

THIS PLAN HAS BEEN AMENDED. SEE INSIDE COVER.

THIS IS A NON-EVICTION PLAN. NO NON-PURCHASING TENANT WILL BE EVICTED BY REASON OF CONVERSION TO COOPERATIVE OWNERSHIP.

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COOPERATIVE OFFERING PLAN  
PREMISES AT  
32 GRAMERCY PARK SOUTH  
NEW YORK, NEW YORK 10010

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Total Cash Amount of Offering (99,761 shares) (185 units) (if all apartments are sold to non-tenant purchasers) .....	\$28,930,690.00
Mortgage Indebtedness .....	\$11,041,740.00
Total Purchase Price .....	\$39,972,430.00
Less Reserve Fund to be retained by Apartment Corporation .....	\$ 443,960.35*
Less Working Capital Fund to be retained by Apartment Corporation .....	\$ 25,000.00**
Net Purchase Price of Property to Sponsor .....	\$39,513,469.65

\* The Reserve Fund may be funded in installments (see page 37).

\*\* On the Closing Date, from the amount of cash raised by this offering, the Apartment Corporation will retain the sum of \$25,000 subject to closing adjustments. This Working Capital Fund may be reduced to \$15,000 by net closing adjustments in Sponsor's favor.

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NAME AND ADDRESS OF APARTMENT CORPORATION  
WHOSE SHARES ARE OFFERED:

32 GRAMERCY PARK OWNERS CORP.  
c/o Goldschmidt, Fredericks & Oshatz  
655 Madison Avenue  
New York, New York 10021

NAME AND ADDRESS OF SPONSOR AND SELLING AGENT:

ANBY ASSOCIATES  
c/o Robert J. Ettinger  
220 Madison Avenue  
New York, New York 10016

The approximate date of the first offering of this Plan is June 27, 1983. This Plan may not be used after June 27, 1984, unless extended by amendment.

THIS OFFERING PLAN IS THE ENTIRE OFFER TO SELL THESE COOPERATIVE UNITS. NEW YORK LAW REQUIRES THE SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THIS PLAN AND TO FILE THIS PLAN WITH THE NEW YORK STATE DEPARTMENT OF LAW PRIOR TO SELLING OR OFFERING TO SELL ANY UNIT. FILING WITH THE DEPARTMENT OF LAW DOES NOT MEAN THAT THE DEPARTMENT OR ANY OTHER GOVERNMENT AGENCY HAS APPROVED THIS OFFERING.

SEE PAGE 1 FOR SPECIAL RISKS TO PURCHASERS.

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ANBY ASSOCIATES  
c/o Robert J. Ettinger  
220 Madison Avenue  
New York, New York 10016

August 8, 1983

To All Residents of Premises  
32 Gramercy Park South  
New York, New York

Re: Premises 32 Gramercy Park South  
New York, New York  
Proposed Conversion to Cooperative Status

Dear Resident:

Please take notice that the owner has submitted, as Sponsor, to the Attorney General of the State of New York a proposed offering plan for the conversion of premises 32 Gramercy Park South, New York, New York, to cooperative status.

Please be advised that the proposed offering plan has been ACCEPTED FOR FILING by the Attorney General of the State of New York.

Very truly yours,

  
ANBY ASSOCIATES

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## SPECIAL RISKS

Purchasers are advised that their obligation to purchase and to pay the balance of their purchase price is not conditioned in any way upon their obtaining any bank or other financing for their purchase. Accordingly, any purchaser who is unable to obtain such financing, will be deemed to have defaulted and shall not be entitled to a refund of any monies paid as down payment. See Part II, Subscription Agreement.

Although tenant-shareholders will have no personal liability to the mortgagees for the payment of the Apartment Corporation's mortgage indebtedness, the mortgages must be paid according to their terms or the Apartment Corporation will be subject to foreclosure and loss of its investment in the building. Interest and amortization payments are included in the monthly maintenance charges.

The property will be subject and subordinate to a wraparound mortgage. At the time of closing the balance of this mortgage will be \$11,041,740. At maturity on June 2, 1990, there will be due a total amount of \$11,041,740 or approximately \$110.68 per share. To avoid foreclosure, each tenant-shareholder must arrange for his portion of such maturity payment to be available to the Apartment Corporation (along with a pro rata share of any such portion then due from any other tenant-shareholder who has defaulted or is then unable to pay his portion), unless the Apartment Corporation succeeds in arranging for refinancing of the wraparound mortgage prior to maturity. No representation or assurance is possible regarding the extent of refinancing, if any, that might be available, or the terms or interest rate then available (see page 24 for Terms of Mortgages).

If a purchaser chooses to close at any location other than the one set forth in the Plan, or defaults in the performance of his or her Subscription Agreement, and thereafter closes, or closes at a later date than that provided for in the Amendment Declaring the Plan Effective then said purchaser will be obligated to pay a fee of \$250.00 to counsel of sponsor.

At closing, the Apartment Corporation shall enter into a Commercial Lease with the Sponsor (or an entity designated by the Sponsor) for the first floor store premises (and related basement space) and parking garage presently at the premises. The term of the Commercial Lease shall be for a period of thirty-nine and one-half years. The initial fixed rent under the Commercial Lease is \$72,000 per annum. The Commercial Lease provides for additional rent equal to 11.25% of the increase in real estate taxes and the cost of fuel and water. This percentage represents the approximate amount of space in the building occupied by the commercial premises.

In the event the assessed valuation of the building is increased to \$8,684,514.60, assuming an estimated tax rate of \$9.25 per \$100 of assessed valuation, the real estate taxes may accordingly be increased to \$803,316. (See page 6d footnote 12.)



## I N T R O D U C T I O N

This is an offering plan to convert the premises known as 32 Gramercy Park South, New York, New York to cooperative ownership. The purpose of this plan is to set forth all of the material terms of the offering. After this plan has been accepted for filing by the Department of Law, any and all changes must be done by an amendment which must be filed with the Department of Law. Copies of all amendments will be served on all offerees.

The building and the land on which it is erected are owned by Anby Associates (herein referred to as Sponsor). Sponsor acquired the premises on June 22, 1982. The Apartment Corporation will take title to the building and land subject to all mortgages described under the section entitled "Terms of Mortgages" at Page 24.

This offering consists of 99,761 shares. The prices for the blocks of shares allocated to the various apartments in the building for tenant and non-tenant purchasers are found at Pages 5 to 5n (Schedule A). THESE PRICES HAVE BEEN SET BY THE SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY GOVERNMENTAL AGENCY. The estimated annual maintenance charges for each apartment for the first year of cooperative operation are also set forth on Pages 5 to 5n (Schedule A). (See also Schedule B, Page 6a).

The reader is directed to the opinion of counsel at Page 12 for a full discussion of available tax deductions and the conditions applicable thereto.

The agreement to purchase the Apartment Corporation's shares is called a Subscription Agreement and may be found in Part II.

A summary of the principal provisions of the proprietary lease may be found in Part I at Page 27. A copy of the entire lease is set forth in Part II as Exhibit I.

The Apartment Corporation's By-Laws governing operation of the Apartment Corporation are contained in Part II as Exhibit II.

There are one hundred eighty-six (185) apartments and a professional office, apartment 1B, in the building which are the subject of this Offering. The building contains the superintendent's apartment, 1A, and six (6) commercial unit which are not the subject of this Offering and will be owned by the Apartment Corporation. Nineteen apartments are vacant as of the date of submission of the proposed Plan.

One hundred eighty-six (185) apartments in the building are rent stabilized. Apartment 1B is permitted to be used for certain health-related professional purposes under the current zoning law. The applicable New York City Rent Laws are summarized in Part I on

Page 13. These laws grant certain rights and privileges to tenants, whether or not they wish to purchase.

In Part II there is contained a detailed description of the property which should be carefully reviewed by the prospective purchaser.

The Apartment Corporation will acquire the property at the closing. Each shareholder will enter into a proprietary lease for his or her apartment, and will be responsible for the payment of maintenance charges and any assessments. The affairs of the Apartment Corporation will be managed by the Board of Directors.

Parts I and II together constitute the entire Offering Plan. All the documents referred to in this Offering Plan are important. IT IS SUGGESTED THAT YOU CONSULT YOUR OWN ATTORNEY OR FINANCIAL ADVISOR BEFORE PURCHASING AND PROVIDE HIM WITH A COPY OF THIS OFFERING PLAN.

A prospective purchaser should be aware that having subscribed, his or her deposit will be subject to forfeiture if the subscription is not completed.

This is a non-evict plan, and a non-purchasing tenant may not be evicted except for non-payment of rent or other breach of their tenancy. A non-occupant purchaser who wishes to purchase an occupied apartment for his own use, may not evict the non-purchasing tenant unless the tenant is in default of his or her tenancy. If the non-purchasing tenant is not in default of his or her tenancy they will be entitled to have their leases renewed by the non-occupant purchaser. The rights of purchasing and non-purchasing tenants are set forth at Page 13.

Each bona fide residential tenant has the exclusive right for a period of ninety (90) days from the date of the presentation of this Plan to purchase the shares allocated to the apartment. There will be no increase in prices during such ninety-day period for tenant purchasers, and the Sponsor will not accept Subscription Agreements from non-tenant purchasers for occupied apartments during such ninety-day period. After the expiration of the periods during which each bona fide residential tenant has the exclusive right to purchase shares allocated to the apartment in which he resides, such apartment may be offered for sale to others.

The plan delivered to tenants and prospective purchasers contains all of the detailed terms of the transaction. All documents referred to in the plan and all Exhibits submitted to the Department of Law in connection with the filing of the plan will be available for inspection without charges and for copying at a reasonable charge to prospective purchasers and their attorneys at the office of the selling agent or sponsor.

The Plan is offered only to individual persons eighteen (18) years of age and over and only to residents of the State of New York.

THE PURCHASE OF A COOPERATIVE APARTMENT HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES. THE ATTORNEY GENERAL STRONGLY URGES YOU TO READ THIS PLAN CAREFULLY AND TO CONSULT WITH AN ATTORNEY BEFORE SIGNING A SUBSCRIPTION AGREEMENT.

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	
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
17	51	8,538	\$ 1,238,010.00	\$ 2,476,020.00	\$ 945,002.31	\$ 144,170.94	\$ 12,014.20	\$108,551.06

T - 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)	(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	
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	101,273.92	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

SCHEDULE A

32 Gramercy Park South  
New York, New York

SCHEDULE OF PURCHASE PRICES OF SHARES ALLOCATED TO APARTMENTS  
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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	
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
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

T - Terrace  
V - Vacant

SCHEDULE A

32 Gramercy Park South  
New York, New York

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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
13C	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

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  
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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	
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
V14F	3-1	516	74,820.00	149,640.00	57,111.88	8,713.07	726.09	6,560.36
15F	2-1-T	435	63,075.00	126,150.00	48,146.64	7,345.32	612.11	5,530.54
16F	2-1	352	51,040.00	102,080.00	38,960.04	5,943.80	495.32	4,475.28
17F	2-1	356	51,620.00	103,240.00	39,402.77	6,011.34	500.95	4,526.14
18F	3½-1-T	720	104,400.00	208,800.00	79,690.99	12,157.77	1,013.15	9,153.99
19F	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	49	8,296	\$ 1,202,920.00	\$ 2,405,840.00	\$ 918,217.29	\$ 140,084.56	\$ 11,673.73	\$105,474.31
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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	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
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
V14E	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
18E	3½-1-T	720	104,400.00	208,800.00	79,690.99	12,157.77	1,013.15	9,153.99
19E	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	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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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 Allo- cation	(2)	(3)	(4)	(5)		(6)
			Cash Pur- chase 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	
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
V10D	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
14D	3½-1	602	87,290.00	174,580.00	66,630.52	10,165.25	847.10	7,653.75
15D	3½-1-T	696	100,920.00	201,840.00	77,034.62	11,752.51	979.38	8,848.86
16D	3½-1	616	89,320.00	178,640.00	68,180.07	10,401.65	866.80	7,831.75
17D	3½-1	623	90,335.00	180,670.00	68,954.84	10,519.85	876.65	7,920.74
18D	3½-1-T	720	104,400.00	208,800.00	79,690.00	12,157.77	1,013.15	9,153.99
19D	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) 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	
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
8C	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
14C	2-1	344	49,880.00	99,760.00	38,074.58	5,808.71	484.06	4,373.57
15C	3½-1-T	696	100,920.00	201,840.00	77,034.62	11,752.51	979.38	8,848.86
16C	3½-1	616	89,320.00	178,640.00	68,180.07	10,401.65	866.80	7,831.75
17C	3½-1	623	90,335.00	180,670.00	68,954.84	10,519.85	876.65	7,920.74
V18C	2-1-T	450	65,250.00	130,500.00	49,806.87	7,598.61	633.22	5,721.24
19C	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

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	
2F	3-1	450	\$ 62,250.00	\$ 130,500.00	\$ 49,806.87	\$ 7,598.61	\$ 633.22	\$ 5,721.24
V3F	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
V6F	3-1	474	68,730.00	137,460.00	52,463.23	8,003.87	666.99	6,026.38
V7F	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
13F	3-1	516	74,820.00	149,640.00	57,111.88	8,713.07	726.09	6,560.36
14F	2-1-T	435	63,075.00	126,150.00	48,146.64	7,345.32	612.11	5,530.54
15F	2-1	352	51,040.00	102,080.00	38,960.04	5,943.80	495.32	4,475.28
16F	2-1	356	51,620.00	103,240.00	39,402.77	6,011.34	500.95	4,526.14
17F	3½-1-T	720	104,400.00	208,800.00	79,690.99	12,157.77	1,013.15	9,153.99
18F	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

