

FIRST AMENDMENT
TO OFFERING PLAN RELATING TO PREMISES
32 GRAMERCY PARK SOUTH
NEW YORK, NEW YORK

The Offering Plan dated August 8, 1983 to convert to cooperative ownership premises at 32 Gramercy Park South, New York, New York (the "Premises") is amended by this First Amendment.

The numbering of apartments in Schedule A, Page 5 of the Plan were incorrectly listed, and, accordingly, a revised Schedule A is annexed hereto.

Dated: New York, New York
August 12, 1983

ANBY ASSOCIATES
Sponsor

AFFIDAVIT

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

LAWRENCE E. GOLDSCHMIDT, being duly sworn, deposes and says:

1. I am one of the general partners of Anby Associates, Sponsor of the Offering Plan to convert to Cooperative Ownership premises at 32 Grameray Park South, New York, New York.
2. The Plan was a so-called "non-eviction" plan and had imprinted on its cover the statement that no eviction will be sought be some reason of conversion to cooperative ownership of tenants who do not wish to purchase, which matter was also referred to in the body of the Plan.
3. The Plan was presented on August 8, 1983.
4. The Sponsor hereby represents that as required by the Plan, over 15% of the apartments at the premises have been subscribed for by tenants in occupancy, as shown on leases annexed hereto and as listed on the attached Schedule A.
5. The Sponsor further represents that the purchasers who have subscribed for apartments on the premises have represented that none of them are being purchased for the purpose of resale, subletting, assigning, or as an accomodation to, or for the account or benefit of the Sponsor or principals of Sponsor.
6. The building known as 32 Grameray Park South, New York, New York is comprised of a total of 185 apartments with a total share allocation of 99,761. Thirty-five apartments have been subscribed for, see Exhibit B attached hereto. These thirty-five apartments represent approximately 18.91% of the total number of apartments being offered. This is approximately 3.91% more than the required 15% needed for the Plan to be declared effective.
7. The purchaser of Apartment 11G, Mr Highman is an employee of Madison Pembroke, selling agent for the Sponsor.
8. The Purchaser of Apartment 17E, Mr. Haberman is a business associate of Robert J. Ettinger, a general partner of the Sponsor.

9. None of the other purchases are related by blood, marriage or adoption nor are they employees, shareholders, limited partners or business associates of the Sponsor or its principals.

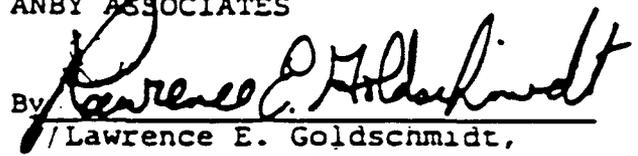
10. The Sponsor hereby represents that the purchasers who are being counted for purposes of declaring the Plan effective have signed subscription agreements without fraud or duress and with no discriminatory inducement.

11. The purchasers have represented to the Sponsor in their subscription agreement or by letter that they or one or more members of their immediate family intends to occupy the dwelling unit.

12. This affidavit is submitted in connection with the processing of the Second Amendment to the Offering Plan which refers to the declaration of effectiveness.

ANBY ASSOCIATES

By



Lawrence E. Goldschmidt,
General Partner

Sworn to before me this
25 day of January, 1984.



Notary Public

Laurie Pollack
NOTARY PUBLIC, State of New York
No. 31-4770303
Qualified in New York County
Commission Expires March 30, 1987

SCHEDULE A

32 Gramercy Park South
New York, New York

SCHEDULE OF PURCHASE PRICES OF SHARES ALLOCATED TO APARTMENTS
(and related information at the date of presentation of the Plan)
PURCHASE PRICES, SHARE ALLOCATIONS, MORTGAGE ALLOCATIONS
Estimated Maintenance Charges and Estimated Income Tax
Deductions for the First Year of Cooperative Operation

Apt.	Rooms & Baths	(1) Share Allocation	(2)	(3)	(4)	(5)		(6)
			Cash Purchase Price to Tenant Purchasers at \$145.00 Per Share	Cash Purchase Price to Non-Tenant Purchasers at \$290.00 Per Share	Approximate Amount of Mortgage Applicable to Shares at \$110.68 Per Share	Annual at \$16.89 Per Share	Monthly at \$1.41 Per Share	Estimated Annual Deductions for Income Tax Purposes Based on \$12.71 Per Share
2A	4½-2	715	\$ 103,675.00	\$ 207,350.00	\$ 79,137.58	\$ 12,073.34	\$ 1,006.11	\$ 9,090.42
V3A	4½-2	724	104,980.00	209,960.00	80,133.72	12,225.32	1,018.78	9,204.85
4A	4½-2	733	106,285.00	212,570.00	81,129.85	12,377.29	1,031.44	9,319.27
5A	4½-2	742	107,590.00	215,180.00	82,125.99	12,529.26	1,044.11	9,433.69
6A	4½-2	751	108,895.00	217,790.00	83,122.13	12,681.23	1,056.77	9,548.12
7A	4½-2	760	110,200.00	220,400.00	84,118.27	12,833.21	1,069.43	9,662.54
8A	4½-2	769	111,505.00	223,010.00	85,114.40	12,985.18	1,082.10	9,776.97
9A	4½-2	778	112,810.00	225,620.00	86,110.54	13,137.15	1,094.76	9,891.39
10A	4½-2	787	114,115.00	228,230.00	87,106.68	13,289.12	1,107.43	10,005.82
11A	4½-2	796	115,420.00	230,840.00	88,102.82	13,441.09	1,120.09	10,120.24
12A	4½-2	805	116,725.00	233,450.00	89,098.95	13,593.07	1,132.76	10,234.67
13A	4½-2	814	118,030.00	236,060.00	90,095.09	13,745.04	1,145.42	10,349.09
14A	4½-2-T	915	132,675.00	265,350.00	101,273.97	15,450.50	1,287.54	11,633.20
15A	4½-2	832	120,640.00	241,280.00	92,087.37	14,048.98	1,170.75	10,577.94
16A	4½-2	841	121,945.00	243,890.00	93,083.50	14,200.96	1,183.41	10,692.37
17A	4½-2-T	945	137,025.00	274,050.00	104,594.42	15,957.08	1,329.76	12,014.61
18A	4½-2	859	124,555.00	249,110.00	95,075.78	14,504.90	1,208.74	10,921.22
17	76½	13,566	\$ 1,967,070.00	\$ 3,934,140.00	\$ 1,501,511.06	\$ 229,072.72	\$ 19,089.40	\$ 172,476.41

