insurance proceeds available to Seller as a result of any such fire or other casualty. For purposes of this Paragraph "retained insurance proceeds" shall mean all insurance proceeds due Seller less the amount of any portion of such proceeds actually retained by the holder of any mortgage affecting the Property.

(b) In the event the retained insurance proceeds will be insufficient to pay for the cost of repairs (less said deductible), then Seller shall have the right, but will not be obligated, to repair the damage. If Seller elects not to repair the damage, then upon giving notice of same to Purchaser, this Agreement shall be terminated, whereupon the parties will be relieved and discharged of all liability hereunder.

(c) With regard to any damage that Seller is obligated or has elected to repair: (i) the expense of the repair will be borne entirely by Seller, who shall retain all insurance proceeds resulting from the casualty (if any such insurance proceeds are paid to Purchaser, Purchaser agrees to immediately remit same to Seller and Purchaser's

obligation to so remit shall survive the closing), and (ii) the Property shall be substantially repaired prior to the Closing Date to as near as reasonably possible to its former condition. Seller will in no event be liable to Purchaser in the event of any delay in repairing the damage.

19. Emergency Repairs: Subject to the provisions of Paragraph 16 hereof, all obligations affecting the Property incurred under the Emergency Repairs provisions of any applicable Code of the City of New York prior to the delivery of the deed shall be paid and discharged by the Seller upon the delivery of the deed. This provision shall survive the closing of title.

20. Rent Securities: At the closing of title, Seller shall deliver to Purchaser all unapplied rent securities together with accrued interest, and Purchaser will, in writing, acknowledge receipt thereof and agree to indemnify Seller against all claims and liability with respect to the amount received by Purchaser in each instance. Alternatively, Seller (at its option) shall have the right to deliver: (a) to tenants who purchased Shares allocated to apartments occupied by them, their respective unapplied security deposits with accrued interest, provided said purchasers are not then in default under their respective leases or tenancies; (b) to non-occupant purchasers of Shares the unapplied security deposits and accrued interest, if any, of tenants of apartments to which these Shares relate, each of such non-occupant purchasers shall execute a receipt therefor and an agreement, in form and substance satisfactory to Seller, indemnifying Seller against any claims and liability in connection therewith. Seller shall have the right to deduct from any tenant's security deposit the amount of any rent arrearage due to Seller from such tenant.

21. Tax Proceedings: (a) If, at the time of closing of title, there are any pending applications or proceedings for reduction of the assessed valuation of the Property and the real estate taxes predicated thereon for the tax year in which the closing occurs, or for any prior year, Purchaser shall continue such proceedings with the attorney previously employed by Seller. Seller shall have the sole right to negotiate and settle all claims which are the subject of such applications or proceedings: however, Purchaser shall have the right to be present and/or have its duly authorized representative present during any such negotiations. If any refunds are recovered or the taxes are reduced as a result thereof, whether by settlement or otherwise in Seller's sole discretion, the cost of such proceedings (including attorney's fees) and any refunds and/or reduction shall be apportioned between Seller and Purchaser according to the respective portions of the tax year each holds title to the Property. Each party hereto shall, at the request of the other, execute and deliver to such other party any documents, prior or subsequent to the closing of title, that may be required to effect a refund or reduction of such taxes. Any refund covering a period prior to the closing of title and all expenses incurred in connection therewith, shall belong to and be incurred by Seller alone. The provisions of this Paragraph shall not merge with and shall survive the delivery of the deed.

(b) All monies to which Seller is entitled for any period prior to the Closing Date by virtue of any real estate tax abatement shall be the sole property of Seller and Purchaser shall execute, acknowledge and deliver to Seller at closing any documents reasonably requested by Seller in order to effectuate the foregoing. Any real estate tax abatement for the period in which title closes and the cost (if any) in obtaining said abatement, shall be apportioned between Seller and Purchaser according to the respective portions of the tax year each holds title to the Property.