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	
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
V13E	2-1	344	49,880.00	99,760.00	38,074.58	5,808.71	484.06	4,373.57
14E	3½-1-T	696	100,920.00	201,840.00	77,034.62	11,752.51	979.38	8,848.86
15E	3½-1	616	89,320.00	178,640.00	68,180.07	10,401.65	866.80	7,831.75
16E	3½-1	623	90,335.00	180,670.00	68,954.84	10,519.85	876.65	7,920.74
V17E	3½-1-T	720	104,400.00	208,800.00	79,690.99	12,157.77	1,013.15	9,153.99
18E	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	4½	7,156	\$ 1,077,620.00	\$ 2,075,240.00	\$ 792,039.89	\$ 120,834.75	\$ 10,069.56	\$ 90,980.49
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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
15	45	7,467	\$ 1,082,715.00	\$ 2,165,430.00	\$ 826,461.97	\$ 126,086.25	\$ 10,507.20	\$ 94,934.51

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	
2G	3½-1	525	\$ 76,125.00	\$ 152,250.00	\$ 58,108.01	\$ 8,865.04	\$ 738.75	\$ 6,674.78
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
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

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) 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	
2G	3½-1	525	\$ 76,125.00	\$ 152,250.00	\$ 58,108.01	\$ 8,865.04	\$ 738.75	\$ 6,674.78
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
13G	3½-1	602	87,290.00	174,580.00	66,630.52	10,165.25	847.10	7,653.75
14G	3½-1-T	696	100,920.00	201,840.00	77,034.62	11,752.51	979.38	8,848.86
15G	3½-1	616	89,320.00	178,640.00	68,180.07	10,401.65	866.80	7,831.75
16G	3½-1	623	90,335.00	180,670.00	68,954.84	10,519.85	876.65	7,920.74
17G	3½-1-T	720	104,400.00	208,800.00	79,690.00	12,157.77	1,013.15	9,153.99
18G	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

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	
2G	3½-1	525	\$ 76,125.00	\$ 152,250.00	\$ 58,108.01	\$ 8,865.04	\$ 738.75	\$ 6,674.78
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
13G	3½-1	602	87,290.00	174,580.00	66,630.52	10,165.25	847.10	7,653.75
14G	3½-1-T	696	100,920.00	201,840.00	77,034.62	11,752.51	979.38	8,848.86
15G	3½-1	616	89,320.00	178,640.00	68,180.07	10,401.65	866.80	7,831.75
16G	3½-1	623	90,335.00	180,670.00	68,954.84	10,519.85	876.65	7,920.74
17G	3½-1-T	720	104,400.00	208,800.00	79,690.00	12,157.77	1,013.15	9,153.99
18G	3½-1	637	92,365.00	184,730.00	70,504.39	10,756.25	896.35	8,098.74
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

T - Terrace  
V - Vacant

SCHEDULE A

32 Gramerly 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	
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
V13K	2-1	344	49,880.00	99,760.00	38,074.58	5,808.71	484.06	4,373.57
12	24	3,864	\$ 560,280.00	\$ 1,120,560.00	\$ 427,674.98	\$ 65,246.72	\$ 5,437.23	\$ 49,126.41

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	
2J	3½-1	525	\$ 76,125.00	\$ 152,250.00	\$ 58,108.01	\$ 8,865.04	\$ 738.75	\$ 6,674.78
V 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
13J	3½-1	602	87,290.00	174,580.00	66,630.52	10,165.25	847.10	7,653.75
14J	3½-1-T	696	100,920.00	201,840.00	77,034.62	11,752.51	979.38	8,848.86
15J	3½-1	616	89,320.00	178,640.00	68,180.07	10,401.65	866.80	7,831.75
16J	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

T - 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	
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 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
13L	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)	(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	
2A	4½-2	715	\$ 103,675.00	\$ 207,350.00	\$ 79,137.58	\$ 12,073.34	\$ 1,006.11	\$ 9,090.42
3A	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
14A	4½-2	814	118,030.00	236,060.00	90,095.09	13,745.04	1,145.42	10,349.09
15A	4½-2-T	915	132,675.00	265,350.00	101,273.97	15,450.50	1,287.54	11,633.20
16A	4½-2	832	120,640.00	241,280.00	92,087.37	14,048.98	1,170.75	10,577.94
17A	4½-2	841	121,945.00	243,890.00	93,083.50	14,200.96	1,183.41	10,692.37
18A	4½-2-T	945	137,025.00	274,050.00	104,594.42	15,957.08	1,329.76	12,014.61
19A	4½-2	859	124,555.00	249,110.00	95,075.78	14,504.90	1,208.74	10,921.22
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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
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T - 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	
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
14B	3½-1	602	87,290.00	174,580.00	66,630.52	10,165.25	847.10	7,653.75
15B	2-1-T	435	63,075.00	126,150.00	48,146.64	7,345.32	612.11	5,530.54
16B	2-1	352	51,040.00	102,080.00	38,960.04	5,943.80	495.32	4,475.28
17B	2-1	356	51,620.00	103,240.00	39,402.77	6,011.34	500.95	4,526.14
18B	1½-1-T	360	52,200.00	104,400.00	39,845.49	6,078.89	506.57	4,576.99
19B	1½-1	273	39,585.00	79,170.00	30,216.17	4,609.82	384.15	3,470.89
<hr/>								
17	51	8,538	\$ 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

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	
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
8C	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
14C	2-1	344	49,880.00	99,760.00	38,074.58	5,808.71	484.06	4,373.57
15C	3½-1-T	696	100,920.00	201,840.00	77,034.62	11,752.51	979.38	8,848.86
16C	3½-1	616	89,320.00	178,640.00	68,180.07	10,401.65	866.80	7,831.75
17C	3½-1	623	90,335.00	180,670.00	68,954.84	10,519.85	876.65	7,920.74
V18C	2-1-T	450	65,250.00	130,500.00	49,806.87	7,598.61	633.22	5,721.24
19C	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



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	
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
V10D	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
14D	3½-1	602	87,290.00	174,580.00	66,630.52	10,165.25	847.10	7,653.75
15D	3½-1-T	696	100,920.00	201,840.00	77,034.62	11,752.51	979.38	8,848.86
16D	3½-1	616	89,320.00	178,640.00	68,180.07	10,401.65	866.80	7,831.75
17D	3½-1	623	90,335.00	180,670.00	68,954.84	10,519.85	876.65	7,920.74
18D	3½-1-T	720	104,400.00	208,800.00	79,690.00	12,157.77	1,013.15	9,153.99
19D	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	
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
V13E	2-1	344	49,880.00	99,760.00	38,074.58	5,808.71	484.06	4,373.57
14E	3½-1-T	696	100,920.00	201,840.00	77,034.62	11,752.51	979.38	8,848.86
15E	3½-1	616	89,320.00	178,640.00	68,180.07	10,401.65	866.80	7,831.75
16E	3½-1	623	90,335.00	180,670.00	68,954.84	10,519.85	876.65	7,920.74
V17E	3½-1-T	720	104,400.00	208,800.00	79,690.99	12,157.77	1,013.15	9,153.99
18E	3½-1	637	92,365.00	184,730.00	70,504.39	10,756.25	896.35	8,098.74
17	41½	7,156	\$ 1,037,620.00	\$ 2,075,240.00	\$ 792,039.89	\$ 120,834.75	\$ 10,069.56	\$ 90,980.49

T - Terrace  
V - Vacant

[REDACTED]

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	
2F	3-1	450	\$ 62,250.00	\$ 130,500.00	\$ 49,806.87	\$ 7,598.61	\$ 633.22	\$ 5,721.24
V3F	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
V6F	3-1	474	68,730.00	137,460.00	52,463.23	8,003.87	666.99	6,026.38
V7F	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
13F	3-1	516	74,820.00	149,640.00	57,111.88	8,713.07	726.09	6,560.36
14F	2-1-T	435	63,075.00	126,150.00	48,146.64	7,345.32	612.11	5,530.54
15F	2-1	352	51,040.00	102,080.00	38,960.04	5,943.80	495.32	4,475.28
16F	2-1	356	51,620.00	103,240.00	39,402.77	6,011.34	500.95	4,526.14
17F	3½-1-T	720	104,400.00	208,800.00	79,690.99	12,157.77	1,013.15	9,153.99
18F	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	49	8,296	\$ 1,202,920.00	\$ 2,405,840.00	\$ 918,217.29	\$ 140,084.56	\$ 11,673.73	\$105,474.31
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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	
2G	3½-1	525	\$ 76,125.00	\$ 152,250.00	\$ 58,108.01	\$ 8,865.04	\$ 738.75	\$ 6,674.78
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

T - 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)	(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 Estimated Maintenance Charges at \$16.89 Per Share	Monthly Estimated Maintenance Charges at \$1.41 Per Share	Estimated Annual Deductions for Income Tax Purposes Based on \$12.71 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
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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) 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	
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	3½-1	602	87,290.00	174,580.00	66,630.52	10,165.25	847.10	7,653.75
15J	3½-1-T	696	100,920.00	201,840.00	77,034.62	11,752.51	979.38	8,848.86
16J	3½-1	616	89,320.00	178,640.00	68,180.07	10,401.65	866.80	7,831.75
17J	3½-1	623	90,335.00	180,670.00	68,954.84	10,519.85	876.65	7,920.74
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15	52½	8,697	\$ 1,261,065.00	\$ 2,522,130.00	\$ 962,600.73	\$ 146,855.78	\$ 12,237.93	\$110,572.57
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T - 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
V14K	2-1	344	49,880.00	99,760.00	38,074.58	5,808.71	484.06	4,373.57
12	24	3,864	\$ 560,280.00	\$ 1,120,560.00	\$ 427,674.98	\$ 65,246.72	\$ 5,437.23	\$ 49,126.41

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	
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
12	48	7,728	\$ 1,120,560.00	\$ 2,241,120.00	\$ 855,349.96	\$ 130,493.44	\$ 10,874.46	\$ 98,252.82



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	
2M	4-1	600	\$ 87,000.00	\$ 174,000.00	\$ 66,409.16	\$ 10,131.48	\$ 844.29	\$ 7,628.32
3M	4-1	608	88,160.00	176,320.00	67,294.61	10,266.56	855.55	7,730.04
4M	4-1	616	89,320.00	178,640.00	68,180.07	10,401.65	866.80	7,831.75
5M	4-1	624	90,480.00	180,960.00	69,065.52	10,536.74	878.06	7,933.46
V 6M	4-1	632	91,640.00	183,280.00	69,950.98	10,671.82	889.32	8,035.17
7M	4-1	640	92,800.00	185,600.00	70,836.44	10,806.91	900.58	8,136.88
8M	4-1	648	93,960.00	187,920.00	71,721.89	10,942.00	911.83	8,238.59
9M	4-1	656	95,120.00	190,240.00	72,607.35	11,077.08	923.09	8,340.30
10M	4-1	664	96,280.00	192,560.00	73,492.80	11,212.17	934.35	8,442.01
11M	4-1	672	97,440.00	194,880.00	74,378.26	11,347.26	945.61	8,543.72
12M	4-1	680	98,600.00	197,200.00	75,263.71	11,482.34	956.86	8,645.43
14M	4-1	688	99,760.00	199,520.00	76,149.17	11,617.43	968.12	8,747.15
<hr/>								
12	48	7,728	\$ 1,120,560.00	\$ 2,241,120.00	\$ 855,349.96	\$ 130,493.44	\$ 10,874.46	\$ 98,252.82
<hr/>								
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
<hr/>								

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 &amp; 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.

Footnotes to Schedule A

- (1) Each apartment should be inspected to determine its present layout and physical condition. The number of rooms shown in Schedule A with respect to each apartment has been determined generally in accordance with the Real Estate Board of New York, Inc. Recommended method of residential room count published in its diary and manual for the calendar year 1983.
- (2) The Total Cash Purchase Price of apartments, as set forth in Schedule A, for tenants in occupancy on the Date the plan is accepted for filing is \$145.00 per share. Tenants in occupancy will have the exclusive right for ninety (90) days, from the date the Plan is presented, to purchase shares allocated to their apartments at the prices set forth in Schedule A for tenants. AFTER THE EXPIRATION OF THE NINETY-DAY PERIOD THE PRICE TO TENANTS WILL BE INCREASED TO THE PRICE FOR NON-TENANT PURCHASERS. THEREAFTER, THE PRICE TO TENANTS MAY BE RAISED BY FILED AMENDMENT TO THE OFFERING PLAN. See "Changes in Prices and Units", Page 7.
- (3) Prices for non-tenant purchasers are negotiable. Therefore, sponsor may enter into an agreement with a purchaser to sell one or more units at a price lower than that set forth in this schedule without filing an amendment. The prices to buyers other than tenants may be decreased 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.
- (4) Tenant-shareholders will have no personal liability to the mortgagee for payment of the Apartment Corporation's mortgage indebtedness. Interest payments to be made by the Apartment Corporation are included in the monthly maintenance charges. The amount of mortgage indebtedness shown in this column is based on a mortgage of \$11,041,740 and assumes title will be closed on or about \_\_\_\_\_. (See Page 17 for further information.)

Although tenant-shareholders have no personal liability for payment of the mortgage indebtedness, the failure of a number of tenants to make maintenance payments may result in a foreclosure of the mortgage and the loss of each individual's equity in his or her apartment.

The projected maintenance charges do not include the debt service to be paid by a purchaser financing the purchase of a Unit. The repayment of such financing shall be the additional expense and sole obligation of each Purchaser.

- (5) Each tenant-shareholder will be responsible for the cost of interior apartment repairs, maintenance, painting and decoration, replacement and repair of equipment, appliances and

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.

INTRODUCTION TO SCHEDULE B

In the opinion of the Selling Agent, the projected receipts are adequate to meet the estimated expenses for the Apartment Corporation's first year of operation. This schedule, however, is not meant to be a guaranty by the Sponsor/Seller, Selling Agent or author of opinion of Reasonable Relationship that the annual maintenance charges or expenses for the first or any subsequent year of operation of the Property by the Apartment Corporation will be as set forth in the Schedule.

The estimates of the cost of heating oil, gas and electricity shown on Schedule B are based on average past usage, as provided by the Sponsor/Seller, multiplied by the projected rates at the time of closing. However, because of possible rising energy costs these rates may continue to increase.

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 &amp; 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.