T - Terrace

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New York, New York

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						Annual at \$16.89 Per Share	Monthly at \$1.41 Per Share	
2B	3½-1	525	\$ 76,125.00	\$ 152,250.00	\$ 58,108.01	\$ 8,865.04	\$ 738.75	\$ 6,674.78
3B	3½-1	532	77,140.00	154,280.00	58,882.79	8,983.24	748.60	6,763.78
4B	3½-1	539	78,155.00	156,310.00	59,657.56	9,101.44	758.45	6,852.78
5B	3½-1	546	79,170.00	158,340.00	60,432.33	9,219.65	768.30	6,941.78
6B	3½-1	553	80,185.00	160,370.00	61,207.11	9,337.85	778.15	7,030.77
7B	3½-1	560	81,200.00	162,400.00	61,981.88	9,456.05	788.00	7,119.77
8B	3½-1	567	82,215.00	164,430.00	62,756.65	9,574.25	797.85	7,208.77
9B	3½-1	574	83,230.00	166,460.00	63,531.43	9,692.45	807.70	7,297.76
10B	3½-1	581	84,245.00	168,490.00	64,306.20	9,810.65	817.55	7,386.76
11B	3½-1	588	85,260.00	170,520.00	65,080.97	9,928.85	827.40	7,475.76
12B	3½-1	595	86,275.00	172,550.00	65,855.75	10,047.05	837.25	7,564.76
13B	3½-1	602	87,290.00	174,580.00	66,630.52	10,165.25	847.10	7,653.75
14B	2-1-T	435	63,075.00	126,150.00	48,146.64	7,345.32	612.11	5,530.54
15B	2-1	352	51,040.00	102,080.00	38,960.04	5,943.80	495.32	4,475.28
16B	2-1	356	51,620.00	103,240.00	39,402.77	6,011.34	500.95	4,526.14
17B	1½-1-T	360	52,200.00	104,400.00	39,845.49	6,078.89	506.57	4,576.99
18B	1½-1	273	39,585.00	79,170.00	30,216.17	4,609.82	384.15	3,470.89
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17	51	8,578	\$ 1,238,010.00	\$ 2,476,020.00	\$ 945,002.31	\$ 144,170.94	\$ 12,014.20	\$108,551.06
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T - Terrace

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						Annual at \$16.89 Per Share	Monthly at \$1.41 Per Share	
2C	2-1	300	\$ 43,500.00	\$ 87,000.00	\$ 33,204.58	\$ 5,065.74	\$ 422.15	\$ 3,814.16
3C	2-1	304	44,080.00	88,160.00	33,647.31	5,133.28	427.77	3,865.02
4C	2-1	308	44,660.00	89,320.00	34,090.03	5,200.83	433.40	3,915.87
5C	2-1	312	45,240.00	90,480.00	34,532.76	5,268.37	439.03	3,966.73
6C	2-1	316	45,820.00	91,640.00	34,975.49	5,335.91	444.66	4,017.58
7C	2-1	320	46,400.00	92,800.00	35,418.22	5,403.46	450.29	4,068.44
V8C	2-1	324	46,980.00	93,960.00	35,860.95	5,471.00	455.92	4,119.30
9C	2-1	328	47,560.00	95,120.00	36,303.67	5,538.54	461.55	4,170.15
V10C	2-1	332	48,140.00	96,280.00	36,746.40	5,606.08	467.17	4,221.01
V11C	2-1	336	48,720.00	97,440.00	37,189.13	5,673.63	472.80	4,271.86
12C	2-1	340	49,300.00	98,600.00	37,631.86	5,741.17	478.43	4,322.72
17C	2-1	344	49,880.00	99,760.00	38,074.58	5,808.71	484.06	4,373.57
14C	3½-1-T	696	100,920.00	201,840.00	77,034.62	11,752.51	979.38	8,848.86
15C	3½-1	616	89,320.00	178,640.00	68,180.07	10,401.65	866.80	7,831.75
16C	3½-1	623	90,335.00	180,670.00	68,954.84	10,519.85	876.65	7,920.74
V17C	2-1-T	450	65,250.00	130,500.00	49,806.87	7,598.61	633.22	5,721.24
V18C	2-1	364	52,780.00	105,560.00	40,288.22	6,146.43	512.20	4,627.85
17	38½	6,613	\$ 958,885.00	\$ 1,917,770.00	\$ 731,939.60	\$ 111,665.77	\$ 9,305.48	\$ 84,076.85

T - Terrace
V - Vacant

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2D	3½-1	525	\$ 76,125.00	\$ 152,250.00	\$ 58,108.01	\$ 8,865.04	\$ 738.75	\$ 6,674.78
3D	3½-1	532	77,140.00	154,280.00	58,882.79	8,983.24	748.60	6,763.78
4D	3½-1	539	78,155.00	156,310.00	59,657.56	9,101.44	758.45	6,852.78
5D	3½-1	546	79,170.00	158,340.00	60,432.33	9,219.65	768.30	6,941.78
6D	3½-1	553	80,185.00	160,370.00	61,207.11	9,337.85	778.15	7,030.77
7D	3½-1	560	81,200.00	162,400.00	61,981.88	9,456.05	788.00	7,119.77
8D	3½-1	567	82,215.00	164,430.00	62,756.65	9,574.25	797.85	7,208.77
9D	3½-1	574	83,230.00	166,460.00	63,531.43	9,692.45	807.70	7,297.76
10D	3½-1	581	84,245.00	168,490.00	64,306.20	9,810.65	817.55	7,386.76
11D	3½-1	588	85,260.00	170,520.00	65,080.97	9,928.85	827.40	7,475.76
12D	3½-1	595	86,275.00	172,550.00	65,855.75	10,047.05	837.25	7,564.76
13D	3½-1	602	87,290.00	174,580.00	66,630.52	10,165.25	847.10	7,653.75
14D	3½-1-T	696	100,920.00	201,840.00	77,034.62	11,752.51	979.38	8,848.86
15D	3½-1	616	89,320.00	178,640.00	68,180.07	10,401.65	866.80	7,831.75
16D	3½-1	623	90,335.00	180,670.00	68,954.84	10,519.85	876.65	7,920.74
17D	3½-1-T	720	104,400.00	208,800.00	79,690.00	12,157.77	1,013.15	9,153.99
18D	3½-1	637	92,365.00	184,730.00	70,504.39	10,756.25	896.35	8,098.74
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17	59½	10,054	\$ 1,457,830.00	\$ 2,915,660.00	\$ 1,112,796.11	\$ 169,769.80	\$ 14,147.43	\$127,825.30
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T - Terrace
V - Vacant

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						Annual at \$16.89 Per Share	Monthly at \$1.41 Per Share	
2E	2-1	300	\$ 43,500.00	\$ 87,000.00	\$ 33,204.58	\$ 5,065.74	\$ 422.15	\$ 3,814.16
3E	2-1	304	44,080.00	88,160.00	33,647.31	5,133.28	427.77	3,865.02
4E	2-1	308	44,660.00	89,320.00	34,090.03	5,200.83	433.40	3,915.87
5E	2-1	312	45,240.00	90,480.00	34,532.76	5,268.37	439.03	3,966.73
6E	2-1	316	45,820.00	91,640.00	34,975.49	5,335.91	444.66	4,017.58
7E	2-1	320	46,400.00	92,800.00	35,418.22	5,403.46	450.29	4,068.44
V8E	2-1	324	46,980.00	93,960.00	35,860.95	5,471.00	455.92	4,119.30
9E	2-1	328	47,560.00	95,120.00	36,303.67	5,538.54	461.55	4,170.15
10E	2-1	332	48,140.00	96,280.00	36,746.40	5,606.08	467.17	4,221.01
11E	2-1	336	48,720.00	97,440.00	37,189.13	5,673.63	472.80	4,271.86
12E	2-1	340	49,300.00	98,600.00	37,631.86	5,741.17	478.43	4,322.72
14E	2-1	344	49,880.00	99,760.00	38,074.58	5,808.71	484.06	4,373.57
15E	3½-1-T	696	100,920.00	201,840.00	77,034.62	11,752.51	979.38	8,848.86
16E	3½-1	616	89,320.00	178,640.00	68,180.07	10,401.65	866.80	7,831.75
17E	3½-1	623	90,335.00	180,670.00	68,954.84	10,519.85	876.65	7,920.74
8E	3½-1-T	720	104,400.00	208,800.00	79,690.99	12,157.77	1,013.15	9,153.99
9E	3½-1	637	92,365.00	184,730.00	70,504.39	10,756.25	896.35	8,098.74
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7	41½	7,156	\$ 1,037,620.00	\$ 2,075,240.00	\$ 792,039.89	\$ 120,834.75	\$ 10,069.56	\$ 90,980.49
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Terrace
Vacant