22. Inspection, Property Sold As Is: Purchaser acknowledges, warrants, represents and agrees that: (i) it has inspected or caused the inspection of the Property and all personalty, fixtures and equipment included in this sale, (ii) it is thoroughly acquainted with their condition, and (iii) the Property and said personalty, fixtures and equipment are being sold, and will be accepted by Purchaser, "as is" on the date hereof, subject to reasonable wear, tear and natural deterioration between the date hereof and the closing. Purchaser further acknowledges that neither the Seller nor any person acting or purporting to act on behalf of the Seller has made any promises, statements, representations or warranties (expressed or implied) regarding the premises, except as herein or in the Plan expressly set forth, and further that Purchaser is not relying upon any representations or warranties relative to the premises or this sale other than those contained herein or in the Plan. Purchaser acknowledges that Seller has not made any representations as to the physical condition, rents, leases, expenses, operation, size, zoning, value of land or Building being sold hereby, taxes or other matter or thing affecting or related to the Property or this transaction, except as may, be herein expressly set forth. Seller shall not be liable or bound by any verbal or written statements, representations, or information pertaining to the premises furnished by any person unless same are specifically set forth herein, or in the Plan.

23. Closing: If the Plan has been declared or deemed effective, as therein provided, this transaction shall close and the deed shall be delivered upon payment of the purchase price at such office in the City and State of New York and on such date as Seller may designate, provided said date shall not be earlier than fifteen (15) days nor later than approximately one hundred eighty (180) days after the Plan has been declared or deemed effective (unless adjourned by Seller). Notice of the Closing Date shall be given by Seller to Purchaser and to the Selling Agent at least fifteen (15) days prior to the designated Closing Date.

The words "closing", "closing of title", "title closing", "Closing Date", "delivery of the deed" and words of similar import are used interchangeably in this agreement, as the sense of the text requires, and mean the date on which title to the Property is transferred to Purchaser in accordance with the provisions of this agreement.

24. Deed: (a) The deed shall be the usual bargain and sale deed with covenant against grantor's acts, duly executed and acknowledged, in form for recording, with revenue stamps in the proper amount affixed thereto by Seller, at

Purchaser's expense, so as to convey to Purchaser the fee simple of the Property, free of all liens and encumbrances, except Permitted Encumbrances and liens and encumbrances to which Purchaser is willing to take subject, and shall also contain the covenant required under subdivision 5 of Section 13 of the Lien Law, as amended.

(b) At title closing, Purchaser shall give to the representative of its title insurance company for delivery to the New York County Clerk its certified check to the order of the appropriate recording officer for the amount of the documentary stamps to be affixed to the deed in accordance with Article 31 of the Tax Law and a return, if any be required, which both Seller and Purchaser agree to duly sign and be sworn as required.

25. Delivery of Leases and other Documents: On the Closing Date, Seller shall deliver to Purchaser, except as otherwise provided in subparagraph (a) below:

(a) all original existing and unexpired leases and unapplied security deposits, together with expired leases of statutory or monthly tenants (Purchaser agrees to forward all of same to the appropriate purchasers of its Shares allocated to such apartments), except that Seller may (at its option) deliver same directly to such purchasers of Shares;

(b) all rent forms, orders, notices, complaints and other records filed or received in connection with apartments at the Building;

(c) all transferable service and maintenance contracts, employment agreements, insurance policies, permits and licenses;

(d) all pertinent records relating to the Property.

26. Management Agreement: On or prior to the Closing Date, the Purchaser and Kenneth B. Newman Realty Corp., will enter into a management agreement on the terms and conditions set forth in the Plan.

27. The Plan: (a) The Plan, upon acceptance for filing by the Department of Law of the State of New York (as the same may be amended from time to time with the mutual consent of Seller and Purchaser), shall be and hereby is incorporated as a part of this agreement as if herein set forth at length.

(b) If there is any conflict between any of the terms or provisions of this agreement and those in the Plan, the terms and provisions in the Plan shall govern.

(c) If the Plan is withdrawn or abandoned as therein provided, this agreement concurrently therewith shall be deemed terminated without further notice or documentation and neither Seller nor Purchaser shall have any further obligations or liability hereunder to the other except that Purchaser shall cause the Selling Agent to refund to non-defaulting subscribers of shares the sums deposited by them with the Selling Agent (inclusive of

interest, if any) and all amounts forfeited by defaulting subscribers (inclusive of all and any interest earned thereon) shall be paid over to Seller as a non-refundable contract deposit. The Plan may not be withdrawn or abandoned without first obtaining the prior written consent of Seller, except that the Plan shall be deemed abandoned if not declared effective within the time period to be set forth in the Plan.