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 .....	9,600.00	(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 .....	27,093.83	(15)
TOTAL	<u>\$1,774,543.97</u>	

FOOTNOTES TO SCHEDULE B

- (1) Based on 99,761 shares at an annual maintenance charge of \$16.89 per share.
- (2) The Commercial Lease, to be entered into between the Apartment Corporation, as Landlord, and the Sponsor or its designee, as tenant, (see "Commercial Lease" page 41) will cover those portions of the building constituting the six operating stores, one vacant and parking garage. The tenant under the Commercial Lease will pay a fixed, annual rent of \$72,000 payable in monthly installments of \$6,000 (see "Commercial Lease" page 39), but in no event will the annual payment exceed nineteen (19%) percent of the Apartment Corporation's gross income for any fiscal year of the Apartment Corporation (see "Counsel's Tax Opinion page 12).
- (3) See page 30 for details concerning Sponsor's Lease.
- (4) The washing machine clothes dryer contract is with Nat Blidner. This contract provides for rental of \$800.00 per month.
- (5) Payroll is based on employment for seven (7) employees (superintendent, 4 doormen, 2 porters and 1 handyman). This figure includes wages, welfare and pension costs and payroll taxes. Wages are computed in accordance with the current meter contract of Local 32B-32J of the Service Employees International Union AFL-CIO with The New York City Realty Advisory Board, expiring April 20, 1985. The projection is based on fifty-eight (58) weeks to allow for vacation and sick days. Payroll taxes, welfare and pension costs and approximately twenty (20%) percent to the total wages.
- (6) This projection is based on the actual consumption of steam used during the years 1982 (9,548 m/lbs), 1981 (9,721 m/lbs) and 1980 (8,831 m/lbs) at an estimated cost of \$14.57 per m/lbs.
- (7) Electricity includes operation of the elevators and other common areas of the building. The estimated figure for electricity is based on an average of the actual usage of electricity and gas during the years 1982 (192,300 kwh), 1981 (189,960 kwh) and 1980 (194,640 kwh) which is 192,300 at a cost of \$.18 per kwh.
- (8) Water and sewer charges are based on the actual charge for water and sewer for the fiscal year 1982/83 and increased by ten (10%) percent.
- (9) This estimate does not include repairs, maintenance or supplies to be used in individual apartments, as such items



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

valuation. Purchasers are advised the assessment value of the building may increase in years to come, to at least the target valuation.

The City of New York has adopted a new policy pursuant to which it may assess real property in an amount approximately equal to sixty (60%) percent of the most recent purchase price for the property. An assessor can consider various factors which may include, but not necessarily be limited to, the amount of cash paid and the amount of any existing mortgages. With regard to this Offering Plan, it is possible that New York City will reassess the property to approximately sixty (60%) percent of the purchase price paid by the Sponsor, taking various other factors into consideration. Sponsor's purchase price for the premises was \$14,474,191; therefore the assessment may be increased to \$8,684,514.60, or an annual real estate tax of \$803,316 (based upon an estimated tax rate of 9.25 per \$100 of assessed valuation). It is also unclear whether any reassessment would become effective in the succeeding tax period or be phased in over a period of five (5) years as New York City has done with recent higher assessments. The Sponsor is unable to represent if, when and the extent to which any reassessment will increase the real estate tax obligation affecting the property. Prospective purchasers should consider carefully the possible increase in real estate taxes as well as the corresponding tax deduction which may result in future years.

- (13) Corporate franchise tax is based upon the current rate of \$0.0008 of the value of the corporate assets.
- (14) During the budget year, the wraparound mortgage is payable in interest only at the rate of eight (8%) percent per annum. See Page 24 for details concerning the terms of the mortgages.
- (15) The Reserve for Contingencies is intended to provide for any unanticipated expenses or increases in the projected expenses and shall be applied by the Board of Directors after the Closing in its sole discretion.

## 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

right by duly filed amendment at any time prior to closing of title to (a) change the size, layout and/or number of apartments; (b) subdivide one or more apartments into separate apartments; (c) combine separate apartments into one or more apartments; and (d) change the size or internal partitioning of such apartment (by altering the boundary walls or internal partitioning of such apartment or otherwise); provided that the consent of all governmental authorities having jurisdiction is first obtained (if such approval is required by law). If the size of an apartment is changed either as a result of any subdivision, combination, alteration of boundary walls or internal partitioning or otherwise, or if the layout of the apartment is changed, the number of shares allocated to such apartment may be increased or decreased accordingly; however, no such reallocation of shares will have the effect of increasing or decreasing the total number of shares allocated to all apartments nor shall any shares be reallocated unless there has first been obtained an opinion of a licensed real estate broker familiar with cooperative offerings of this kind that the aforesaid "reasonable relationship," as determined on the date that the change is made, has been preserved. Any reallocation of shares will vary the estimated maintenance charges for the apartment or apartments affected thereby and the allocable portion of mortgage and estimated amount deductible for income tax purposes, from the amounts set forth in the foregoing Schedule "A". No such change, however, in any event will affect the proportion or amount of maintenance charges, proportion of mortgage or amounts estimated to be deductible for income tax purposes in respect of any apartment which was not the subject of such change.

After the Closing of title, the holders of Unsold Shares (as defined hereinafter) will have the same rights as the Sponsor to change the size (either as a result of subdivision, combination, alteration of boundary walls or internal partitioning or otherwise) and/or layout of any apartment owned by them or any of them, and to reallocate shares in connection with such change, provided that the total number of shares reallocated to all apartments which are the subject of such changes will not vary. In addition, such holders of Unsold Shares may resell the apartments held by them for any price established by them, and they may change such price from time to time without obtaining the approval of any other person without prior notice or amendment to the Plan, except as to changes offered to all the tenants in occupancy on the date of presentation of this Plan, or where required by applicable rent stabilization law, regulation or code, in which cases such change shall be made only by duly filed amendment to this Plan. The rights of the Holders of Unsold Shares are subject to the same governmental codes and regulations as the Sponsor. Holders of Unsold Shares are required to amend the Plan to the same extent as the Sponsor.

Notwithstanding the foregoing, the total authorized and issued shares may be increased by duly filed amendment in the event (i) an existing apartment is enlarged by using space in 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.**

274 MADISON AVENUE, NEW YORK, N.Y. 10016 ■ (212) 532-6446

OPINION OF REASONABLE RELATIONSHIP

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

Re: 32 Gramercy Park South  
New York, New York

Gentlemen:

We have prepared for inclusion in the Plan of Cooperative Organization of the premises at the above address the foregoing schedule of the estimated receipts and expenses for the first year of operation of the premises as a cooperative apartment house.

In our opinion, the estimates are reasonable and adequate, under existing circumstances, and the estimated receipts shown therein will be sufficient to meet the normal anticipated operating expenses of the first year of operation. However, because of the current energy crisis and the possibility of unforeseeable changes in the economy, or increase or decrease in expenses of operation, our estimates are not intended to be taken as representations, guaranties or warranties of any kind whatsoever, or as any assurance that the actual expenses or income of your corporation for any period of operation may not vary from the amounts shown, or that your corporation may not incur additional expenses, or that your Board of Directors may not provide for reserve not reflected in such schedule, or that the annual maintenance charges for any period may not vary from the amounts shown therein. It may be expected, based on current trends, that such items as real estate taxes, fuel costs, maintenance, repair, labor and other related expenses will change in the future.

It is also our opinion that the prices for the blocks of shares allocated to the respective apartments as set forth in Schedule A of the Plan of Cooperative Organization are such that

**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

**ANBY ASSOCIATES**  
**(A Limited Partnership)**

**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**



WEISSBARTH, ALTMAN & MILLER  
CERTIFIED PUBLIC ACCOUNTANTS  
625 MADISON AVENUE · NEW YORK, N. Y. 10022

(212) 689-8895

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)

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

Revenues

Rental income	\$ 704,426
Laundry	5,600
Other	910
	<hr/>
	710,936

Operating expenses

Mortgage interest	261,740
Real estate taxes	175,865
Payroll and related costs	94,829
Fuel	51,812
Electric and gas	18,049
Painting	4,902
Water and sewer rent	6,780
Elevator maintenance	5,974
Building maintenance and repairs	5,752
Building supplies	3,999
Insurance	10,346
Management fees	20,721
Professional fees	1,800
Licenses and permits	1,360
Computer service costs	691
Telephone	320
	<hr/>
	664,940

Net income from realty operations before depreciation and amortization	<u>\$ 45,996</u>
---	------------------

See accompanying notes.

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.

ANBY ASSOCIATES  
(A Limited Partnership)

Statement of Realty Operations before Depreciation and Amortization  
For the Property Located at 32 Gramercy Park South, New York, New York  
For the Year Ended December 31, 1982

O. J. SUFRIN, C. P. A.

OSCAR J. SUPRIN

CERTIFIED PUBLIC ACCOUNTANT

233 BROADWAY

NEW YORK, N. Y. 10007

WHITWALL 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



ANBY ASSOCIATES  
(A Limited Partnership)

Statement of Realty Operations before Depreciation and Amortization  
For the Property Located at 32 Gramercy Park South, New York, New York  
For the Year Ended December 31, 1982

Revenues

Rental and other income \$ 1,245,017

Expenses

Real estate taxes	285,474
Payroll and related expenses	166,251
Management fee	47,105
Electric and gas	30,180
Steam	145,296
Water and sewer	9,095
Repairs and maintenance	29,954
Administration	34,477
	<u>747,832</u>

Net income from realty operations \$ 497,185

See accountant's compilation report.

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

rice  
aterhouse

30 EAST 30th STREET  
NEW YORK, NY 10016  
212 677-0000

October 4, 1982

To the Partners of  
32 Gramercy Park South Associates

In our opinion, the accompanying statement of operations presents fairly the results of operations of 32 Gramercy Park South Associates for the period July 9, 1981 to June 22, 1982, in conformity with generally accepted accounting principles consistently applied. This opinion is based on an examination which was made by us 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.

*Pratt Waterhouse*



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.

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

NOTES TO THE STATEMENT OF OPERATIONS

NOTE 1 - NATURE OF BUSINESS:

32 Gramercy Park South Associates (the "Joint Venture") is a joint venture between NF Associates (50% owner), a District of Columbia general joint venture consisting of Scott Nordheimer, Gary Nordheimer and Myer Feldman; and O&Y Landmark Associates (35th Street) (50% owner), a New York general joint venture consisting of Olympia & York Residential Corp. and 240 East 35th Street Landmark, Inc., both New York corporations.

The Joint Venture was created April 9, 1981 with the intent to acquire an apartment project known as 32 Gramercy Park South located in New York City, and convert it to a condominium. It was acquired on July 9, 1981 and was sold on June 22, 1982.

NOTE 2 - ACCOUNTING POLICIES:

The significant accounting policies followed by the Joint Venture are as follows:

- a. Capitalization of costs - The Joint Venture follows the policy of capitalizing all costs including direct carrying costs such as interest, realty taxes and other related costs while the project is under development. The Joint Venture considers any net operating income from rental operations as an offset to the project costs and any net operating losses as capitalized costs. For the period July 9, 1981 to June 22, 1982, net operating income before debt service of \$468,957 was offset against the project cost.

In addition, \$1,691,654 of interest expense incurred for the period July 9, 1981 to June 22, 1982 has been capitalized as part of the project cost because such amounts relate to either the development activities or to the above results of operations during the conversion period.

No provision for depreciation is recorded since the Joint Venture held the property for conversion and subsequent sale.

- 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).

POLLACK, SAGE AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

BERNARD POLLACK CPA  
PAUL SAGE CPA  
STEWART KATZMAN CPA  
SOL REISMAN CPA

2 LINDEN PLACE  
GREAT NECK, N.Y. 11021  
TELEPHONE: 467-0810  
(212) 800-7230  
CABLE ADDRESS:  
CARPEDIEM GREATNECKNY

Robert Ettinger and Lawrence Goldschmidt  
220 Madison Avenue  
New York, New York 10016

We have examined the accompanying statements of operations, without giving effect to depreciation and amortization, for the property located at 32 Gramercy Park South, New York, New York, for the years ended June 30, 1980 and 1981, and the period from July 1, 1981 to July 9, 1981. 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.

In our opinion the accompanying statement present fairly the income and expenses of the property located at 32 Gramercy Park South, New York, New York, for the years ended June 30, 1980 and 1981 and the period from July 1, 1981 to July 9, 1981, on a consistent basis, in conformity with generally accepted accounting principles.

Great Neck, New York  
April 30, 1982

*Pollack, Sage & Company*

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
<b><u>INCOME</u></b>			
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>
 <b><u>OPERATING EXPENSES</u></b>			
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>

32 GRAMERCY PARK SOUTH, NEW YORK, N.Y.  
 SCHEDULES  
 FOR THE PERIOD JANUARY 1, 1981 TO JULY 9, 1981

	JULY 1, 1979 TO JUNE 30, 1980	JULY 1, 1980 TO JUNE 30, 1981	JULY 1, 1981 TO JULY 9, 1981
<b><u>REPAIRS - SCHEDULE 1</u></b>			
Painting	\$ 10,568	\$ 12,417	\$ 1,047
Appliances	1,671	4,439	-
Glass, Windows & Doors	307	340	-
Plumbing	-	7,509	-
Intercom	-	1,388	-
Roofing & Weather Proofing	3,535	667	482
Electrical	3,159	5,913	-
Incinerator & Compactor	-	2,395	-
Other	7,270	1,054	757
	<u>\$ 26,510</u>	<u>\$ 36,122</u>	<u>\$ 2,296</u>
 <b><u>SUPPLIES - SCHEDULE 2</u></b>			
Appliances	\$ 749	\$ 661	\$ -
Glass, Shades, Blinds & Screens	151	22	-
Plumbing & Heating	1,513	805	-
Electrical	1,639	-	-
Interlock Radio	-	1,458	-
Building & Janitorial Supplies	9,997	9,278	-
Landscaping & Plant Rental	1,183	599	-
Carpeting & Flooring	-	661	-
Extinguisher	-	256	-
Other	892	691	3
	<u>\$ 16,124</u>	<u>\$ 14,431</u>	<u>\$ 3</u>

NOTE:

**LIGHT HEAT & POWER CONSUMPTION**

Electric - KWH	206,255	212,267	7,188
Gas - 100 Cubic Feet	12,053	10,615	261
Steam - Thousand Pounds	8,083	9,002	58

ATTORNEY'S INCOME TAX OPINION

LAW OFFICES

SONNENSCHN, SHERMAN & DEUTSCH

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

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

ALEX DEUTSCH

—  
ELIOT H. ZUCKERMAN  
SANDER SAULOWITZ  
RICHARD E. FELDMAN\*  
MORTON NEWBURGH

July 20, 1983

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

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.