SCHEDULE A

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						Annual at \$16.89 Per Share	Monthly at \$1.41 Per Share	
2F	3-1	450	\$ 62,250.00	\$ 130,500.00	\$ 49,806.87	\$ 7,598.61	\$ 633.22	\$ 5,721.24
3F	3-1	456	66,120.00	132,240.00	50,470.96	7,699.92	641.66	5,797.53
4F	3-1	462	66,990.00	133,980.00	51,135.05	7,801.24	650.10	5,873.81
5F	3-1	468	67,860.00	135,720.00	51,799.14	7,902.55	658.55	5,950.09
6F	3-1	474	68,730.00	137,460.00	52,463.23	8,003.87	666.99	6,026.38
7F	3-1	480	69,600.00	139,200.00	53,127.33	8,105.18	675.43	6,102.66
8F	3-1	486	70,470.00	140,940.00	53,791.42	8,206.50	683.88	6,178.94
9F	3-1	492	71,340.00	142,680.00	54,455.51	8,307.81	692.32	6,255.23
10F	3-1	498	72,210.00	144,420.00	55,119.60	8,409.13	700.76	6,331.51
11F	3-1	504	73,080.00	146,160.00	55,783.69	8,510.44	709.20	6,407.79
12F	3-1	510	73,950.00	147,900.00	56,447.78	8,611.76	717.65	6,484.08
V14F13	3-1	516	74,820.00	149,640.00	57,111.88	8,713.07	726.09	6,560.36
15F14	2-1-T	435	63,075.00	126,150.00	48,146.64	7,345.32	612.11	5,530.54
16F15	2-1	352	51,040.00	102,080.00	38,960.04	5,943.80	495.32	4,475.28
17F16	2-1	356	51,620.00	103,240.00	39,402.77	6,011.34	500.95	4,526.14
18F17	3½-1-T	720	104,400.00	208,800.00	79,690.99	12,157.77	1,013.15	9,153.99
19F17	3½-1	637	92,365.00	184,730.00	70,504.39	10,756.25	896.35	8,098.74
17	49	8,296	\$ 1,202,920.00	\$ 2,405,840.00	\$ 918,217.29	\$ 140,084.56	\$ 11,673.73	\$105,474.31

T - Terrace
V - Vacant

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3G	3½-1	532	77,140.00	154,280.00	58,882.79	8,983.24	748.60	6,763.78
4G	3½-1	539	78,155.00	156,310.00	59,657.56	9,101.44	758.45	6,852.78
5G	3½-1	546	79,170.00	158,340.00	60,432.33	9,219.65	768.30	6,941.78
6G	3½-1	553	80,185.00	160,370.00	61,207.11	9,337.85	778.15	7,030.77
7G	3½-1	560	81,200.00	162,400.00	61,981.88	9,456.05	788.00	7,119.77
8G	3½-1	567	82,215.00	164,430.00	62,756.65	9,574.25	797.85	7,208.77
9G	3½-1	574	83,230.00	166,460.00	63,531.43	9,692.45	807.70	7,297.76
10G	3½-1	581	84,245.00	168,490.00	64,306.20	9,810.65	817.55	7,386.76
11G	3½-1	588	85,260.00	170,520.00	65,080.97	9,928.85	827.40	7,475.76
12G	3½-1	595	86,275.00	172,550.00	65,855.75	10,047.05	837.25	7,564.76
14G	3½-1	602	87,290.00	174,580.00	66,630.52	10,165.25	847.10	7,653.75
15G	3½-1-T	696	100,920.00	201,840.00	77,034.62	11,752.51	979.38	8,848.86
16G	3½-1	616	89,320.00	178,640.00	68,180.07	10,401.65	866.80	7,831.75
17G	3½-1	623	90,335.00	180,670.00	68,954.84	10,519.85	876.65	7,920.74
18G	3½-1-T	720	104,400.00	208,800.00	79,690.00	12,157.77	1,013.15	9,153.99
19G	3½-1	637	92,365.00	184,730.00	70,504.39	10,756.25	896.35	8,098.74
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17	59½	10,054	\$ 1,457,830.00	\$ 2,915,660.00	\$ 1,112,796.11	\$ 169,769.80	\$ 14,147.43	\$127,825.30
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T - Terrace
V - Vacant

SCHEDULE A

32 Gramercy Park South
New York, New York

SCHEDULE OF PURCHASE PRICES OF SHARES ALLOCATED TO APARTMENTS
(and related information at the date of presentation of the Plan)
PURCHASE PRICES, SHARE ALLOCATIONS, MORTGAGE ALLOCATIONS
Estimated Maintenance Charges and Estimated Income Tax
Deductions for the First Year of Cooperative Operation

Apt.	Rooms & Baths	(1) Share Allocation	(2)	(3)	(4)	(5)		(6)
			Cash Purchase Price to Tenant Purchasers at \$145.00 Per Share	Cash Purchase Price to Non-Tenant Purchasers at \$290.00 Per Share	Approximate Amount of Mortgage Applicable to Shares at \$110.68 Per Share	Estimated Maintenance Charges		Estimated Annual Deductions for Income Tax Purposes Based on \$12.71 Per Share
						Annual at \$16.89 Per Share	Monthly at \$1.41 Per Share	
2H	3-1	450	\$ 65,250.00	\$ 130,500.00	\$ 49,806.87	\$ 7,598.61	\$ 633.22	\$ 5,721.24
V 3H	3-1	456	66,120.00	132,240.00	50,470.96	7,699.92	641.66	5,797.53
4H	3-1	462	66,990.00	133,980.00	51,135.05	7,801.24	650.10	5,873.81
5H	3-1	468	67,860.00	135,720.00	51,799.14	7,902.55	658.55	5,950.09
6H	3-1	474	68,730.00	137,460.00	52,463.23	8,003.87	666.99	6,026.38
7H	3-1	480	69,600.00	139,200.00	53,127.33	8,105.18	675.43	6,102.66
8H	3-1	486	70,470.00	140,940.00	53,791.42	8,206.50	683.88	6,178.94
V 9H	3-1	492	71,340.00	142,680.00	54,455.51	8,307.81	692.32	6,255.23
10H	3-1	498	72,210.00	144,420.00	55,119.60	8,409.13	700.76	6,331.51
11H	3-1	504	73,080.00	146,160.00	55,783.69	8,510.44	709.20	6,407.79
12H	3-1	510	73,950.00	147,900.00	56,447.78	8,611.76	717.65	6,484.08
14H	3-1	516	74,820.00	149,640.00	57,111.88	8,713.07	726.09	6,560.36
15H	3-1-T	609	88,305.00	176,610.00	67,405.30	10,283.45	856.95	7,742.75
16H	3-1	528	76,560.00	153,120.00	58,440.06	8,915.70	742.98	6,712.93
17H	3-1	534	77,430.00	154,860.00	59,104.15	9,017.02	751.42	6,789.21
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15	45	7,467	\$ 1,082,715.00	\$ 2,165,430.00	\$ 826,461.97	\$ 126,086.25	\$ 10,507.20	\$ 94,934.51