(d) Notwithstanding the execution of this contract by Seller and Purchaser, it shall not be deemed effective or binding on either party hereto until the Plan has been accepted for filing by the Department of Law of the State of New York.

28. Unsold Shares: (a) Any of Purchaser's Shares which shall not be sold or fully paid for on the Closing Date (the "Unsold Shares"), shall be transferred to Seller or one or more of the partners of Seller (or their designee(s)) or to other natural persons, or any combination of the foregoing, at Seller's option, and Seller will execute or will cause the individual or individuals so produced by it to execute proprietary leases for the apartments to which such Unsold Shares are allocated (the "Unsold Apartments"). At closing, Purchaser will assign to the appropriate holder(s) of Unsold Shares, all of its rights under any Subscription Agreement which may have been executed for a block of Unsold Shares, including, without limitation, the right to receive any additional sums thereunder (such assignment shall be in form and substance reasonably satisfactory to each purchaser of Unsold Shares).

(b) All holders of Unsold Shares will acquire or purchase the same in their own respective names or that of an individual designee, for their own respective accounts, and not as nominee of any corporation, joint venture, partnership, association, trust or estate.

(c) Each holder of Unsold Shares shall have the same right to be reserved to Seller in the Plan, and upon the same conditions, to change the size and/or layout of any apartment or apartments owned by him and other holders of Unsold Shares, and to reallocate Unsold Shares between apartments whose size is changed, provided the total number of Shares allocated to all apartments will not vary as a result of such reallocation, all as will be more particularly set forth in the Plan.

(d) If any individual produced by Seller to acquire or purchase the Unsold Shares fails to fulfill his obligations under his proprietary lease after the expiration of any applicable grace period, including the payment of all rent (i.e., maintenance charges) thereunder, the Seller agrees to perform such obligations. Upon the performance by Seller of such obligation that a holder of Unsold Shares has failed to perform under the proprietary lease, the Seller will be subrogated to all of the Purchaser's rights and remedies under the proprietary lease against the defaulting holder of Unsold Shares as if it were the lessor. The Purchaser will, at the time of such performance by Seller, enter into a subrogation agreement in form reasonably satisfactory to counsel for the Seller. The Purchaser will

fully cooperate with Seller in connection with such subrogation (including the execution of any requisite documents, applications and litigation papers) and the Seller will indemnify the Purchaser against any loss, liability or expense incurred in connection therewith. However, the Seller's liability for the obligations of such holder of Unsold Shares under a proprietary lease will terminate if and when the lessee under the proprietary lease ceases to have the rights granted to a holder of Unsold Shares by Article 38 of the proposed proprietary lease or exercises the right, pursuant to Paragraph 38(d) of the proposed proprietary lease to terminate the proprietary lease or the Purchaser ceases to own fee title interest in the Property.

(e) Each holder of a block of Unsold Shares shall have the right freely and without charge, to sublet his apartment to such person(s) and on such terms and conditions as he deems desirable and shall also have the right freely and without charge, to sell such Unsold Shares and transfer the appurtenant proprietary lease to any individual third party provided the consent only of the then managing agent of the Building is first obtained with respect to said subletting or sale and transfer, which consent shall not be unreasonably withheld or delayed. The consent of the Purchaser or its shareholders shall not be required with respect to any such subletting, sale or transfer, and no payment of any kind whatsoever shall be required to be made by a holder of a block of Unsold Shares or the sublessee or transferee (as the case may be) in connection with any such subletting, sale or transfer.

(f) It is understood that subsequent to closing, the holders of Unsold Shares shall cause the Plan to be amended and will commence selling such Unsold Shares under, and in accordance with, said Plan, as amended. Purchaser agrees to fully cooperate with said holders of Unsold Shares in the preparation, submission and filing of said amendment and all subsequent amendments with the New York Department of Law and Purchaser shall furnish to said holders of Unsold Shares (or any of them) such information, financial statements, documents and material in its possession or under its control required by the New York Department of Law in connection with such filings. In addition, if Purchaser shall have any knowledge of any event or fact as the result of which any such amendment to the Plan to be filed or filed by the holders of Unsold Shares would include or includes therein any untrue statement of a material fact, or would or does not state a material fact necessary to make the statements therein (in the light of circumstances then existing) not misleading, Purchaser shall promptly give written notice thereof to the holders of Unsold Shares setting forth in detail the pertinent event or fact.