Under Section 216 of the Internal Revenue Code of 1954 as amended, a tenant-stockholder, as defined in that section, is allowed as a deduction the amounts paid or accrued to the cooperative housing corporation, as defined in that section, to the extent that such amounts represent the tenant-stockholder's proportionate share of the real estate taxes allowable as a deduction to the corporation which are paid or incurred by the corporation on the property and the interest allowable as a deduction to the corporation which is paid or incurred by the corporation on its indebtedness contracted in the acquisition, construction, alteration, rehabilitation or maintenance of the property.

Section 216(b)(1) of the Internal Revenue Code sets forth the following requirements, all of which must be met by the Apartment Corporation in order for tenant-stockholders to be allowed the deductions herein discussed.

A. The Apartment Corporation may have only one class of stock outstanding. The Certificate of Incorporation does not authorize more than one class of stock to be issued. Hence, assuming the Apartment Corporation complies with the Certificate of Incorporation, only one class of stock will be outstanding. The holders of Unsold Shares, as that term is defined in the Plan, are entitled to certain rights and privileges pursuant to the terms of paragraph 38 of the proprietary lease and elsewhere in the lease and the Plan. Although we know of no applicable judicial or administrative rulings on this specific point, in view of the fact that those rights and privileges are granted by instruments other than the stock itself and do not affect the Apartment Corporation's formal ownership structure, it is our opinion that the Unsold Shares will not constitute an additional class of stock.

B. Each stockholder must be entitled, solely by reason of his stock ownership, to occupy an apartment in the building for dwelling purposes. Both the Certificate of Incorporation and the By-Laws contain a provision to this effect. Hence, assuming the Apartment Corporation complies with the Certificate of Incorporation and the By-Laws, each stockholder will be entitled solely by reason of his stock ownership to occupy an apartment in the building for dwelling purposes.

C. No stockholder may be entitled (either conditionally or unconditionally) to receive any distribution not out of earnings and profits of the Apartment Corporation except on a complete or partial liquidation of the Apartment Corporation. Both the Certificate of Incorporation and the By-Laws contain a provision to this effect. Hence, assuming the Apartment Corporation complies with the Certificate of Incorporation and the By-Laws, no stockholder will be entitled to receive any such distribution.



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

leases for all apartments which have not been purchased on the Closing Date; and, further, that any shares purchased by Sponsor (referred to as "Unsold Shares" in the Plan) will be transferred to an individual person or persons within three (3) years of the Closing Date. If Sponsor acts in accordance with the preceding sentence there will have been compliance with the provisions of Section 216(b)(6) of the Internal Revenue Code.

Pursuant to Revenue Ruling 80-299 issued by the Internal Revenue Service, even though the Plan is being presented as a "non-eviction" plan and, accordingly, certain stockholders may purchase stock and obtain a proprietary lease subject to the occupancy of the apartment by an existing tenant, all tenant-shareholders shall have any rights they otherwise would have had to take the deductions hereinabove referred to.

The actual amount of any income tax deduction may increase or decrease as the amount of real estate taxes or mortgage interest paid by the Apartment Corporation changes. The exact amount of any tax saving to each individual will depend upon his income tax bracket.

The opinions expressed herein are based on facts and opinions represented by Sponsor and Sponsor's experts and on our interpretation of applicable tax laws, regulations and rules of the Treasury Department, and judicial and administrative rulings construing same, as all of same exist on the date hereof. You understand that this is merely an opinion based upon existing rules of law applied to the facts and documents referred to above, and that any opinions herein set forth are not intended, and should not be construed, as guarantees or warranties; and you further understand that no guarantee or warranty is given by the undersigned that the tax laws or the regulations issued thereunder, or applicable judicial or administrative rulings, may not change so as to disallow the deductions in whole or in part. In no event will we or the Sponsor or any other person be liable if you cease to meet the requirements of the Internal Revenue Code or the New York State Tax Law, as amended; if there are any changes in the facts on which we have relied in issuing this opinion; or if there are any changes in the applicable statutes, regulations, decisional law or Internal Revenue Service rulings in which we have relied. We do not intend to express any opinions in connection with the Offering Plan other than those expressly set forth herein, and no other opinions should be implied.

In the event the Apartment Corporation has income in excess of expenses (including depreciation) at any time, it may be subject to a tax based upon such income.

In addition to the tax deduction discussed above, tenant-stockholders who obtained financing for the purpose of purchasing their shares may be entitled to deductions on their personal income taxes in connection with the interest paid on such financing if they itemize deductions on their tax returns.

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

NO GUARANTEES OR WARRANTIES ARE MADE THAT THE INTERNAL REVENUE SERVICE, THE DEPARTMENT OF TAXATION AND FINANCE OF THE STATE OF NEW YORK OR THE DEPARTMENT OF FINANCE OF THE CITY OF NEW YORK WILL ALLOW INCOME TAX DEDUCTIONS OR THAT THE TAX LAWS UPON WHICH THE COUNSEL TO THE APARTMENT CORPORATION BASE THEIR OPINION (SET FORTH ABOVE) WILL NOT CHANGE. IN NO EVENT WILL THE SPONSOR, THE SPONSOR'S COUNSEL, THE APARTMENT CORPORATION, COUNSEL TO THE APARTMENT CORPORATION, THE SELLING AGENT OR ANY OTHER PERSON BE LIABLE IF IT SHALL BE DETERMINED THAT THE APARTMENT CORPORATION FAILS TO COMPLY WITH THE PROVISIONS OF THIS PLAN OR DOES NOT MEET OR AT ANY FUTURE TIME CEASES TO MEET THE REQUIREMENTS OF THE INTERNAL REVENUE CODE OF 1954, THE NEW YORK TAX LAW OR THE NEW YORK CITY ADMINISTRATIVE CODE OR ANY AMENDMENT OF ANY THEREOF. MOREOVER, NONE OF THE AFORESAID MAKES ANY GUARANTEES OR WARRANTIES WITH RESPECT TO THE TAX CONSEQUENCES OF OWNERSHIP OF ANY SHARES OFFERED UNDER THE PLAN EXCEPT AS EXPRESSLY SET FORTH HEREIN, AND TO ONE ELSE HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE HEREIN CONTAINED.

## 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

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 with it becomes vacant as of the date of such statement, and (ii) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in the building.

Tenants or their representatives may physically inspect the premises during normal business hours upon prior written request, provided any representatives are registered architects or professional engineers licensed to practice in the State of New York.

Section 352-eeee of the General Business Law provides that it shall be unlawful for any person to engage in a certain 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 apartment 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 apartment or the apartment itself or from proceeding with the Plan. A tenant may apply on his own behalf for similar relief.

Tenants in occupancy will not be permitted to assign or transfer their Subscription Agreements.

If prior to the effective date of the Plan or the expiration of the ninety-day exclusive period, whichever is later, the Sponsor amends the terms and conditions of the offering to be more favorable to tenant purchasers, tenants who were in occupancy on the presentation date and who executed and submitted subscription agreements before any such amendment may elect to benefit from the more favorable terms and conditions.

Tenants in occupancy may purchase vacant apartments or any other apartment not occupied by the tenant under the same terms and conditions as a non-occupant purchaser; the first person to subscribe for any such apartment will be able to purchase the same.

**A NON-PURCHASING TENANT HAS THE RIGHT TO REMAIN IN POSSESSION EVEN AFTER THE EFFECTIVE DATE OF THIS PLAN AND THE CLOSING OF TITLE.**

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. Pursuant to Section 352-eeee of the General Business Law, the Managing Agent shall provide to non-purchasing tenants all services and facilities required by law (such as repair and maintenance) on a non-discriminatory basis. The Sponsor guarantees that the Managing Agent shall provide all such services and facilities. Non-purchasing tenants shall be notified in writing upon any change in ownership of shares for apartments they occupy.

## INTERIM LEASES

The Sponsor may rent vacant apartments prior to closing. Any prospective non-occupant purchaser who signs a Subscription Agreement which is accepted by the Sponsor prior to the Closing of Title under this Plan and who takes occupancy must enter into an Interim Lease on the terms set forth in this section, which lease shall be signed simultaneously with the Subscription Agreement.

The lease shall be prepared on the standard form of apartment lease currently published by the Real Estate Board of New York, Inc. and subject to the New York City Rent Stabilization Law except to the extent provided below. The rent payable thereunder shall be negotiated by Sponsor and Purchaser, but in no event shall it exceed the legal maximum rent. The term of such lease shall be for a period which will expire on the date of Closing of Title in the event this Plan shall have been declared effective, or two years after the date of execution of said lease in the event this Plan shall not have been theretofore declared effective in accordance with its terms.

It shall be a default under an Interim Lease if the Purchaser-Tenant thereunder fails to comply with all the obligations under the Subscription Agreement for said apartment. A default in the terms and conditions of the Interim Lease would also be a default under the terms of the Subscription Agreement and will permit the Apartment Corporation to cancel the same in accordance with its terms. In the event of either of the above defaults, the tenant under the Interim Lease must vacate the premises immediately. The Interim Lease will also provide that in the event that the Subscription Agreement is cancelled or rescinded for any reason whatever, the lessor, Sponsor or Apartment Corporation will have the right to cancel the Interim Lease.

It should be noted that until the Apartment Corporation acquires title to the property, tenants of apartments in the building will not be able to claim the income tax deduction described in the introduction to this Plan. Such deductions may become available only (a) when and if this Plan is declared effective and there is a closing under this Plan, and (b) when and if the conditions set forth in the opinion of counsel set forth herein have been met, and then only for the period subsequent to said Closing Date. Rents due under any Interim Lease shall be equitably adjusted as of the Closing Date between Sponsor and the Purchaser-Tenant.

The Sponsor does not presently offer the right of rescission. However, should such right be offered in the future, and accepted by Purchaser, then the Purchaser's right to rescind is conditioned upon his surrendering possession of the apartment, and leaving the same vacant and broom clean within ninety (90) days of the date of rescission. He must also pay any rent due under his Interim Lease. Nothing contained herein shall relieve any Purchaser of

liability for damage caused to the apartment or any liability under the Subscription Agreement. In the event the Plan is abandoned, any tenant under an Interim Lease shall remain a tenant subject to the Rent Stabilization Law.

#### ASSIGNMENT OF SUBSCRIPTION AGREEMENT

Tenants in occupancy will not be permitted to assign or transfer their Subscription Agreements.



OBLIGATIONS OF HOLDERS OF SHARES OF  
DWELLING UNITS BY NON-PURCHASING TENANTS

All of the apartments are covered by the Rent Stabilization Law and Code (such Law and Code are referred to in this section as the "Rent Laws") and the tenants are entitled to those rights and subject to those obligations provided by the Rent Laws. If the shares allocated to an apartment are purchased by someone other than the tenant thereof, the tenant or occupant will become the purchaser's tenant on the Closing Date and the purchaser will become his landlord.

A purchaser of an apartment of which he is not the tenant (referred to hereinbelow as an occupied apartment) will obtain the Proprietary Lease for the apartment subject to the lease for the apartment then in effect and any renewal of the term thereof, together with the rights of any existing tenant under the Rent Laws.

NO PURCHASER CAN OBTAIN POSSESSION OF AN OCCUPIED APARTMENT AS LONG AS THE TENANT IS NOT IN DEFAULT OF HIS LEASE.

Section 352-eeee of the General Business Law provides that no eviction proceedings against any non-purchasing tenant shall be commenced for failure to purchase or any other reason applicable to expiration of tenancy. However, such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner of the apartment or of the shares allocated thereto. An owner of the apartment or of the shares allocated thereto may not commence an action to recover possession of the apartment from a non-purchasing tenant on the grounds that he desires to occupy the apartment for his use or that of his family.

A purchaser of an occupied apartment will be required to pay to the Apartment Corporation the maintenance charges for such apartment, whether such maintenance charges are greater or less than the rent received from the tenant. By reason of the terms of the purchaser's Proprietary Lease, the Rent Laws, and any other applicable laws, regulations and rules, the purchaser also will be responsible for the performance of all of the obligations of the landlord under the tenant's lease, including the obligation to maintain, repair and replace fixtures such as the refrigerator, range, sinks, lighting fixtures and other fixtures and equipment in the apartment, and to paint the apartment.

A prospective purchaser of an occupied apartment is urged to examine carefully the lease pertaining to such apartment so as to confirm the rent payable thereunder and the expiration date and any renewals. The rent payable under the apartment lease may be greater or less than the maintenance charges under the Proprietary Lease which will be payable after the transfer of title to the Apartment Corporation.

A purchaser of an occupied apartment will receive a stock certificate with the following endorsement:

The rights of the purchaser granted him by the proprietary lease and stock certificate for this apartment are subject to the rights of an existing tenant even though the purchaser may want to occupy the apartment as his own residence.

Such purchaser will be entitled to receive the unapplied portion of any security deposit held by the Sponsor under the terms of an existing lease. Such security must be held by the purchaser, in trust, in an interest bearing account in accordance with Section 7-103 of the New York General Obligations Law.

No representation or warranty is made that the Rent Laws will or will not continue to apply to any apartments or that there will or will not be any further amendments thereto. In the event of any amendment to Section 352-eeee of the General Business Law and the regulations promulgated thereunder, the Plan will be amended to conform therewith. Purchasers should consult their own attorney regarding their obligations under the Rent Laws.