- Terrace
- Vacant

SCHEDULE A

32 Gramercy Park South
New York, New York

SCHEDULE OF PURCHASE PRICES OF SHARES ALLOCATED TO APARTMENTS
(and related information at the date of presentation of the Plan)
PURCHASE PRICES, SHARE ALLOCATIONS, MORTGAGE ALLOCATIONS
Estimated Maintenance Charges and Estimated Income Tax
Deductions for the First Year of Cooperative Operation

Apt.	Rooms & Baths	(1) Share Allocation	(2)	(3)	(4)	(5)		(6)
			Cash Purchase Price to Tenant Purchasers at \$145.00 Per Share	Cash Purchase Price to Non-Tenant Purchasers at \$290.00 Per Share	Approximate Amount of Mortgage Applicable to Shares at \$110.68 Per Share	Estimated Maintenance Charges	Estimated Annual Deductions for Income Tax Purposes Based on \$12.71 Per Share	
						Annual at \$16.89 Per Share	Monthly at \$1.41 Per Share	
2J	3½-1	525	\$ 76,125.00	\$ 152,250.00	\$ 58,108.01	\$ 8,865.04	\$ 738.75	\$ 6,674.78
3J	3½-1	532	77,140.00	154,280.00	58,882.79	8,983.24	748.60	6,763.78
V 4J	3½-1	539	78,155.00	156,310.00	59,657.56	9,101.44	758.45	6,852.78
5J	3½-1	546	79,170.00	158,340.00	60,432.33	9,219.65	768.30	6,941.78
6J	3½-1	553	80,185.00	160,370.00	61,207.11	9,337.85	778.15	7,030.77
7J	3½-1	560	81,200.00	162,400.00	61,981.88	9,456.05	788.00	7,119.77
8J	3½-1	567	82,215.00	164,430.00	62,756.65	9,574.25	797.85	7,208.77
9J	3½-1	574	83,230.00	166,460.00	63,531.43	9,692.45	807.70	7,297.76
10J	3½-1	581	84,245.00	168,490.00	64,306.20	9,810.65	817.55	7,386.76
11J	3½-1	588	85,260.00	170,520.00	65,080.97	9,928.85	827.40	7,475.76
12J	3½-1	595	86,275.00	172,550.00	65,855.75	10,047.05	837.25	7,564.76
14J ¹³	3½-1	602	87,290.00	174,580.00	66,630.52	10,165.25	847.10	7,653.75
15J ¹⁴	3½-1-T	696	100,920.00	201,840.00	77,034.62	11,752.51	979.38	8,848.86
16J ¹⁵	3½-1	616	89,320.00	178,640.00	68,180.07	10,401.65	866.80	7,831.75
17J ¹⁶	3½-1	623	90,335.00	180,670.00	68,954.84	10,519.85	876.65	7,920.74
15	52½	8,697	\$ 1,261,065.00	\$ 2,522,130.00	\$ 962,600.73	\$ 146,855.78	\$ 12,237.93	\$110,572.57

f - Terrace

SCHEDULE A

32 Gramercy Park South
New York, New York

**SCHEDULE OF PURCHASE PRICES OF SHARES ALLOCATED TO APARTMENTS
(and related information at the date of presentation of the Plan)
PURCHASE PRICES, SHARE ALLOCATIONS, MORTGAGE ALLOCATIONS
Estimated Maintenance Charges and Estimated Income Tax
Deductions for the First Year of Cooperative Operation**

Apt.	Rooms & Baths	(1) Share Allocation	(2) Cash Purchase Price to Tenant Purchasers at \$145.00 Per Share	(3) Cash Purchase Price to Non-Tenant Purchasers at \$290.00 Per Share	(4) Approximate Amount of Mortgage Applicable to Shares at \$110.68 Per Share	(5) Estimated Maintenance Charges		(6) Estimated Annual Deductions for Income Tax Purposes Based on \$12.71 Per Share
						Annual at \$16.89 Per Share	Monthly at \$1.41 Per Share	
2K	2-1	300	\$ 43,500.00	\$ 87,000.00	\$ 33,204.58	\$ 5,065.74	\$ 422.15	\$ 3,814.16
3K	2-1	304	44,080.00	88,160.00	33,647.31	5,133.28	427.77	3,865.02
4K	2-1	308	44,660.00	89,320.00	34,090.03	5,200.83	433.40	3,915.87
5K	2-1	312	45,240.00	90,480.00	34,532.76	5,268.37	439.03	3,966.73
6K	2-1	316	45,820.00	91,640.00	34,975.49	5,335.91	444.66	4,017.58
7K	2-1	320	46,400.00	92,800.00	35,418.22	5,403.46	450.29	4,068.44
8K	2-1	324	46,980.00	93,960.00	35,860.95	5,471.00	455.92	4,119.30
9K	2-1	328	47,560.00	95,120.00	36,303.67	5,538.54	461.55	4,170.15
10K	2-1	332	48,140.00	96,280.00	36,746.40	5,606.08	467.17	4,221.01
11K	2-1	336	48,720.00	97,440.00	37,189.13	5,673.63	472.80	4,271.86
12K	2-1	340	49,300.00	98,600.00	37,631.86	5,741.17	478.43	4,322.72
13K	2-1	344	49,880.00	99,760.00	38,074.58	5,808.71	484.06	4,373.57
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12	24	3,864	\$ 560,280.00	\$ 1,120,560.00	\$ 427,674.98	\$ 65,246.72	\$ 5,437.23	\$ 49,126.41
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- Vacant

SCHEDULE A

32 Gramercy Park South
New York, New York

SCHEDULE OF PURCHASE PRICES OF SHARES ALLOCATED TO APARTMENTS
(and related information at the date of presentation of the Plan)
PURCHASE PRICES, SHARE ALLOCATIONS, MORTGAGE ALLOCATIONS
Estimated Maintenance Charges and Estimated Income Tax
Deductions for the First Year of Cooperative Operation