(g) At the request of a holder of Unsold Shares, Purchaser agrees to enter into an agreement (commonly known as a "Recognition Agreement") with any lender designated by a holder of Unsold Shares who agrees to extend financing to said holder of Unsold Shares or to a person whom such block of Unsold Shares is to be resold, without charge to such holder of Unsold Shares, the person buying such block of Unsold Shares of the proposed lender. Such Recognition Agreement shall be in the customary form and substance required by the lender.

(h) The provisions of this Paragraph shall survive the closing of title and the same, together with all relevant provisions of the Plan, shall inure to the benefit of, and be enforceable by the holders of Unsold Shares, their respective heirs, legal representatives, successors and assigns and each of them, either individually or as a class.

29. Purchaser's Indemnification to Holders of Unsold Shares: Purchaser agrees to defend, indemnify and hold harmless each and every holder of Unsold Shares (including, without limitation, Seller and any partner of Seller who purchases a block of Unsold Shares) from and against any and all claims, actions, losses, liability, judgments, cost and expense (including reasonable attorneys' fees) and disbursements that they or any of them may suffer, incur or be required to pay to any tenant(s) of apartments covered by the proprietary lease(s) appurtenant to such Unsold Shares, as a result of, or in connection with (i) any failure, omission, default or breach by Purchaser of any of the obligations to be performed by it as lessor under such leased proprietary lease(s), or (ii) Purchaser's breach or failure to comply with its agreements and undertakings set forth in the next succeeding Paragraph 30. However, such indemnity shall not be applicable during any period that a majority of the Purchaser's Board of Directors consists of non-residents of the Building elected by the holders of Unsold Shares. The Purchaser will enter into an agreement with respect to the indemnification called for under this Paragraph with each holder of Unsold Shares on the Closing Date. The provisions of this Paragraph shall survive the closing of title and shall inure to the benefit of, and be enforceable by, each and every purchaser of a block of Unsold Shares, their respective heirs, legal representatives, successors and assigns, and each of them either individually or as a class.

30. Purchaser's Duty to Operate Premises: (a) Purchaser agrees that upon Purchaser's acquisition of title, Purchaser shall operate the Property at the same level of services as those supplied on the Closing Date pursuant to the ETPA, Tenant Regulations, Bulletin No. 6, Section 352-eee, and any other applicable local, state or federal laws or ordinances, except that purchaser shall not be required to maintain services which are to be performed or supplied by the proprietary lessee under the proprietary leases to be made by Purchaser with purchasers of Shares. In addition, except for those services and obligations which the Purchaser has agreed to provide and perform as landlord under said proprietary lease and in the Plan, all other services required under any lease to be furnished to a tenant of an apartment to which a block of Unsold Shares is allocated, and other obligations imposed by law with respect to such tenant (such as painting the apartment), shall be provided and performed by the appropriate holder of Unsold Shares.

(b) The provisions of this Paragraph shall, at the option of the purchasers of Unsold Shares, be included in an agreement to be entered into with each of them at Closing and shall inure to the benefit of, and be enforceable by, the holders of Unsold Shares, their respective

heirs, legal representatives, successors and assigns and each of them, either individually or as a class.

31. Rent Collection on Unsold Apartments: At the option of any holder of a block of Unsold Shares, the Purchaser agrees to collect rent from any tenants in possession of an Unsold Apartment to which such block of Unsold Shares is allocated and to credit same against any proprietary rents owned by such holder or to forward same to said holder, all without charge to such holder of Unsold Shares.

32. Holders of Unsold Shares As Additional Insureds: So long as there are any Unsold Shares, the Purchaser will, on all public liability policies carried for the Building, name as an additional insured each holder of a block of Unsold Shares who will pay any increases in the premium required as a result thereof, unless such holder of a block of Unsold Shares falls to pay said increased premium or waives in writing the provisions of this Paragraph. Such policy shall also provide that the same may not be cancelled or substantially modified without at least ten (10) days' prior written notice to all insureds (including all holders of Unsold Shares).

33. Forms Required by Department of Law: In the event the Department of Law of the State of New York shall require the Purchaser to sign any form or amendment in connection with the Offering Plan or the offering for sale, or sale, of the Shares or the Unsold Shares, the Purchaser shall promptly sign such form and/or amendment and deliver same to the person who has requested it be signed. The provisions of this Paragraph shall inure to the benefit of, and be enforceable by, the holders of Unsold Shares, and each of them, and shall survive the closing of title.