Apartments are being purchased in their current "as is" condition subject to reasonable wear and tear. By signing a Subscription Agreement, a purchaser acknowledges (1) that he has read and is familiar with the Inspection Report of Garrett Brynes, which is included in Part II of this Plan; (2) that Sponsor and the Apartment Corporation have no obligation to make any repairs, improvements or decorations in or to the Property, the buildings and the apartment; and (3) agrees to be bound by the terms and conditions of the Subscription Agreement which are incorporated herein by reference.

A purchaser of an occupied apartment shall irrevocably appoint the Managing Agent for the Apartment Corporation as his or her agent to perform for the account and at the expense of the purchaser all services required to be furnished or performed by the landlord under the non-purchasing tenant's lease and the Rent Laws. Such services shall include but not be limited to interior repairs and painting, and shall be provided by the Managing Agent on a non-discriminatory basis. The services provided by the Managing Agent to non-purchasing tenants shall exceed those provided proprietary lessees. Such purchaser shall also deposit with the Managing Agent at Closing a sum not less than two months' maintenance charges to be used as working capital to furnish the aforesaid services; upon notice by the Managing Agent that said deposit has been diminished, the funds shall be replenished by the purchaser within a specified period of time. The obligation to fund the two months' maintenance deposit shall not apply to Holders of Unsold Shares.

## PROCEDURE TO PURCHASE

A person desiring to purchase shares of the Apartment Corporation will be required to execute a subscription agreement in the form contained in Part II of this Plan and return it to Anby Associates, c/o Robert J. Ettinger, 220 Madison Avenue, New York, New York together with a check for ten (10%) percent of the purchase price. Both the ten (10%) percent down payment and the balance of the purchase price shall be drawn to the order of "GF&O Special G.P.S. Account". The Subscription Agreement to be signed by Purchasers under this Plan is not assignable or transferable and is not conditioned upon the obtaining of any financing from a bank or other source. Purchasers who desire to obtain financing should make their own arrangements in this regard. Any conflict between the Offering Plan and subscription agreement will be resolved according to the terms of the Offering Plan.

The Sponsor will hold all monies received by it directly or through its agents, employees or escrow agent, in trust, in a special non-interest bearing escrow account at The Chase Manhattan Bank, N.A., 510 Park Avenue, New York, New York, entitled "GF&O Special G.P.S. Account" until actually employed in connection with the consummation of the Plan as herein described, but in no event will withdrawals be made prior to Closing, or prior to Closing if the purchaser rescinds or defaults. Withdrawals from this account will require the joint signature of one of the partners of the firm of Goldschmidt, Fredericks & Oshatz (other than Lawrence E. Goldschmidt) and Irving Sonnenschein. In the event that insufficient funds are raised through the Offering to effectuate the purchase of the Property and the consummation of the Plan, or if the Plan is abandoned or withdrawn for any reason, or if title to the Property is not acquired by the Apartment Corporation within the time limits mentioned in the section entitled "EFFECTIVE DATE OF THE PLAN AND CLOSING DATE" for any reason whatsoever, then such monies shall be fully returned to the purchasers with interest, if any. The amounts paid by the purchasers will be handled in accordance with the provisions of Section 352(h) and Section 352-e-2-b of the New York General Business Law. The escrow funds may be released prior to the closing or default only if the Plan is amended to disclose the posting of a bond or other insurance of such funds in a form satisfactory to the Department of Law.

The balance of the purchase price shall be paid fifteen (15) days after receipt of written demand.

If payment is not made within thirty (30) days of Sponsor's written demand, the subscription agreement shall be declared forfeited. Subscribers shall be given written notice of the Closing Date at least thirty (30) days in advance of the closing.

A purchaser of the shares allocated to an apartment of which he is not in possession will obtain the Proprietary Lease for the apartment subject (a) to the lease for the apartment then in

effect (and any renewal of the term thereof effected after the date of presentation of this Plan but prior to the date on which the purchaser's executed Subscription Agreement is delivered to the Sponsor), (b) to any existing occupancy of the apartment, (c) to the right of any existing tenant (who has not purchased the shares allocated to his apartment) to remain in possession of the apartment and (d) to all other rights of any existing tenant under the then existing Rent Laws.

Within seven (7) days of delivery of an executed subscription agreement and required deposit, non-tenant purchasers may rescind their subscription agreement and have their full deposit refunded promptly. The non-tenant purchaser must either personally deliver a written notice of rescission to the Sponsor within the seven (7) day period or mail the notice of rescission to the Sponsor and have the mailing post-marked within the seven (7) day period.

If the Sponsor amends the terms and conditions of the Plan prior to the effective date or the expiration of any exclusive period, whichever is later, to be more favorable to tenant purchasers, a tenant who was in occupancy on the presentation date and who executed and submitted a subscription agreement before the Sponsor amended the terms will benefit from the more favorable terms and conditions.

Within twenty (20) days of purchaser's delivery of an executed subscription agreement with required deposit, the Apartment Corporation or Sponsor must either accept the subscription agreement and return a fully executed counterpart to the purchaser or reject the subscription agreement and refund the full deposit. If no action has been taken within twenty (20) days, purchaser shall have the right to rescind his subscription agreement.

Tenants in occupancy may purchase a vacant apartment or any other apartment not occupied by the tenant in the same manner as non-tenant purchasers.

## EFFECTIVE DATE OF THIS PLAN AND CLOSING DATE

The offer to sell under this Plan is contingent upon the Plan being declared effective and compliance with the relevant conditions and time periods described in the Plan.

The following provisions will determine when, as, and if this Plan will be declared effective:

1. This Plan may be declared effective at Sponsor's option if 15% of all dwelling units in the building have been subscribed for by bona fide tenants or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the apartment when it becomes vacant. Only one Subscription Agreement shall be counted for each dwelling unit, and each subscriber shall be counted only once.

2. When Subscription Agreements have been executed and accepted for sale to purchasers of at least eighty (80%) percent of the shares of the Apartment Corporation offered under this Plan, the Sponsor must declare this Plan effective. The Sponsor will notify all purchasers and tenants if and when the aforementioned condition of effectiveness has been met.

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 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 with it becomes vacant as of the date of such statement, and (ii) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in the building.

Sponsor further represents that it will (a) comply with the Rent Stabilization Code in all respects and specifically by posting, in the above mentioned place, notice to all tenants; and (b) post notice of subsequent amendments with regards to any special time periods or expirations placed on the tenants two days after the amendment is filed and also on the last day of the time limit.

The Sponsor will notify all purchasers and tenants if and when the aforementioned condition of effectiveness has been met.

The Plan shall not be amended to provide that it shall be a eviction plan.

The Plan will be declared effective by written notice to purchasers and tenants in occupancy. An amendment is thereafter to be filed within three (3) business days, to disclose if the Plan has been declared effective. No closing will take place until the Amendment containing the notice declaring the Plan effective has been accepted for filing.

If the Plan is not declared effective within fifteen (15) months after the date of presentation, the Plan will be deemed abandoned and all monies paid by purchasers will be refunded to them in full with interest earned thereon, if any. No new plan will be submitted for twelve (12) months after abandonment. The Sponsor shall not be obligated to place any monies in any interest bearing account.

The Sponsor may declare the Plan abandoned for any reason whatsoever before it is declared effective or the quota referred to in the foregoing Paragraph 3 has been reached. After the Plan has been declared effective, it may not be abandoned except in the event of (i) the existence of a defect in title which cannot be cured without litigation or for less than \$148,000, (ii) the existence of work orders of any mortgagee or violations of record arising after the date of the Contract of Sale which cannot be performed, cured or complied with for less than \$148,000 in the aggregate, or (iii) a substantial damage or destruction of the Building by fire or other casualty which cannot be repaired for less than \$148,000, or (iv) the taking of any portion of the Property by condemnation or eminent domain. There will be no obligation on the part of the Sponsor to incur expenses except to the extent of \$148,000 in case of work orders and violations as aforesaid or engage in litigation to cure title defects. The Sponsor will not be obligated to remedy radio and television antennae violations or violations caused by the acts or omissions of tenants of the Building or violations relating to the painting of apartments that are noted or issued after the date of closing or violations required under local law to be remedied by tenants.

After the Plan has been declared effective, title to the Property will close on a date (herein sometimes called the "Closing Date") to be fixed by the Sponsor, which shall not be less than thirty (30) days nor more than approximately one hundred and eighty (180) days thereafter, unless the closing is adjourned or unless the Sponsor exercises its right to cancel the Contract of Sale as herein specifically provided.

The Plan will not be declared effective based on Subscription Agreements signed by subscribers who have been granted a right of rescission that has not yet expired or been waived, or conditioned upon an amendment to the Plan which has not been filed and which has not afforded non-tenant purchasers seven days to rescind Subscription Agreements after delivery of the same.

On the Closing Date, fee title to the Property will be sold and conveyed by the Sponsor to the Apartment Corporation and each Purchaser will thereupon become obligated for the payment of maintenance charges under his proprietary lease, whether or not the tenant has taken possession of the apartment and whether or not the tenant in possession, if there be one, pays the rent required to be paid by him. Certificates for the shares of the Apartment Corporation and the accompanying proprietary leases will be issued to the respective purchasers as of the Closing Date and will be delivered promptly thereafter.

TERMS OF THE MORTGAGES WHICH WILL AFFECT  
THE PROPERTY AT THE CLOSING OF TITLE

A "wraparound" mortgage is a subordinate mortgage which incorporates in its principal amount the unpaid principal balances of one or more prior mortgages. The prior mortgages would be recorded before the wraparound mortgage and would be superior in lien to the wraparound mortgage. By way of illustration, were a building to have a \$1,000 first mortgage, a \$2,000 second mortgage and a \$6,000 wraparound mortgage, the wraparound mortgage would in practical effect only be a \$3,000 third mortgage since the remaining \$3,000 of the wraparound mortgage comprises the first and second mortgages. Regardless of the respective principal balances, interest rates and manner of payment under the prior mortgages, the borrower (Apartment Corporation) under the wraparound mortgage would make only a single monthly payment to the holder of the wraparound mortgage. The holder of the wraparound mortgage would then be obligated to make principal and interest payments under the prior mortgages as and when the same become due. Although a portion of the interest paid by the borrower under a wraparound mortgage may be used by the holder of the wraparound mortgage to reduce the principal balances under the prior mortgages, the borrower has the right to deduct for income tax purposes all interest payments made under the wraparound mortgage. The borrower runs the risk that the holder of the wraparound mortgage will not make payments under the prior mortgages as and when the same become due; in the event the borrower makes all payments when due under the wraparound mortgage and a default occurs under the prior mortgages, the holder of the wraparound mortgage must either cure any such default or forfeit his interest under the wraparound mortgage. The holder of the wraparound mortgage generally has the right and obligation to refinance or satisfy the prior mortgages if they mature prior to the wraparound mortgage; if such holder fails to do so he would forfeit his interest under the wraparound mortgage.

At the closing the Apartment Corporation will execute and deliver to the Sponsor (the "Wrap Mortgagee") a wraparound mortgage (the "Wrap Mortgage") in the principal amount of \$11,041,740. The Wrap Mortgage will provide for monthly payment of interest only at the rate of 8% per annum (\$883,317.60 per year or \$73,609.80 per month) until the fifth anniversary of the Closing Date; thereafter interest only at the rate of 12% per annum (\$1,324,976.40 per year or \$110,414.70 per month). On June 2, 1990 the entire principal balance of \$11,041,740 together with all accrued interest will be due and payable, or approximately \$110.68 per share.

The Wrap Mortgage will be subject and subordinate to, and will include the outstanding principal balance of the following mortgages:

(a) wraparound purchase money mortgage held by 32 Gramercy Park South Associates (see "Identity of Parties," page 48) granted



on June 22, 1982 in the original principal amount of \$7,360,980. The mortgage provides for monthly payments as follows: interest only at the rate of seven and one-half (7-1/2%) percent per annum through June 2, 1984 (\$552,073.50 per year or \$46,006.13 per month); interest only at the rate of nine and one-half (9-1/2%) percent per annum through June 2, 1986 (\$699,293.10 per year or \$58,274.43 per month); interest only at the rate of twelve (12%) percent per annum through June 2, 1988 (\$883,317.60 per year or \$73,609.80 per month); and interest only at the rate of thirteen (13%) percent per annum for the final two (2) years through June 2, 1990 (\$956,927.40 per year or \$79,743.95 per month). On June 2, 1990 the entire principal balance of \$7,360,980 together with all accrued interest will be due and payable or approximately \$73.79 per share.

(b) consolidated first mortgage held by Olympia & York Residential Corp. (a principal of 32 Gramercy Park South Associates) dated November 10, 1976 in the initial principal amount of \$1,250,000. Olympia & York Residential Corp. took said mortgage by assignment dated October 1, 1981, its maturity date. Said mortgage has not been extended or otherwise modified. The Wrap Mortgagee shall be obligated only to make payments on the wrap-around purchase money mortgage and not on the consolidated first mortgage, the principal balance of which has been included in the wraparound purchase money mortgage.

Upon maturity of the Wrap Mortgage and satisfaction or refinancing of the same in full the Wrap Mortgagee shall satisfy the wraparound purchase money mortgage. In the event the Wrap Mortgage is extended, the Wrap Mortgagee shall either: (i) satisfy the wraparound purchase money mortgage; (ii) refinance said mortgage; or (iii) obtain an extension of said mortgage.

The wraparound purchase money mortgage provides for customary monetary defaults such as non-payment of principal or interest and non-payment of real estate taxes, water rates, sewer rents and assessments for fifteen days. It also provides for the customary non-monetary defaults such as failure to keep the building adequately insured and refusal by two insurance companies to insure; failure to secure mortgagee's consent to alteration, demolition or removal of the building; failure to maintain the building in good repair and in rentable or tenable condition; failure to comply with any violation within twenty days of issuance of said violation; failure to replace fixtures, chattels or articles of personal property covered by the mortgage with articles of like quality and condition; the bankruptcy of the borrower or a successor in interest; and the failure of the owner to permit the mortgagee to inspect the premises or acknowledge the sum due under the mortgage.