Apt.	Rooms & Baths	(1) Share Allocation	(2)	(3)	(4)	(5)		(6)
			Cash Purchase Price to Tenant Purchasers at \$145.00 Per Share	Cash Purchase Price to Non-Tenant Purchasers at \$290.00 Per Share	Approximate Amount of Mortgage Applicable to Shares at \$110.68 Per Share	Estimated Maintenance Charges	Estimated Annual Deductions for Income Tax Purposes Based on \$12.71 Per Share	
						Annual at \$16.89 Per Share	Monthly at \$1.41 Per Share	
2L	4-1	600	\$ 87,000.00	\$ 174,000.00	\$ 66,409.16	\$ 10,131.48	\$ 844.29	\$ 7,628.32
3L	4-1	608	88,160.00	176,320.00	67,294.61	10,266.56	855.55	7,730.04
4L	4-1	616	89,320.00	178,640.00	68,180.07	10,401.65	866.80	7,831.75
5L	4-1	624	90,480.00	180,960.00	69,065.52	10,536.74	878.06	7,933.46
6L	4-1	632	91,640.00	183,280.00	69,950.98	10,671.82	889.32	8,035.17
7L	4-1	640	92,800.00	185,600.00	70,836.44	10,806.91	900.58	8,136.88
8L	4-1	648	93,960.00	187,920.00	71,721.89	10,942.00	911.83	8,238.59
9L	4-1	656	95,120.00	190,240.00	72,607.35	11,077.08	923.09	8,340.30
10L	4-1	664	96,280.00	192,560.00	73,492.80	11,212.17	934.35	8,442.01
11L	4-1	672	97,440.00	194,880.00	74,378.26	11,347.26	945.61	8,543.72
12L	4-1	680	98,600.00	197,200.00	75,263.71	11,482.34	956.86	8,645.43
14L	4-1	688	99,760.00	199,520.00	76,149.17	11,617.43	968.12	8,747.15
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12	48	7,728	\$ 1,120,560.00	\$ 2,241,120.00	\$ 855,349.96	\$ 130,493.44	\$ 10,874.46	\$ 98,252.82
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SCHEDULE A

32 Gramercy Park South
New York, New York

SCHEDULE OF PURCHASE PRICES OF SHARES ALLOCATED TO APARTMENTS
(and related information at the date of presentation of the Plan)
PURCHASE PRICES, SHARE ALLOCATIONS, MORTGAGE ALLOCATIONS
Estimated Maintenance Charges and Estimated Income Tax
Deductions for the First Year of Cooperative Operation

Apt.	Rooms & Baths	(1) Share Allocation	(2) Cash Purchase Price to Tenant Purchasers at \$145.00 Per Share	(3) Cash Purchase Price to Non-Tenant Purchasers at \$290.00 Per Share	(4) Approximate Amount of Mortgage Applicable to Shares at \$110.68 Per Share	(5) Estimated Maintenance Charges		(6) Estimated Annual Deductions for Income Tax Purposes Based on \$12.71 Per Share
						Annual at \$16.89 Per Share	Monthly at \$1.41 Per Share	
2H	4-1	600	\$ 87,000.00	\$ 174,000.00	\$ 66,409.16	\$ 10,131.48	\$ 844.29	\$ 7,628.32
3H	4-1	608	88,160.00	176,320.00	67,294.61	10,266.56	855.55	7,730.04
V 4H	4-1	616	89,320.00	178,640.00	68,180.07	10,401.65	866.80	7,831.75
5H	4-1	624	90,480.00	180,960.00	69,065.52	10,536.74	878.06	7,933.46
6H	4-1	632	91,640.00	183,280.00	69,950.98	10,671.82	889.32	8,035.17
7H	4-1	640	92,800.00	185,600.00	70,836.44	10,806.91	900.58	8,136.88
8H	4-1	648	93,960.00	187,920.00	71,721.89	10,942.00	911.83	8,238.59
9H	4-1	656	95,120.00	190,240.00	72,607.35	11,077.08	923.09	8,340.30
10H	4-1	664	96,280.00	192,560.00	73,492.80	11,212.17	934.35	8,442.01
11H	4-1	672	97,440.00	194,880.00	74,378.26	11,347.26	945.61	8,543.72
12H	4-1	680	98,600.00	197,200.00	75,263.71	11,482.34	956.86	8,645.43
13H	4-1	688	99,760.00	199,520.00	76,149.17	11,617.43	968.12	8,747.15
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12	48	7,728	\$ 1,120,560.00	\$ 2,241,120.00	\$ 855,349.96	\$ 130,493.44	\$ 10,874.46	\$ 98,252.82
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185	593	99,761	\$14,465,345.00	\$28,930,960.00	\$11,041,739.97	\$1,684,543.97	\$140,378.51	\$1,268,348.85
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V - Vacant

SCHEDULE A

32 Gramercy Park South
New York, New York

SCHEDULE OF RENTAL PRICES OF PROFESSIONAL APARTMENTS
(AND RELATED INFORMATION AT THE DATE OF PRESENTATION OF THIS PLAN)

NON-RESIDENTIAL UNITS

<u>Apt.</u>	<u>Rooms & Baths</u>	<u>Cash Purchase Price</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>
1B	4½	\$100,000.00*	\$8,400.00	\$700.00

P - Professional Apartment

*This price is subject to individual price negotiation between Sponsor and the purchaser, so that the purchaser may pay less than the amount set forth in this Schedule.

tiles on terraces as well as the cost of desired insurance covering (i) furniture, equipment and other personal property, and (ii) liability to others for personal injury or property damage as a result of occurrences in his or her apartment. These estimates, prepared by the Sponsor based on the Projected Schedule of Receipts and Expenses for the First Year of Operation (as set forth in Page 5 of this Plan), assume without any representation that the first year of cooperative operation will begin on January 1, 1984.

- (6) The first year's tax deductions are estimated at approximately \$12.71 per share, which is equivalent to approximately 75.3% of the estimated first year's maintenance charges. The amount of tax deductions will vary in later years because of changes in the amount of (i) real estate taxes assessed against the building and land and (ii) interest on the Apartment Corporation's mortgage indebtedness (which may be eliminated if the mortgage is repaid or may change if it is refinanced at a different interest rate or payment and amortization schedule.) The projected tax deductions do not include any interest paid by purchasers who finance the purchase of their Unit.

SCHEDULE B

PROJECTED SCHEDULE OF RECEIPTS AND EXPENSES
FOR FIRST YEAR OF OPERATION
(Year Beginning January 1, 1984)

RECEIPTS:

Annual Rent (Maintenance Charges) (99,761 shares at \$16.89 per share per annum ...	\$1,684,543.97	(1)
Estimated Receipts from Commercial Lease	72,000.00	(2)
Professional Lease	8,400.00	(3)
Laundry Income	<u>9,600.00</u>	(4)
TOTAL	<u>\$1,774,543.97</u>	

EXPENSES:

Labor: Including wages, workmen's compensation, disability insurance and F.I.C.A.	\$ 171,244.67	(5)
Heat and Hot Water (steam)	150,961.96	(6)
Power, Light and Gas	42,000.00	(7)
Water and Sewer Charges	13,335.00	(8)
Maintenance of Building Including general repairs and maintenance, elevator maintenance supplies and sundries, painting (public areas only) and building services	30,000.00	(9)
Insurance	14,866.00	(10)
Management	40,000.00	(11)
Legal and Accounting	5,000.00	
Taxes: Real Estate	385,031.25	(12)
Franchise Taxes (State and City)	11,693.66	(13)
Mortgage Interest	883,317.60	(14)
Reserve for Contingencies	<u>27,093.83</u>	(15)
TOTAL	<u>\$1,774,543.97</u>	

are the responsibility of the individual shareholders. This estimate includes general repairs and services, service contracts, fees and permits. Tenant-shareholders, however, will be responsible for the cost of interior repairs, decoration and painting of their respective apartments, including appliances.