34. Rights of Holders of Unsold Shares as Payees: (a) The following terms use in this Paragraph shall have the meanings ascribed thereto:

(i) the term "Note" shall mean any promissory note given in connection with financing of the purchase of an apartment in the Building by Seller or a holder of Unsold Shares;

(ii) the term "Payee" shall mean the Seller, a holder of Unsold Shares or any subsequent holder of a Note who shall have notified Purchaser of the assignment of the original Payee's interest in a Note to such new holder;

(iii) the term "Borrower" shall mean the obligor under any Note; and

(iv) the term "Proprietary Lease" shall mean the lease given by Purchaser, as Lessor, to a purchaser of a block of the Shares, which Proprietary Lease covers an apartment in the Building.

(b) Until each and every note is satisfied;

(i) Purchaser shall give Payee notice of any default by the Borrower under such Borrower's Proprietary Lease and if the default is not cured within the applicable grace period, Purchaser agrees that the Payee shall have an additional period of time from receipt of Purchaser's notice equal to the time originally given to the Borrower under the Proprietary Lease within which to cure said default;

(ii) Purchaser shall accept from the Payee or an individual or individuals designated by the Payee, maintenance (i.e., proprietary rent) or other sums in satisfaction of any defaulted Payment due under a Borrower's Proprietary Lease, provided same is received during the aforesaid additional period of time;

(iii) Purchaser shall institute proceedings to recover possession of an apartment in case of any default under the Proprietary Lease which may not be satisfied by the payment of a sum of money or any uncured default under a Note or Security Pledge Agreement securing same of which the Payee notifies Purchaser and, in either case, if requested by the Payee, to terminate the Proprietary Lease and without requiring the Payment of any charge or transfer fee, other than stock transfer stamps) issue to an individual or individuals designated by the Payee (who may be the Payee, if the Payee is an individual) a new certificate for the Shares, and a new Proprietary Lease for the apartment, provided only that all arrearage in maintenance (if any) and other overdue sums under the Proprietary Lease are paid and the Payee reimburses Purchaser for all costs and expenses incurred by Purchaser in connection with any summary proceedings brought at the behest of Payee;

(iv) Purchaser shall record on its books (without requiring the payment of any charge or transfer fee, other than stock transfer stamps, and without obtaining the consent of Purchaser or its shareholders) any sale of Shares and Proprietary Lease by the Payee or its designee and shall, on request of Payee or its designee, issue to the party designated by the Payee or its designee a new Share certificate and Proprietary Lease in place thereof, and the Payee or its designee shall also have the right to freely (without charge and without obtaining the consent of Purchaser or its shareholders) sublet the apartment to which such Shares are allocated; provided that the consent only of the then managing agent of the Building is first obtained for such sale or subletting (which consent may not be unreasonably withheld or delayed and will be given in the event of a sale or subletting to a financially responsible individual), and, provided further, that at the time of such sale or subletting all maintenance or assessments then due under the Proprietary Lease shall have been paid;

(v) Purchaser shall give notice to the Payee of a purported surrender or termination of any pledged Proprietary Lease by a Borrower and, if requested by the Payee, Purchaser shall issue a new stock certificate and Proprietary Lease to a person or persons designated by the

Payee (who may be the Payee, if the Payee is an individual), provided such designee is first approved by the then managing agent of the Building (which approval may not be unreasonably withheld or delayed and will be granted if the designee be a financially responsible individual);

(vi) Purchaser shall withhold its consent to a purported assignment of a Proprietary Lease or subletting of the apartment covered thereby by the Borrower, unless prior written consent of the Payee is given;

(vii) Purchaser shall refuse to accept an attempted surrender of the Proprietary Lease under Paragraph 35 thereof (the "escape clause"), unless (a) shareholders owning 80% or more of its shares have likewise tendered same for surrender (pursuant to Paragraph 36 of the Proprietary Lease) or (b) Payee consents in writing to the surrender;

(viii) Purchaser shall refuse to enter into any agreement with another lender in respect of the Shares and Proprietary Lease of any Borrower, or otherwise consent to or approve the creation of a lien thereon;

(ix) Purchaser shall pay to the Payee upon termination of Borrower's Proprietary Lease and sale of the Shares allocated to Borrower's agreement, together with the related Proprietary Lease, any sum realized by purchaser in excess of the amount owed to it (including, without limitation, reasonable expenses incurred in connection with the sale);

(x) Purchaser shall pay to the appropriate Payee any and all distributions that might be made by Purchaser to a Borrower; and

(xi) Purchaser shall terminate a Proprietary Lease in the event same is surrendered by a purchaser who acquired same at a foreclosure sale, in accordance with Paragraph 35 of the Proprietary Lease (the "escape clause").