In the event the Wrap Mortgagee fails to make the required payments due under the prior mortgages, notwithstanding that the payments required to be made by the Apartment Corporation have been made, and such failure results in a default thereof which remains uncured, after the applicable grace period has expired,

the Wrap Mortgage shall be deemed satisfied; provided, however the Wrap Mortgage may be reinstated if the Wrap Mortgagee becomes current on all past due payments, the holder of the prior mortgages has not commenced foreclosure proceedings or has discontinued foreclosure proceedings because of default, and the Wrap Mortgagee pays all expenses incurred by the Apartment Corporation as a result of such default including any legal or other fees paid to arrange for refinancing of the prior mortgages.

IF THE APARTMENT CORPORATION DOES NOT MAKE OTHER ARRANGEMENTS IN RESPECT OF SUCH MORTGAGES, OR IF THE APARTMENT CORPORATION IS UNABLE TO REFINANCE OR EXTEND SUCH MORTGAGES WHEN THEY BECOME DUE, IT MAY BE NECESSARY TO INCREASE THE MAINTENANCE CHARGES OR MAKE A SPECIAL ASSESSMENT OF THE TENANT-SHAREHOLDERS FOR THE PURPOSE OF PAYING THE OUTSTANDING PRINCIPAL BALANCES OF SUCH MORTGAGES. THE SPONSOR MAKES NO REPRESENTATION AS TO THE COSTS, TERMS OR AVAILABILITY OF REFINANCING SUCH MORTGAGES.

The Sponsor hereby represents that there are no mortgages affecting the premises other than the mortgages described herein, or that may be disclosed by a duly filed amendment; and that there will be no mortgages in default at the time of closing.

## SUMMARY OF PRINCIPAL TERMS OF PROPRIETARY LEASE

The proprietary lease will be for a term ending on December 31, 2032, but may be extended by vote of the shareholders. As a lessee, every shareholder of the Apartment Corporation will be obligated to pay the maintenance charges for his apartment, as fixed by the Board of Directors. Maintenance is based on the cash requirements for operating the building (see Schedule B, Page 5) divided by the total number of issued shares. Every shareholder will also have the following rights and obligations:

1. He may cancel his lease and surrender his shares to the Apartment Corporation (without receiving any compensation), effective as of any September 30th following expiration of three (3) years after the Closing Date, on at least six (6) months' prior notice to the Apartment Corporation, and, if he elects to cancel, he will have no liability for payment of maintenance charges after the effective date of the cancellation. (See Page 26, Paragraph 35A of Proprietary Lease)

2. He will have the right to sell his shares and assign his proprietary lease, and sublet his apartment at any time, in compliance with the provisions of the proprietary lease and Apartment Corporation's By-Laws, which require that consent thereto be authorized by resolution of the Board of Directors, or by written consent, or vote of shareholders owning at least sixty-five (65%) percent of the Apartment Corporation's outstanding shares. (See Page 8, Paragraph 16a of Proprietary Lease)

3. He will have the right to pledge his shares and lease as security for repayment of a legally permitted loan made by a bank, trust company, or other recognized institution. (See Page 10, Paragraph 17 of Proprietary Lease)

The Apartment Corporation may have the right to impose a fee to cover legal and other expenses in connection with any assignment, transfer or pledging of shares.

4. He will be responsible for the cost of interior repairs and decorating in his apartment. Alterations or additions require the prior written consent of the Apartment Corporation, which consent shall not be unreasonably withheld. (See Page 16, Paragraph 21a of Proprietary Lease)

5. Apartments may be used for residential purposes and for such other purposes as may be permitted under the applicable zoning laws and are otherwise legal.

6. Paragraph 46 provides that as long as holders of "Unsold Shares" hold at least twenty-five (25%) percent of the outstanding shares, the Lessor will not, during the first three (3) years of operation, without the consent of such holders do any of the following to an extent which may require an increase in

rent or maintenance (including any assessments): (a) engage additional employees beyond those set forth in Schedule B or provide equipment or services in excess of those set forth in Schedule B, (b) modify or refinance the mortgage on the premises, (c) increase the reserve contingencies set forth in Schedule B, (d) make, or levy any assessment for capital improvements and repairs except for such items as may be required by law and (e) make, or levy any assessments for capital improvements and repairs except as may be required to cure any violations placed upon the premises by an appropriate State and/or Municipal Department.

7. Paragraph 47 provides that the rights of the purchaser granted him by the proprietary lease are subject to the rights of any existing tenant of the apartment even though the purchaser may want to occupy the apartment as his own residence.

8. Any modifications on the terms of the proprietary lease must be approved by the lessees owning at least seventy-five (75%) percent of the Apartment Corporation's outstanding shares. (See Page 5, Paragraph 6 of Proprietary Lease)

9. The proprietary lease does obligate the Apartment Corporation to notify a lender if a shareholder is in default, unless expressly requested by the lender (secured party), but the Apartment Corporation may elect to execute a recognition agreement whereby the Apartment Corporation agrees to notify lender if there is a default under the Proprietary Lease. (See Page 11, Paragraph 17b of the Proprietary Lease)

10. The Board of Directors has the power to establish any needed reserves for capital expenditures, as provided for in Article XI, Section 2 of the By-Laws and Page 2(c) of the Proprietary Lease.

11. The rights of a purchaser of an occupied apartment are subject to the rights of the existing tenant even though the purchaser may want to occupy the apartment as his own residence; such purchaser may not evict the non-purchasing tenant on the basis that he desires the apartment for his own residence. Such right is intended for the benefit of the non-purchasing tenant and is not intended to abrogate any rights of the owner of the apartment (Lessee) as against the Apartment Corporation. A non-purchasing tenant who resides in the apartment is subject to government regulations as to rentals, and occupancy shall continue to be subject thereto; in the event government regulation as to rental and continued occupancy is eliminated or becomes inapplicable, the rent of the non-purchasing tenant shall not be subject to unconscionable increases beyond ordinary rentals for a comparable apartment during the period of the non-purchasing tenant's occupancy. Eviction proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of access to the owner (Lessee) or a similar breach by the non-purchasing tenant of his obligations to the owner (Lessee). The

provision of this paragraph may not be amended or deleted. (See Page 32, Paragraph 47 of Proprietary Lease).

12. The obligations of holders of shares of apartments occupied by non-purchasing tenants, as discussed in the Plan, are included at Page 32, Paragraph 47 of the Proprietary Lease.

## PROFESSIONAL LEASE

The Sponsor hereby offers a long-term lease for the professional office designated as 1B on the following terms and conditions:

The lease shall be for a term of ninety-seven years commencing on the date of closing of title to the Apartment Corporation under this Plan. Renewable for additional terms of ninety-seven years provided the proprietary lease are then in affect. The purchase price of the lease is set forth in the Plan in Schedule A. No purchaser of the long-term lease described herein shall have the right to receive any of the stock of the Apartment Corporation on account of such purchase. Monthly rental shall be in the same proportions that the monthly maintenance charges payable by tenant shareholders of the Apartment Corporation are increased from time to time. Each tenant shall pay annually as additional rent 1.0876% of the increase in the operating costs, which includes fuel, water, and repairs and maintenance attributable to the professional lease premises, for any calendar year over the operating costs incurred during the first year of operation and 1.0876% (for each tenant) of the increase in the real property taxes in excess of the real property taxes for which has been provided for in Schedule B (See Page 6). This percentage represents the approximate amount of space in the building occupied by the professional space. Further, the long term lease shall terminate prior to the expiration of the sixty-year term if all proprietary leases are or must be terminated as provided in paragraph 31(g) and 36(b) of the long term lease.

This offer of the office is conditioned upon the Plan being declared effective. Interested persons should so indicate by a letter directed to the Apartment Corporation at the address set forth on the cover page of this Plan, together with a check on the amount of 10% of the purchase price of such lease drawn to the order of "GF&O Special Anby Account." Such monies will be held in trust in accordance with the provisions of this Plan and Sections 352-h and 352-e(2))(b) of the General Business Law.

If on the Closing Date the office lease has not been sold, at the closing such unsold lease shall be issued to the Sponsor who may thereafter continue to offer it for sale in the same manner as unsold shares, and such lease shall have the character of "unsold shares." See the section of the Plan entitled "Unsold Shares."

## APARTMENT CORPORATION

The Apartment Corporation has been formed under the Business Corporation Law of the State of New York on September 9, 1982. It has only one class of stock consisting of an authorized capital of 113,000 shares of the par value of \$1.00 each, of which 99,761 shares are to be issued under this Offering Plan. The By-Laws set forth in Part II of the Plan and require not less than three (3), nor more than seven (7) Directors. The Apartment Corporation shall be managed by its Board of Directors. All officers and directors serve without compensation. The present officers are Robert J. Ettinger, President, Lawrence E. Goldschmidt, Vice President and Laurie Pollack, Secretary. Messrs. Ettinger and Goldschmidt are the General Partners of the Sponsor. Ms. Pollack is an employee of the law firm who prepared the Plan. The present officers and directors have been designated by Sponsor and will resign in favor of directors to be elected by the shareholders at a meeting to be held within thirty (30) days after Closing Date. Each shareholder will be entitled to one (1) vote for each share held. In all elections of directors of the Corporation, each shareholder shall be entitled to as many votes as shall equal the number of votes which he would be entitled to cast for the election of directors with respect to his shares, multiplied by the number of directors to be elected, and he may cast all of such votes for a single director or may distribute them among the number to be voted for, as he may see fit. To the extent allowed by law, the Apartment Corporation shall indemnify officers and directors except to the extent they breach their duty.

The holders of Unsold Shares, who may or may not be partners of the Sponsor and the Sponsor, may vote their shares as they determine, provided, however, that they will not vote their shares so as by such votes to elect a majority of the Board at any shareholders' meeting held more than five (5) years from the Closing Date or whenever the unsold shares constitute less than fifty (50%) percent of the shares, whichever is sooner.

The Apartment Corporation will have a lien on each shareholder's shares to secure payment of maintenance charges. The Apartment Corporation may refuse to consent to the transfer of the shares of a shareholder until any indebtedness to the Apartment Corporation is paid.

All expenses of the Apartment Corporation accruing up to and including the Closing Date, including any Selling Agent's commission, will be paid by Sponsor.

The Apartment Corporation's by-laws may be amended by a vote of shareholders owning two-thirds (2/3) of the amount of the outstanding shares or at any meeting of the Board of Directors by a majority vote.

Sponsor or holders of Unsold Shares may not exercise veto power over expenses described in Schedule B or over expenses required to comply with applicable laws or regulations. Sponsor or holders of Unsold Shares may exercise veto power over other expenses for a period ending not more than five (5) years from the Closing Date or whenever the Unsold Shares constitute less than twenty-five (25%) percent of the shares, whichever is sooner. The Apartment Corporation may not discriminate against any person for a reason proscribed by civil rights laws.



## UNSOLD SHARES

Sponsor has agreed that on the Closing Date, the Sponsor or any financially responsible individual person or persons supplied by Sponsor, will purchase, and will enter into proprietary leases for, each apartment which has not been purchased on the Closing Date (such purchaser is hereinafter referred to, for the purposes hereof, as "Holder of Unsold Shares"). Therefore, despite the reference to "Unsold Shares", all shares of the Apartment Corporation will have been sold and duly issued. Any shares purchased by Sponsor will be transferred to an individual person or persons within three (3) years after the Closing Date. The prices to be paid for Unsold Shares shall be subject to the provisions of the section relating to changes in prices beginning at Page 6.

The Sponsor has agreed that, if a Holder of Unsold Shares fails to fulfill his obligations under his proprietary lease, including the payment of all maintenance charges and assessments thereunder, then and in that event, the Sponsor will be liable for such obligations, until such Proprietary Lease and the shares allocated thereto are purchased by a bona fide purchaser. No bond or other security has been furnished by the Sponsor, and the Sponsor's ability to perform will depend solely upon his financial condition, if and when called upon to perform. The Sponsor has represented that it has the financial resources to enable it to meet its obligations with respect to unsold shares. The Apartment Corporation will have a lien on the shares of stock to secure the performance of all obligations of the Sponsor and Holders of Unsold Shares under the Proprietary Lease. Any unsold shares and leases acquired by a holder of Unsold Shares may be sold or assigned by him at such prices as he may determine or his apartment may be sublet by him, and the right to make such assignment or subletting shall not require the consent of the Apartment Corporation or any other party. A Holder of Unsold Shares shall not be subject to any fee or charges for the transfer of Unsold Shares.

In connection with the sale by Sponsor or his designee of Unsold Shares which are being financed by a lender, the Apartment Corporation will, on request, promptly execute and deliver to a bank or other lender the standard recognition agreement then being used by banks or other lenders. Such financing may be in such amount and upon such terms as the seller of the Unsold Shares shall determine. A Holder of Unsold Shares may elect to become the occupant of the apartment covered by his proprietary lease, and, from the time that he becomes the occupant thereof, the Sponsor shall no longer be responsible for the performance of his proprietary lease. In addition, if a person related by blood or marriage to the Holder of Unsold Shares takes occupancy as a bona fide resident, the Sponsor shall be relieved of further obligations.

The Holders of Unsold Shares shall only have the right to surrender the shares of stock in accordance with the provisions of Paragraph 35 of the Proprietary Lease if (a) five (5) years have expired from the date of the initial offering, (b) eighty-five (85%) percent of all apartments have been sold to parties other than Holders of Unsold Shares, and (c) the holder of Unsold Shares shall pay to Lessor two (2) years maintenance charges then in effect.

Unsold Shares will be sold only to persons who purchase for their own account.

Sponsor will transfer Unsold Shares to financially responsible natural persons in order to avoid jeopardizing the Apartment Corporation's qualifications as a cooperative housing corporation or the deductibility of interest and taxes by tenant-shareholders who itemize deductions under Internal Revenue Code Section 216. The consideration for the Unsold Shares at Closing will meet the reasonable relationship standard of Internal Revenue Code Section 216.

A Holder of Unsold Shares shall comply with the trust fund provision of General Business Law Section 352-h.