- (10) In the opinion of Jacobs and Jacobs Inc., 35 Powerhouse Road, Roslyn Heights, New York, the indicated premium should enable the Apartment Corporation to obtain the following coverage includes: Fire, extended coverage and replacement costs, \$14,474,191; Rent Insurance, \$1,170,000; Bodily Injury and Property Damage Liability, \$1,000,000; Boiler and Machinery Broad Form, \$500,000 includes use and occupancy; Director and Officers Liability, \$500,000; Umbrella Liability, \$1,000,000; Water Damage Liability, \$100,000; Elevator Collision, \$50,000; Canopy Insurance, \$5,000; Workers Compensation, Statutory; N.Y.S. Disability Benefits, Statutory.
- (11) See Page 41 for details of the Management Agreement.
- (12) Based on half of the assessed valuation of \$3,920,000 and an estimated tax rate of \$9.25 per \$100 of assessed valuation for the period from July 1, 1983 to June 30, 1984, and half of the assessed valuation of \$4,405,000 for the period July 1, 1984 to June 30, 1985. Set forth below are the assessed valuations and tax rates for the preceding two tax years.

<u>Tax Year</u>	<u>Assessment</u>	<u>Tax Rate</u>
1984/85	\$4,405,000.00	9.25
1983/84	\$3,920,000.00	9.25
1982/83	\$3,435,000.00*	8.95
1981/82	\$2,950,000.00	8.95

*1982/83 Transition Value.

The tax assessments of cooperative apartment buildings are governed by a new law passed in November 1981. (Real Property Law §581). This law requires the tax assessor to disregard the cooperative form of ownership in valuing such properties and to value the building in the same manner as similar but non-cooperative-owned rental buildings. Thus, while the fact of conversion of this building to cooperative ownership will not automatically cause an increase in assessed value, the assessed valuation may increase in the future in accordance with New York City assessment practices.

The 1982/83 tentative transition valuation represents the first step in phasing in, over a five year period, the tentative "target" valuation of \$5,375,000 for this building. Although no application has been made challenging the target

CHANGES IN PRICES AND UNITS

As indicated in Schedule A, changes in individual cash purchase prices for non-tenant purchasers are negotiable and may be made without prior amendment to the Plan. The offering prices set forth in Schedule A must be changed by a duly filed amendment to the plan when the change in price is an across the board increase or decrease affecting one or more lines of units or unit models; or is to be advertised, or is a price increase for an individual purchaser. Schedule A will not be changed prior to the date of closing hereunder except upon the opinion of Steppingstone Management Corp. or other real estate expert that the price as changed is an amount bearing a reasonable relationship to the portion of the value of the Apartment Corporation's equity in the property attributable to the apartment to which such shares are allocated as determined on the date of the execution of the Subscription Agreement for such shares. Any such changes are of course subject to the terms of this Offering Plan and the rights of occupants. If there is any change in the price of a block of shares prior to the closing, the total purchase price of the Property as stated under the financial plan will be increased or decreased accordingly by the net difference resulting from all such changes in prices and the sum payable to the Sponsor at closing will be changed correspondingly by the amount of such net difference. Prices are negotiable in that unless it would constitute a prohibited discriminatory inducement, the Sponsor may enter into an agreement with an individual purchaser to sell one or more apartments at prices lower than those set forth in Schedule A. In no event will such changes in prices result in changing the amount of funds available as the Working Capital Fund to the Apartment Corporation.

The Sponsor and the Apartment Corporation reserve the right by duly filed amendment to vary the amount of stock allocable to any apartment, provided however (a) that no such change will be made with respect to shares of stock allocated to any apartment for which a purchase agreement has been accepted nor will any such change have the effect of increasing or decreasing the total number of shares; and any such changes will be subject to the rights of occupants under the Emergency Tenant Protection Act, and (b) no such change prior to the date of the original issuance of the shares of stock will result in upsetting the reasonable relationship existing between the prices for the blocks of shares set forth in this Plan and that portion of the Apartment Corporation's equity in the property attributable to the apartment to which such blocks of shares is allocated in accordance with the provisions of Section 216 of the United States Internal Revenue Code (an opinion of a real estate expert will be obtained in this regard).

In order to meet the possible varying demands for number and type of apartments or to meet particular requirements of prospective purchasers or for any other reason, the Sponsor reserves the

building to which no shares of the Apartment Corporation were previously allocated or are presently allocated on the date of such enlargement; or (ii) such space is converted into a new residential apartment. No such increase in shares, however, will occur unless an opinion has first been obtained from a licensed real estate broker familiar with cooperative offerings of this kind that said "reasonable relationship," as determined as of the date when the new shares are to be issued, is maintained. If it shall be necessary to increase the total number of authorized shares which the Apartment Corporation may issue solely by reason of the foregoing, the Apartment Corporation will cooperate with the holders of the Unsold Shares in amending the Certificate of Incorporation for that purpose. An increase in the total number of shares issued will result in reducing the proportion that the number of shares owned by each shareholder bears to the total number of shares outstanding (with a concomitant decrease in the amount of the estimated deduction for income tax purposes available to each shareholder, if any), but may not result in reducing the maintenance charges payable by each shareholder unless the Board of Directors shall so determine.

Unless an affected purchaser consents, no material change will be made in the unit, size or layout of an apartment or in the number of shares allocated thereto if a purchase agreement has been accepted and under which the purchaser is not then in default.

No material change will be made in the total number of shares or in the size or quality of public areas unless purchasers who executed and delivered subscription agreements and are not in default receive a right to rescind for a reasonable and specified period.

THE PRICE TO TENANTS SHALL NOT BE CHANGED FOR NINETY (90) DAYS FROM THE DATE OF FIRST OFFERING OF THIS PLAN. THE PRICES TO BUYERS OTHER THAN TENANTS MAY BE VARIED BY WRITTEN NOTICE AFFIXED TO THE INSIDE COVER OF THE COPY OF THE PLAN GIVEN TO A PROSPECTIVE PURCHASER OF THAT APARTMENT AND DULY DELIVERED TO THE APPROPRIATE GOVERNMENTAL AGENCY.

EICHNER LEEDS ASSOCS. LTD.

Page 2

the amount thereof is not less than an amount bearing a reasonable relationship to the portion of the value of the Apartment Corporation's equity in the property attributable to the apartment which such shares are allocated.

The undersigned is a licensed real estate broker, and has been engaged in the operation and management of residential buildings for twenty-five years.

We have been advised that your Corporation will use this letter as part of the aforesaid offering plan and we consent to its inclusion therein.

We have no beneficial interest in the sponsor who is making this offering, and we have no beneficial interest in any profitability relating to this conversion.

Very truly yours,

EICHNER LEEDS ASSOCS., LTD.