(c) The individual designated by a Payee to receive the Shares and Proprietary Lease of a defaulting Borrower pursuant to clauses (iii), (iv) or (v) in subparagraph (b) above, will not be acting as nominee for any corporation, partnership, association, trust or estate, and upon request of Purchaser, each such individual will sign a written statement to such effect and deliver same to Purchaser prior to the issuance of any Shares or Proprietary Lease to him.

(d) If through oversight or negligence, the Purchaser or its agents or employees shall fail to notify the Payee or Borrower's default prior to the termination of the Proprietary Lease, the Payee will not seek to hold the Purchaser or his agents or employees liable by reason thereof, provided that:

(i) The Purchaser advises the Payee promptly after discovering such failure; and

(ii) If the Purchaser has already sold or contracted to sell the apartment, the Purchaser will pay the Payee the net proceeds of such sale (after reimbursing the Purchaser for all sums due it), or such lesser sum as shall be equal the amount owing to the Payee by the Borrower (the balance being payable to the Borrower); or

(iii) If the Purchaser has not contracted to sell the apartment, then clauses (b)(iii), (iv) and (ix) of this Paragraph shall apply and, in addition, if the Payee pays the Purchaser amounts due it under the Proprietary Lease when due, the Purchaser shall not sell or sublet the apartment without the Payee's approval, unless the net proceeds of such sale or subletting after deducting any sums to be reimbursed the Purchaser shall equal or exceed the amount owing the Payee by the Borrower.

(e) The Payee will indemnify the Purchaser and its agents against loss, liability or expense incurred in connection with any claim by the Borrower, his successors or assigns, against either of them arising out of the Purchaser's agreements in clauses (b)(i) through (xi) of this Paragraph. The Payee shall have the right to contest such claim in the Purchaser's name and on its behalf, but at the Payee's sole cost and expense, and the Purchaser will execute such documents and do such things as are reasonably necessary to assist the Payee in such contest.

(f) The provisions of this paragraph shall inure to the benefit of, and be enforceable by each and every Payee (and his heirs, legal representatives, successors and assigns) and shall survive the closing of title.

36. Form of Mortgage: The purchase money wrap-around note and mortgage to be delivered by Purchaser at the closing shall be in the form annexed hereto as Exhibit A. Except as expressly set forth herein, any bond or note any mortgage to be given hereunder shall be drawn on the standard forms of New York Board of Title Underwriters for mortgages of like lien; and shall be drawn by the attorney for the Seller at its expense.

37. Closing Adjournment: If the premises is damaged by fire or other casualty prior to the closing and the Seller elects to repair the damage and not to abandon the Plan, the closing date may, at the option of the Seller, be adjourned to a date set by the seller which shall not be later than nine months following the completion of the repairs.

38. Acceptance of Deed: The acceptance of a deed by the Purchaser hereunder will be deemed an acknowledgement that the Seller has performed and discharged every agreement and obligation on the part of the Seller to be performed under the Plan except those (if any) which are expressly stated in the Plan to survive delivery of the deed and except as to those provided in the General Business Law under Section 352e.

39. Plan: All references to the Plan shall be deemed

to mean the Plan as submitted to the Attorney General of the State of York and as amended and accepted for filing by the Attorney General. This contract may be cancelled by either party (a) if the Plan shall not be accepted for filing by the Attorney General of the State of New York prior to January 1, 1981 or such other date on which the parties may agree; (b) the Plan shall not be declared effective by the Seller as provided therein; (c) the staff of the Attorney General shall require material changes in the Plan before it is accepted for filing; or (c) if the Seller or the Purchaser abandons the Plan at any time as provided in the Plan. Such cancellation shall be by written notice to the other party; and following such cancellation, neither party shall have any further rights or obligations hereunder.