A Holder of Unsold Shares shall amend the Plan to provide current and accurate information until the shares allocated to apartments of such Holder of Unsold Shares have been sold to bona fide purchasers, and he shall provide to prospective purchasers a copy of the Plan and all filed amendments.

PURCHASERS FOR INVESTMENT OR RESALE

Sponsor reserves the right to sell the shares allocated to one or more apartments to an unrelated third party who is purchasing for investment or resale. Said purchaser may purchase vacant units, tenanted units or some combination of the two. By definition, said purchaser is not seeking to purchase for occupancy by said purchaser or a member of his or her immediate family.

If any such purchaser for investment or resale shall purchase the shares allocated to three or more apartments, then sponsor shall use its best efforts to require that said purchaser register as a broker-dealer with the Department of Law; execute a statement agreeing to comply with any requirements pertaining to holding deposits in trust under 352(h) of the General Business Law; and agree to deliver to a prospective purchaser of any of said apartments, copies of the following:

- (a) Copy of the most recent financial statement of the apartment corporation, if any.
- (b) Copy of the most recent notice from the apartment corporation of the interest and taxes deductible for income tax purposes, if any.
- (c) Copies of notices from the apartment corporation concerning changes in maintenance charges, potential assessments, planned major capital improvements and proposed refinancing of the building's mortgage(s), if any.
- (d) Copies of pleadings in pending lawsuits or proceedings the outcome of which may affect the offering of the unit, the seller's capacity to perform all of its obligations under the purchase agreement or the rights of an existing tenant of the unit, if any.
- (e) If the unit is occupied, copy of the tenant's lease and representation of the tenant's status under any applicable rent law and status as an eligible senior citizen or eligible handicapped person.
- (f) Copies of the by-laws and proprietary lease of the apartment corporation as amended.
- (g) Notice of uncured violations of record in the apartment that are the responsibility of the proprietary lessee to cure, if any.

## WORKING CAPITAL FUND

On the Closing Date, from the amount of cash raised by this offering, the Apartment Corporation will retain the sum of \$25,000, subject to closing adjustments. In the event net closing adjustments are in favor of the Sponsor in an amount exceeding \$10,000, Sponsor may elect to have the additional amount of such net closing adjustments paid to Sponsor in twelve (12) equal consecutive monthly installments commencing one (1) month after the Closing Date, with ten (10%) percent interest, pursuant to negotiable serial promissory notes to be executed by the Apartment Corporation and delivered to Sponsor at the Closing or one payment of the entire additional amount made one year from the Closing Date with ten (10%) percent interest pursuant to a promissory note.

All contributions to the working capital fund will be made by the Sponsor. This fund may be used at the discretion of the Board of Directors for paying current obligations (plus or minus closing adjustments) and for maintaining good credit; it may not be used to reduce projected maintenance charges. Closing costs may not be deducted from the working capital fund, but may be paid by the Apartment Corporation from the proceeds of the sale of shares. This working capital fund will be made available to the Apartment Corporation at the closing.

No representation is made that the working capital fund will be adequate to cover current or future expenses, including repairs or replacements, and if additional funds are required over and above the working capital fund, it may be necessary to increase maintenance charges.

THE PROPERTY IS OFFERED IN ITS CURRENT CONDITION AS SET FORTH IN THIS OFFERING PLAN. NO GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND OR THE PHYSICAL CONDITION OF THE BUILDING.

THE WORKING CAPITAL FUND MAY BE REDUCED TO \$15,000 BY NET CLOSING ADJUSTMENTS IN SPONSOR'S FAVOR.

## RESERVE FUND

Pursuant to Local Law 70 (Title YYYY51 of the Administrative Code of The City of New York) passed by the City Council, and approved by the Mayor on October 29, 1982, the Sponsor of a conversion to cooperative ownership in New York City must establish a reserve fund ("Local Law 70 Reserve Fund") to be used exclusively for making capital repairs, replacements and improvements necessary for the health and safety of the residents of the buildings involved. Local Law 70 provides that the Local Law 70 Reserve Fund be in an amount equal to either (a) 3% of the price of all shares based on the last price to tenants in occupancy prior to the effective date (the "total price"), or (b) 3% of actual sales prices of shares sold at the time the Plan is declared effective (but not less than 1% of the total price) plus supplemental contributions to the Local Law 70 Reserve Fund during the five years after Closing equal to 3% of actual sales prices, and if less than 3% of the total price has been contributed by five years and thirty days after Closing, then the balance up to 3% of the total price shall be contributed at that time.

At least one lawsuit has been commenced questioning the validity of Local Law 70 on grounds of its unconstitutionality and the City Counsel's lack of authority to enact legislation in the area of cooperative conversions. The court of first instance upheld the statute and the plaintiffs have appealed.

Sponsor reserves the right to amend prior to declaring the plan effective and delete the Local Law 70 Reserve Fund in the event that the law is held to be invalid or repealed or its application is enjoined. If such amendment is made, Sponsor will offer rescission to all purchasers.

Sponsor designates the superintendent to post and maintain in the premises a listing of all violations of record against the premises as determined by the Department of Buildings and the Department of Housing Preservation and Development. Such listing shall be posted commencing on the 30th day after the Plan was accepted for filing and every thirty days thereafter up until the Closing.

CONTRACT OF SALE

By agreement dated October 12, 1982, the Sponsor has contracted to convey the property to the Apartment Corporation at the Closing of Title in exchange for the Unsold Shares and an amount equal to the net proceeds realized from those shares then sold (after deducting the working capital fund and reserve fund to be retained by the Apartment Corporation), free and clear of liens, encumbrances and title exceptions other than the following:

(a) The mortgages hereinabove referred to under heading "Terms of Mortgages" which will affect the property at the Closing Date.

(b) Leases in force on the Closing Date, statutory tenancies and rights of tenants in possession.

(c) State of facts shown on survey made by Chas J. Dearing dated August 8, 1956 and inspected on March 1, 1957 and September 18, 1962 and by P.C. Hansen on December 13, 1968 and by Earl B. Lovell-A.P. Belcher, Inc. on June 10, 1971 and on April 21, 1982 and any other or changed facts which an accurate survey may show, provided such other or changed facts do not render title unmarketable.

(d) Zoning regulations and ordinances, provided same do not prohibit the existence or present use of the structure.

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

(f) Encroachment of stoops, areas, celler steps, trim, cornices and projections, if any, on any street or highway; 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.

(g) Union contracts and management and service agreements referred to on Pages 41 and 42.

(h) Covenants, agreements, easements and restrictions of record which do not prevent the present use of the Property.

(i) The revocable nature of the right, if any, to use vaults, areas, chutes and other space beyond the lot lines and under and abutting the public sidewalks.

The Property will be conveyed by Bargain and Sale Deed with Covenant against Grantor's Acts.

With regard to violations, the Sponsor will convey title to the premises free of all violations of record existing on the Closing Date, or will deliver its written undertaking to remove any such violations as soon after the closing as practicable, including the depositing in escrow of a reasonable sum to secure the reasonable expeditious removal of such violations. The amount of such sum to be deposited in escrow will be determined by the Managing Agent. Further, if the cost to the Sponsor for the removal of violations existing after the date of presentation of this Offering Plan exceeds \$148,000.00, Sponsor shall have the right, at its option, to cancel the contract and declare this Plan and offer withdrawn.

The Apartment Corporation's title will be insured by a title company authorized to do business in New York in the amount of the selling price to the Apartment Corporation, and paid for by the Sponsor. Sponsor shall pay the closing costs.

The sale includes all of Sponsor's fixtures and articles of personal property attached to or used in connection with the operation of the property. All kitchen appliances owned by the Sponsor will become the property of the Apartment Corporation on the Closing Date and may be used by tenant-shareholders without charge. If a non-purchasing tenant vacates his apartment prior to closing and removes a kitchen stove or refrigerator belonging to him, the Sponsor, at his 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 appliances contained in the building on the presentation of this Plan.

The agreement provides that the following items will be apportioned between the Sponsor and the Apartment Corporation as of the date preceding the closing of title: (a) real estate taxes, (b) water and sewer charges, (c) fuel, (d) prepaid insurance premiums, (e) payments under service contracts and union contracts, (f) mortgage interest, (g) wages and payroll expenses including vacation accruals in accordance with the standard union contract, (h) commercial and professional rents, if any, (i) fees for assignable permits and licenses, (j) individual apartment rents, (k) accrued rights to real estate tax deduction for abatement by reason of senior citizen exemption, (l) escrow deposits, if any, with first mortgagee, (m) Realty Advisory Board fees, (n) additional rent payable by tenants for tax escalation and similar items. The working capital fund will not be reduced by costs paid by the Apartment Corporation.

The security deposit, if any, of a tenant who purchases will be refunded to him after the closing of title if he is not in default under his lease or tenancy. The security deposit of a non-purchasing tenant who is not in default under his lease or tenancy will be transferred after the closing of title to the purchaser of the shares allocated to the apartment and held in accordance with Section 7-103 of the General Obligations Law.

Security held under professional leases will be transferred to the Apartment Corporation on the Closing Date, if there be any.

In the event that any tenants in occupancy are receiving the benefit of reduced rent as Senior Citizens (thus entitling the owner to an appropriate reduction in real estate taxes) and any such tenant fails to purchase his apartment, the Apartment Corporation will enter into an agreement to cooperate with the holder of the shares and proprietary lease to such apartment so that taxes saved so long as the Senior Citizen continues in occupancy will be a credit against rent; and in this regard the Apartment Corporation will agree to execute the necessary appropriate documents to obtain such tax savings and pass the benefit thereof to the owner of the apartment.

Conflicts between the Contract of Sale and the Offering Plan shall be resolved in favor of the Plan.

Any obligations under the Plan and the General Business Law to be performed subsequent to the closing will survive delivery of the deed.

The Sponsor will maintain and operate the Building until the Closing Date in substantially the same manner in which the Building has been obtained and operated as on the date of presentation.



## MANAGEMENT AND OTHER CONTRACT AGREEMENTS

### Management Agreement

On the closing date, the Apartment Corporation will enter into an agreement with Steppingstone Management Corp. of 240 East 35th St, New York, New York, to act as managing agent of the property for a period of three (3) years after the closing, which agreement will continue thereafter until terminated at the option of either party at the end of any calendar month on at least thirty (30) days prior written notice. Such Managing Agent, Steppingstone Management Corp. will receive compensation of \$35,000 annually. The Managing Agent is not bonded, if the Apartment Corporation desires this insurance, it may pay the premium to have the Managing Agent bonded.

The fees of the Managing Agent will be payable monthly out of the monthly maintenance charges collected. The agreement will not be assignable by the Managing Agent without the consent of the Apartment Corporation and will not be cancellable by the Apartment Corporation, or Managing Agent, before the end of its initial term, unless the Apartment Corporation shall be in default under the Agreement, or shall fail, or refuse to comply with, or abide by, any rule, order, determination, ordinance, or law of any federal, state or municipal authority, in which event, the Contract may be cancelled by the Managing Agent, upon thirty (30) days' prior written notice.

The services to be rendered by the Managing Agent will include billing and collection of maintenance charges, hiring and discharging of employees, supervision of routine building maintenance and repairs, purchase of supplies for the building (which will be paid for by the Apartment Corporation), and attendance at directors' and shareholders' meetings, at no extra charge. The Managing Agent will make no repair expenditures in excess of Five Hundred (\$500.00) Dollars, without the authorization of the Board of Directors of the Apartment Corporation, except in the case of emergencies.

The Apartment Corporation, at its own expense, will retain a certified public accountant to maintain the corporate books and records, and to prepare annual financial reports and tax statements for the Apartment Corporation, said statements to be furnished to shareholders by the Apartment Corporation.

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. The Managing Agent has agreed to provide to non-purchasing tenants all services and facilities required by law on a non-discriminatory basis. The Sponsor guarantees that the Managing Agent will provide all such services and facilities.

### Contract Agreements

The Apartment Corporation will take title to the premises subject to the foregoing Management Agreement, as well as the Apartment House Agreement - 1982 dated May 1, 1982 and expiring April 30, 1985 with Local 32B-32J Service Employees International Union, AFL-CIO. The Apartment Corporation will assume such Contract.

In addition, the following Agreement are presently in effect (such Agreements will be assumed by the Apartment Corporation on closing):

### Income Contracts

Laundry agreement dated December 1, 1979 and expiring November 30, 1982, with Nat Blidner (the "laundry operator") for the purpose of operating metered laundry facilities in the Building. The laundry operator is permitted to install and operate coin-operated washers and dryers in the basement of the Building, which remain the property of the laundry operator and are to be removed upon termination of the Agreement. The Building is obligated to provide the laundry room with all gas, electricity and water necessary for the operation of the washers and dryers. The fee payable to the Building is an annual charge of \$9,600, payable in advance in equal monthly installments of \$800 on the first day of every month. In addition, the laundry operator is obligated to pay to the owner of the Building the sum of \$52.50 per washing machine per year and any and all other taxes, levies, rents or charges imposed by any governmental authority having jurisdiction over the Property relating to the operation, installation or use of the laundry equipment.

### Expense Contracts

Elevator service contract with Century Elevator Maintenance Corporation, 4 Court Square, Long Island City, New York, dated September 1, 1982 and expiring September 1, 1983. Payment is \$180 per month. Month-to-month contract with Sudex, Inc., 460 West 34th Street, New York, New York, for extermination services, at the rate of \$138.36 per month. Month-to-month contract with W.H. Christian & Sons, Inc., 22-28 Franklin Square, Brooklyn, New York, for the rental and cleaning of uniforms, at the rate of \$10.50 per week. Month-to-month contract with Stanly Bernstein Poly Fol Corp., 80-00 Cooper Avenue, Glendale, New York, for gardening services at the rate of \$59.54 per month.