Arthur Eichner, CPM
Vice President

WEISSBARTH, ALTMAN & MILLER
CERTIFIED PUBLIC ACCOUNTANTS
625 MADISON AVENUE · NEW YORK, N. Y. 10022
(212) 688-8895

To the Partners of Anby Associates
(A Limited Partnership)
New York, New York

Re: Property located at
32 Gramercy Park South
New York, New York

We have examined the statement of realty operations before depreciation and amortization of Anby Associates (a limited partnership) for the period June 22, 1982 (date of acquisition) to December 31, 1982. Our examination was made in accordance with generally accepted auditing standards and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The accompanying statement was prepared for the purpose of complying with the rules and regulations of the office of the Attorney General of the State of New York (for inclusion in the Plan of Cooperative Ownership of the above premises).

In our opinion, the accompanying statement presents fairly the results of realty operations before depreciation and amortization of Anby Associates (a limited partnership) for the period June 22, 1982 (date of acquisition) to December 31, 1982, in conformity with generally accepted accounting principles.

Weissbarth, Altman & Miller

New York, New York
March 22, 1983

ANBY ASSOCIATES
(A Limited Partnership)

Notes to Statement of Realty Operations before Depreciation and Amortization
For the Property Located at 32 Gramercy Park South, New York, New York
For the Period June 22, 1982 (Date of Acquisition) to December 31, 1982

Note 1 - Transactions with affiliate

The partnership has an agreement to pay an affiliate of a general partner, a management fee not to exceed 5% of the gross receipts collected from the operation of the property.

Note 2 - Mortgage notes payable

The property is encumbered by two mortgages which are as follows:

- a) A wraparound purchase money mortgage in the principal amount of \$7,360,980, payable interest only to June 2, 1990 as follows:
1. 7.5% on principal amount of \$6,600,000 to June 2, 1984.
 2. Thereafter, interest is computed on the entire unpaid principal as follows:
 - 9.5% to June 2, 1986
 - 12.0% to June 2, 1988
 - 13.0% to June 2, 1990
- b) A non-interest bearing blanket purchase money mortgage in the amount of \$16,000,000 covering the three properties acquired by the partnership, of which \$5,280,000 has been allocated to this property. The terms of the blanket purchase money mortgage require principal payments (which will be allocated pro rata to the properties) as follows:
1. \$6,000,000 on the earlier of date of conveyance to a cooperative corporation (conversion date) or June 2, 1984.
 2. \$3,000,000 - On the first anniversary of the conversion date.
\$3,000,000 - On the second anniversary of the conversion date.
\$4,000,000 - On the third anniversary of the conversion date.

OSCAR J. SUFRIN
CERTIFIED PUBLIC ACCOUNTANT
233 BROADWAY
NEW YORK, N. Y. 10007
WHITENALL 3-8427

To the Partners of Anby Associates
(A Limited Partnership)
New York, New York

Re: Property located at
32 Gramercy Park South
New York, New York

We have compiled the accompanying statement of realty operations before depreciation and amortization of Anby Associates (a limited partnership) for the year ended December 31, 1982, in accordance with standards established by the American Institute of Certified Public Accountants.

The accompanying statement was prepared for the purpose of complying with the rules and regulations of the office of the Attorney General of the State of New York (for inclusion in the plan to convert to cooperative ownership of the above premises).

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying statement of realty operations before depreciation and amortization and accordingly, do not express an opinion or any other form of assurance on it. However, we did become aware of a departure from generally accepted accounting principles that is described in the following paragraph.

The statement of realty operations before depreciation and amortization does not include interest expense which would be recognized as an operating expense under generally accepted accounting principles. The effect of this departure from generally accepted accounting principles on the statement of realty operations has not been determined.

Management has elected to omit all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the statement of realty operations before depreciation and amortization, they might influence the user's conclusions in regard to the company's results of realty operations. Accordingly, this statement is not designed for those who are not informed about such matters.

New York, New York
March 22, 1983



32 GRAMERCY PARK SOUTH ASSOCIATES

(A joint venture formed under the
laws of the State of New York)

STATEMENT OF OPERATIONS

* * * * *

FOR THE PERIOD
JULY 9, 1981 TO JUNE 22, 1982

32 GRAMERCY PARK SOUTH ASSOCIATES
(A Joint Venture Formed Under the
Laws of the State of New York)

STATEMENT OF OPERATIONS

For the period
July 9, 1981
to June 22, 1982

Revenues:

Rental and other income \$1,132,765

Expenses:

Real estate taxes	232,091
Housekeeping	19,756
Groundskeeping and recreational	935
Repairs and maintenance:	
Structural	2,472
Mechanical	4,910
Electrical	12,620
Payroll and related payroll expenses	137,849
Management fees (Note 3)	55,378
Electric	19,641
Steam	136,624
Gas	5,330
Water and sewer	14,366
Administration	21,836
	<u>663,808</u>

Net operating income reflected as a
reduction of project cost capitalized
(Note 2)

\$ 468,957

The accompanying notes are an integral part
of this statement.

- b. Income taxes - The Joint Venture is not directly subject to federal, state or city income taxes. Taxable income or loss from the Joint Venture's operations is required to be recognized in the income tax returns of the partners.

NOTE 3 - RELATED PARTY TRANSACTIONS AND MANAGEMENT FEES

Of the capitalized interest, \$1,666,340 was incurred on a note payable to Olympia & York Landmark Associates (Gramercy Park). The note bears interest at the annual rate of 1% over the interest rate publicly announced from time to time by Citibank N.A., New York as their "base rate".

As the rental operations of the building are managed by one of the Joint Venture partners, there are no management fees paid to third parties. The management fees in the Statement of Operations have been calculated at 5% of rent revenue and are allocated from the development overhead expenses reimbursed charged to the project by affiliates of Olympia & York Landmark Associates (Gramercy Park).

32 GRAMERCY PARK SOUTH, NEW YORK, N.Y.
STATEMENTS OF OPERATIONS

	JULY 1, 1979 TO JUNE 30, 1980	JULY 1, 1980 TO JUNE 30, 1981	JULY 1, 1981 TO JULY 9, 1981
<u>INCOME</u>			
Rent - Apartments	\$ 972,231	\$1,044,516	\$ 26,523
Stores	92,821	118,939	3,041
Garages	16,446	16,967	543
Laundry Concession	7,950	9,600	269
Security Administration Fees	807	1,090	22
Interest	8,820	25,055	1,296
Gross Income	<u>\$1,099,075</u>	<u>\$1,216,167</u>	<u>\$ 31,694</u>
 <u>OPERATING EXPENSES</u>			
Real Estate Taxes	\$ 240,625	\$ 256,650	\$ 6,601
Water and Sewer	7,772	10,660	269
Interest on Mortgage	112,500	112,500	3,125
Insurance	8,256	5,060	143
Payroll and Related Costs	145,518	149,432	5,973
Steam	86,781	111,077	668
Electricity	18,080	21,621	682
Gas	6,106	6,040	140
Cleaning & Refinishing	497	1,727	-
Exterminating	1,372	1,443	-
Elevator Maintenance	10,680	7,777	980
Repairs - Schedule 1	26,510	36,122	2,286
Supplies - Schedule 2	16,124	14,431	8
Legal	19,913	15,791	1,000
Accounting	3,000	3,000	900
Management Commissions	27,592	29,612	876
Uniform Maintenance	748	1,299	10
Dues & Miscellaneous	2,355	1,633	301
Telephone	480	484	-
Advertising	202	95	-
Bad Debts	1,422	2,555	-
Engineering, Architectural Fees & Appraisal	-	3,525	-
Total Operating Expenses	<u>\$ 736,533</u>	<u>\$ 792,534</u>	<u>\$ 23,962</u>
Net Operating Income Before Depreciation & Amortization	<u>\$ 362,542</u>	<u>\$ 423,633</u>	<u>\$ 7,732</u>