40. No Broker: Seller and Purchaser agree that no broker brought about this sale and that if any claim for commissions is asserted by any broker, Purchaser shall have no obligation or responsibility in connection therewith and Seller shall indemnify and hold Purchaser harmless with respect thereto. The provisions of this Paragraph shall survive the closing of title.

41. Trial by Jury: To the extent permitted by law, Seller and Purchaser hereby waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other in connection with any matter arising out of this Agreement or the Plan. The provisions of this Paragraph shall survive the closing of the title.

42. Seller's Operation of Property: Until the closing of title, Seller will maintain and operate the Property in substantially the same manner and condition as the same will be on the date of presentation of the Plan, except to the extent that Seller is precluded from so doing by Acts of God, fire or other casualty, storm, strikes, lockouts, labor difficulties, riots, insurrection, inability to obtain materials, equipment or labor, governmental restrictions or any other acts over which Seller is reasonably unable to exercise control. If for any of the reasons set forth in the preceding sentence, other than fire or other casualty, Seller is prevented from so maintaining the Building (or causing the same to be maintained), Seller shall make or cause to be made, within a reasonable period of time after such act ceases to exist, any repairs subsequent to the Closing Date that it was obligated to make prior to the Closing Date. The provisions of this Paragraph shall survive the closing of the title.

43. Notices: Any notices, demands, consents, approvals or communications (collectively called "Notices") required or permitted hereunder shall be in writing, sent by registered or certified mail, return receipt requested, addressed, as the case may be, to the parties at their respective addresses set forth in the preamble to this Agreement, or to such other addresses as either of them shall designate in writing to be the date of giving any Notice of change of address

44. Condemnation: In the event that any part of the premises is taken in condemnation or by eminent domain proceedings, this contract shall cease and come to an end on the date of such taking, and the Purchaser shall have no rights to any of the award made thereunder.

45. Seller's Exculpation: In the event this Agreement is terminated or cancelled in accordance with the provisions hereof, whether as the result of (i) the existence of a defect in title which is not waived by Purchaser, (ii) the existence of work orders of any mortgagee or insurance carrier or violations of record which cannot be performed, cured or complied with for less than Five Thousand (\$5,000.00) Dollars in the aggregate and which are not waived by Purchaser, (iii) any uninsured damage to or destruction of the Building by fire or other casualty, (iv) the taking of any portion of the Property by condemnation or eminent domain, or (v) the withdrawal or abandonment of the Plan, or for any other reason whatsoever, then Purchaser shall remit to Seller, as a non-refundable contract deposit, all monies (including interest, if any) forfeited by defaulting purchasers under their respective Subscription Agreements for the Shares, and upon the receipt thereof by Seller the parties hereto shall be relieved and discharged of all liabilities and obligations hereunder and under the Plan.

46. Assignment: Purchaser may not assign this Agreement without the consent of the Seller. Seller shall have the right to assign this Agreement only in connection with the sale of the Property, provided, however, any assignment of this Agreement by Seller shall not relieve Seller of any of its obligations covenants hereunder and under the Plan. Except as hereinabove provided, this Agreement shall inure to the benefit of and be binding upon Seller and Purchaser and their respective successors and assigns.

47. No Survival: Except for those matters which are expressly stated in the Agreement or the Plan to survive the closing of title, it is agreed that no provision hereof shall survive the delivery of the deed and further that the acceptance of the deed by Purchaser shall constitute full compliance, performance and discharge of all of Seller's obligations under this Agreement and the Plan, and as a release by Purchaser of any and all rights, obligations, claims, demands or causes of action against Seller of whatsoever nature. Nothing contained in this Paragraph shall be in derogation of rights of purchasers of Shares under Article 23-A of the General Business Law.

48. Entire Agreement: This Agreement may not be changed or terminated orally. All previous negotiations have been merged in this Agreement which together with the Plan completely expresses the agreement of Seller and Purchaser. This agreement shall be construed in accordance with, and governed by, the laws of the State of New York.

IN WITNESS WHEREOF, Seller and Purchaser have hereunto
see their hands and seals as of the day and year first above
written.

SELLER:
BLEECKER CHARLES ASSOCIATES

BY: _____
Kenneth B. Newman, Managing Partner

PURCHASER:
350 BLEECKER STREET APARTMENT CORP.

BY: _____
President