ATTORNEY'S INCOME TAX OPINION

LAW OFFICES

SONNENSCHN, SHERMAN & DEUTSCH

10 COLUMBUS CIRCLE
NEW YORK, N. Y. 10019
—
(212) 249-6754
CABLE: SONNSCHN

JEROME B. SHERMAN - IRVING SONNENSCHN, P. C.
ALEX DEUTSCH

—
ELIOT M. ZUCKERMAN
SANDER BRULOWITZ
RICHARD E. FELDMAN*
MORTON NEWSBURN

*MEMBER OF N. Y. AND N. J. BARS

July 20, 1983

32 Grammercy Park Owners Corp.
32 Grammercy Park South
New York, New York

Re: 32 Grammercy Park South
New York, New York

Gentlemen:

With reference to the proposed Plan for Cooperative Ownership of the above property, the undersigned wish to advise you with respect to the applicable provisions of Section 216 of the United States Internal Revenue Code, Section 615 of the New York State Tax Law, and Section T 46-15.0 of the New York City Administrative Code, as follows:

The opinion expressed herein is based upon the following: Offering Plan, Certificate of Incorporation, By-Laws and the validity of the opinion of Eichner Leeds Assoc. Ltd. (which opinion advised you that as of the date of such opinion the prices for the blocks of shares allocated to the respective apartments, as set forth in Purchase Prices and Share Allocation, Schedule A of the Plan, are in an amount not less than an amount bearing a reasonable relationship to the portion of the value of the Apartment Corporation's equity in the property attributable to the apartment to which the block of shares is allocated), the validity of the figures set forth in Budget for First Year of Cooperative Operation, Schedule B of the Plan and that there will be no change in prices of any block of shares prior to the date of closing under the Plan except upon the expert's opinion required in the Plan (which it is assumed will be valid) to the effect that the price as changed is not less than an amount bearing a reasonable relationship to the portion of the value of the Apartment Corporation's equity in the property attributable to the apartment to which the block of shares is allocated as determined on the date of execution of the subscription agreement for such shares.

D. At least 80% of the gross income in each taxable year must be derived from tenant-stockholders. For purposes of this requirement, "tenant-stockholder" means an individual whose shares are fully paid up in an amount bearing a reasonable relationship to the portion of the value of your equity in the building and land on which situated which is attributable to the apartment which such individual is entitled to occupy. In determining that you meet this requirement, we are relying on the terms of the Offering Plan, on the opinion of Eichner Leeds Assoc. Inc. contained in the Offering Plan that the prices for the blocks of shares allocated to the respective apartments bear a reasonable relationship to the portion of your equity in the property attributable to each such apartment, and on the Projected Receipts and Expenses for First Year of Cooperative Operation contained in the Offering Plan, which indicates that, notwithstanding the income projected from sources other than tenant-stockholders, more than 80% of your gross income will be derived from tenant-stockholders. Hence, assuming the aforesaid projected budget is accurate, during the first year of cooperative operation, at least 80% of the Apartment Corporation's gross income will be derived from tenant-stockholders.

Based upon all of the foregoing (but without passing on the validity of the aforementioned opinion of Eichner Leeds Assoc. Ltd. or the accuracy of the schedules) and provided that the Plan is declared effective and there is a closing under the Plan in accordance with the terms thereof, it is our opinion that, under present law, for each tax year of the corporation in which at least 80% of its gross income is derived from tenant-stockholders (as that term is defined in Section 216(b)(2) of the Internal Revenue Code of 1954 as amended):

- a. The Apartment Corporation will qualify as a cooperative housing corporation within the present meaning of Section 216(b)(1) of the Internal Revenue Code of 1954 as amended.
- b. Tenant-stockholders who elect to itemize deductions will be entitled to deduct for income tax purposes their proportionate share of the interest and real estate taxes paid by the Apartment Corporation.

Eichner Leeds Assoc. Ltd. has computed the amount of the estimated tax deduction applicable to each apartment set forth in said Schedules and Messrs. Sonnenschein, Sherman & Deutsch have not passed upon the accuracy of such computation.

Sponsor is a limited partnership which has advised us that on the closing of the sale, Sponsor (or an individual person or persons supplied by Sponsor) will purchase and will enter into proprietary

We have been advised that you intend to use a copy of this letter as part of the aforesaid Plan of Cooperative Ownership and we hereby consent to such use.

Very truly yours,

SONNENSCHNEIN, SHERMAN & DEUTSCH

RIGHTS OF EXISTING TENANTS

As of the date of presentation of this Plan, all of the apartments which are the subject of the offering are subject to the New York City Rent Stabilization Law of 1969 and the Code adopted pursuant thereto.

The Sponsor has elected to present this Plan as a non-eviction plan so that it is not governed by the eviction provisions of Section 61 of the Rent Stabilization Code. Accordingly, under existing law, a tenant in occupancy of an apartment in the building at the date of presentation of this Plan has the right, under the Rent Stabilization Code, to remain in occupancy of the apartment even if the shares of the Apartment Corporation allocated to the apartment are sold to another person, as long as the tenant in occupancy is not in default of his obligations under his lease or tenancy. Under present law, tenants in occupancy of apartments are under no obligation to purchase shares allocated to their apartments in order to retain rights of continued occupancy. All non-purchasing tenants are subject to any rent increases prescribed by the rent laws and Sponsor will comply with all said laws. Any complaints of unconscionable rent increases prescribed by law may be referred to the New York State Department of Law, Bureau of Consumer Frauds and Protection, Two World Trade Center, New York, New York 10047.

Each tenant in occupancy of an apartment on the date of presentation of this Plan will have the absolute right to purchase the shares allocated to that apartment at the Cash Purchase Price set forth in Schedule "A" of this Plan for a period of ninety days from the date of presentation of this Plan. Following this ninety-day period tenants may purchase only with the consent of Sponsor and Apartment Corporation, or after Closing with the consent of the holder of the shares involved.

Any bona fide tenant with the right to renew a lease or right to continued occupancy will have the right to subscribe as a tenant during the ninety-day exclusive period. Only the tenant of record will have the right to subscribe even though the apartment is sublet and not his primary residence unless he expressly waives such right to subscribe. If the tenant of record waives his right to subscribe, the subtenant shall have such right for the ninety-day exclusive period referred to above.

The Sponsor shall on the 30th, 60th, 88th and 90th day after the Plan is presented to the tenants 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: (i) file with the Department of Law a written statement, under oath, setting forth the percentage of the dwelling units (apartments) in the building subscribed for by bona