COMMERCIAL LEASE

At Closing, the Apartment Corporation, as landlord, will enter into a lease (the "Commercial Lease") with the Sponsor or an entity designated by the Sponsor, as tenant, for portions of the first floor and basement of the Building. The premises subject to the Commercial Lease will encompass the store premises and associated basement space, if any, presently occupied by the following:

<u>Store Number</u>	<u>Tenant</u>	<u>Rent</u>	<u>Expiration Date</u>
Beauty Parlor	Virginia Koenig, Inc.	\$15,000	month-to-month contract
Vacant Store			
Card & Gift Shop	Sabrena Card & Gift Co., Ltd.	\$30,000	7/30/89
Pharmacy	Hudson Pharmaceutical Corporation	\$25,000	12/31/87
Clothing Store	Rio Grande Fashions, Inc.	\$30,000	1/31/86
Hardware Store	S & W Hardware Corp.	\$30,000	8/31/85
Parking Garage	Wilfred 20th Street Garage, Inc.	\$17,000	5/31/86

THE PROVISIONS CONTAINED IN THE COMMERCIAL LEASE HAVE BEEN DETERMINED SOLELY BY THE SPONSOR AND ARE NOT THE RESULT OF ARMS-LENGTH NEGOTIATIONS.

The term of the Commercial Lease shall be for a period of thirty-nine and one-half years after the Closing Date.

The tenant under the Commercial Lease will pay to the Apartment Corporation a fixed rent in the amount of \$72,000. Said rent is presently sufficient to cover the expenses fairly attributable to the Commercial Space, and it is anticipated that future rent will also be sufficient to cover such expenses. In addition, Tenant shall pay as additional rent 11.25% of the increase in the operating costs, which includes fuel and water only, for any calendar year over the operating costs incurred in the calendar year 1983 and 11.25% of the increase in the real property taxes in excess of the real property taxes in excess of the real property taxes for the tax year 1983/84. This percentage represents the approximate amount of space in the building occupied by the six operating stores, one vacant store and parking garage.

Said amount shall be subject to future revision and increase if the 11.25% amount is insufficient to cover such costs. In the event that the Apartment Corporation (as Landlord) and the Tenant are unable to agree upon any required additional amount, then such additional amount to be paid shall be subject to arbitration in accordance with the rules of the Real Estate Board of the City of New York with the arbitrator to be chosen by the parties or, if they are unable to agree as to the arbitrator, then the selection shall be made by the then President of the Real Estate Board of the City of New York. However, in no event will tenant pay in excess of nineteen (19%) percent of the Apartment Corporation's gross income.

As indicated, the Commercial Lease will provide that in no event shall the fixed rent and escalations and other charges payable by the tenant to the Apartment Corporation in any calendar year included within the term of the lease exceed nineteen (19%) percent of the gross income received by the Apartment Corporation for such year. To the extent that fixed rent and escalations and other charges otherwise payable by the tenant under the Commercial Lease would exceed nineteen (19%) percent of the Apartment Corporation's gross income in any calendar year, the rent otherwise payable by the tenant shall be reduced by the excess. The Sponsor makes no representation, warranty or guaranty that such restriction will prevent the collection by the Apartment Corporation of more than twenty (20%) percent of its gross income from sources other than qualified tenant-shareholders. The ability of tenant-shareholders to secure income tax deductions for interest and real estate taxes paid by the Apartment Corporation is contingent upon the Corporation's receipt of at least eighty (80%) percent of its gross income from qualified tenant-shareholders (see Counsel's Tax Opinion, page 5). Notwithstanding the foregoing, in the event Section 216 of the Internal Revenue Code is changed so that the maximum percentage of gross income permitted to be received by the Apartment Corporation from other than qualified Tenant-Shareholders (so as not to eliminate the tax benefit permitted to Tenant-Shareholders under said Section 216) differs from twenty (20%) percent, then in such event the maximum fixed rent and escalations and other charges payable under the Commercial Lease by the Tenant to the Apartment Corporation shall be changed to one (1%) percent less than said maximum percentage permitted under Section 216.

During the continuance of the Commercial Lease, tenants occupying the garage and store described above will pay rent to the tenant under the Commercial Lease. The Apartment Corporation will have no interest in any of such rents during the term of the Commercial Lease.

Some of the other principal terms contained in the Commercial Lease are as follows:

(1) The premises subject to the Commercial Lease may be used for any lawful purpose, whether or not said purpose is acceptable or objectionable to the tenants of the apartment house.

The Apartment Corporation will be notified of the intended use of new tenants. The Apartment Corporation can disapprove the intended use provided they enter into a lease having the same terms as the disapproved lease.

(2) Tenant shall have the right at its expense to make alterations, installations or changes to the premises as it may deem necessary without obtaining the Landlord's consent or approval, provided that they are made in a good and workmanlike manner and will not, when completed, impair the value of the premises or the Building or the structural integrity of the Building.

(3) Tenant shall be responsible for all nonstructural repairs to the premises and repairs to the utility lines within the premises and serving the premises. Tenant shall not be required to make any structural repairs or to comply with any requirements of law which pertain to structural repairs, installations and additions unless the condition necessitating the repair shall have been caused by Tenant. The Apartment Corporation shall be responsible for structural repairs, including the ceiling, floor slab, load bearing walls and columns and Building facade, other than the store fronts, for repairs to any utility lines servicing the premises other than such lines located within the premises and serving such premises, and repairs to plumbing, ventilating and electrical lines. Notwithstanding the foregoing, Tenant shall contribute 11.25% of the cost of any major repairs to the boiler, burner or other parts of the heating system to the extent any such repair exceeds \$25,000. The Apartment Corporation and tenant shall each be responsible for repairs caused by either's negligence.

(4) Tenant shall comply with all governmental requirements arising by reason of tenant's occupancy or the occupancy of any sub-tenant or by reason of any repairs or alterations to be made by tenant. The Apartment Corporation shall comply with all other governmental requirements.

(5) The Apartment Corporation will furnish tenant with heat and with hot and cold water for ordinary lavatory and drinking purposes. Tenant will pay for all charges for water and sewer services based upon presently metered service to the premises. The Apartment Corporation can require tenant to install additional water meters and pay for tenant's consumption of water if tenant utilizes water for purposes other than lavatory and drinking purposes in any portion of the premises not presently furnished with metered service.

(6) Tenant has the unrestricted right to assign the Commercial Lease and to sublet all or any portion of the premises.

(7) Equitable adjustments of rent shall be made if any latent defect in the building interrupts or interferes with normal operation of business or if the show windows or entranceways are blocked by repairs, alterations, additions or improvements to the

building by Landlord, other than those made necessary by the Tenant.

(8) The Commercial Lease may be terminated by the Apartment Corporation for tenant's failure to make any rent payment within sixty (60) days after notice of default and for failure to perform or to commence the performance of any other obligation of tenant within thirty (30) days after notice of default but if failure to perform such other obligation is a result the non-performance by a store tenant then the lease may not be terminated if tenant is attempting to secure compliance from such store tenant or to cancel such store tenant's lease.

(9) Notwithstanding the original expiration date set forth in the Commercial Lease, the Sponsor will have the right to terminate the Commercial Lease at any time after three (3) years after the Closing Date on at least thirty (30) days prior notice.

(10) Neither the tenant nor any co-venturer constituting the tenant (whether an individual, corporation, partnership or other entity) nor any partner, stockholder, director or officer of such co-venturer or tenant has any personal liability for the performance of the lease terms and the liability of tenant for such performance is limited to tenant's leasehold interest in the premises. The Apartment Corporation will not be entitled to enforce any judgment or other remedy against any other asset of the tenant or such co-venturer.

(11) In the event of a casualty to the premises, the Apartment Corporation shall use the proceeds of insurance to make necessary repairs. In the event the premises shall be acquired through condemnation proceedings, then in such event the Commercial Lease shall terminate and the Apartment Corporation shall retain proceeds resulting therefrom; the Tenant shall not be prevented from making a claim for the value of any fixtures or improvements installed in or made to the premises by the Tenant.

In the event Sponsor decides to sell the Tenant's position in the Commercial Lease and receives a bona fide offer, the Apartment Corporation shall have the right within thirty (30) days after receipt of the terms of said offer to accept the same and an additional thirty (30) days after said acceptance, if any, within which to close.

Prospective purchasers should be advised that if the tenant fails to perform tenant's obligations under the Commercial Lease the Apartment Corporation's sole remedy would be to terminate the Lease. In the event of such termination, the Apartment Corporation might receive income from tenants otherwise subject to the Commercial Lease exceeding twenty (20%) percent of its gross income from qualified tenant-shareholders. Should such an event occur, tenant-shareholders may lose the ability to secure deductions for interest and real estate taxes paid by the Apartment Corporation (see Counsel's Tax Opinion, page 12).

## IDENTITY OF PARTIES

The Sponsor is Anby Associates, a New York limited partnership whose general partners are Robert J. Ettinger and Lawrence E. Goldschmidt.

### Sponsors

Mr. Ettinger, with offices at 220 Madison Avenue, New York, New York, has been in the real estate business for a number of years and actively engaged in cooperative conversion of approximately forty-six buildings in New York City and its surrounding areas. Five of his latest conversions and the dates of transfer of title to the cooperative corporation are 225 East 74th Street, New York, New York, January 26, 1982, 128 Willow Street, Brooklyn, New York, July 28, 1981, 321 East 54th Street, New York, New York, July 29, 1981, 31-37 Nagle Avenue and 14 Bogardus Place, New York, New York, August 3, 1982 and 30 East 95th Street, New York, New York, October 28, 1982.

Mr. Goldschmidt, with offices at 655 Madison Avenue, New York, New York, is a practicing attorney in New York City and a member of the law firm of Goldschmidt, Fredericks & Oshatz. Mr. Goldschmidt has been involved in approximately nineteen prior cooperative offerings. Five of his latest conversions and the dates of transfer of title to the cooperative corporation are 31-37 Nagle Avenue and 14 Bogardus Place, New York, New York, August 3, 1982, 983 Park Avenue, New York, New York, August 10, 1982, 30 East 95th Street, New York, New York, October 28, 1982, 225 East 74th Street, New York, New York, January 26, 1982 and 253 West 28th Street, New York, New York, June 1, 1982.

### Engineer

Garrett Brynes is a licensed professional engineer and he has been retained by the Sponsor to prepare the report of building condition.

### Attorneys

Goldschmidt, Fredericks & Oshatz of 655 Madison Avenue, New York, New York and Sonnenschein, Sherman & Deutsch of 10 Columbus Circle, New York, New York, represent the Sponsor and have participated in the preparation of the Plan and related documents.

### Managing Agent

Steppingstone Management Corp. is located at 240 East 35th Street, New York, New York. Although they have limited experience in managing cooperatives they have been involved in the management of over thirty (30) residential buildings in New York City and its surrounding areas. Cooperatives that they presently manage include: 31-37 Nagle Avenue and 14 Bogardus Place, New York, New York and 30 East 95th Street, New York, New York. Robert J.

Ettinger is one of the principals of Steppingstone Management Corp; however, Steppingstone Management Corp. has no interest in this transaction other than as a managing agent.

Second Mortgagee

32 Gramercy Park South Associates is a New York general partnership, having an office at 49 West 57th Street, Suite 200, New York, New York 10019. The partners are NF Associates 4 (a general partnership consisting of Gary Nordheimer, Scott Nordheimer and Myer Feldman) and O & Y Landmark Associates (a general partnership consisting of O & Y Residential Corp. and 32 Gramercy Park South Landmark Inc.). Olympia & York Residential Corp. ("Residential Corp.") a substantially wholly owned subsidiary of O & Y Equity Corp. ("Equity Corp."), is active in the ownership and conversion of various properties in New York City. Affiliates of Residential Corp. and Equity Corp. are active in commercial and residential development in many states in the United States and in Canada and Europe.



## SPONSOR'S PROFIT

Sponsor acquired premises 240 East 35th Street, New York, New York on June 22, 1982 at the purchase price of \$14,474,191. The Sponsor expects to make a profit from the sale of the Property to the Apartment Corporation in the approximate amount of \$8,208,463.32. This amount is based on the sale of the shares allocated to all one hundred twenty apartments in the building at the purchase price of \$145.00 per share and the Wraparound Mortgage less estimated expenses as of closing, including expenses incurred in the original acquisition of the property, maintenance and operating costs of the Property from the date of acquisition and estimated brokerage fees. The estimated expenses in connection with the representation of this Plan; continued carrying costs of the Property and transfer of title to the Apartment Corporation are anticipated but not yet realized. The aggregate cost of Sponsor of above expenses is approximately \$6,265,727.68.

In addition, there are many factors which prohibit the exact computation of Sponsor's profit, such as future market conditions and the market value obtainable for said units; losses sustained of which may be sustained in the future by reason of Sponsor's obligation for payment of assessments or maintenance for unsold units in accordance with the terms of the proprietary lease, and unsold share obligations of the Holder of Unsold Shares.

## REPORTS TO SHAREHOLDERS

All shareholders of the Apartment Corporation will be entitled to receive, annually, from the Corporation at the expense of the Corporation, copies of the following:

A. An income tax deduction statement prepared no later than March 15.

B. An annual audited financial statement prepared by an independent certified public accountant to be received within three months after the end of the fiscal year.

C. Notice of the holding of an annual shareholders' meeting for the purpose of electing a Board of Directors to be sent in accordance with the By-Laws.

The aforesaid dates may be changed later pursuant to the By-Laws.

## DOCUMENTS ON FILE

In accordance with Section 352-e(9) of the General Business Law, copies of this Offering Statement - Plan of Cooperative Organization and all exhibits or documents referred to herein, shall be available for inspection by prospective purchasers and by any person who shall have purchased securities offered by this Plan, or shall have participated in the offering of such securities at the office of Goldschmidt, Fredericks & Oshatz, 655 Madison Avenue, New York, New York 10021, and shall remain available for such inspection without charge and copying at a reasonable charge for a period of six (6) years from the date of closing.

GENERAL

The Plan does not knowingly omit any material fact, or contain any untrue statement of any material fact. Exact copies are contained in Part II hereof of the Proprietary Lease, Subscription Agreement, By-Laws and house rules.

There are no lawsuits, or other proceedings now pending, or any judgments outstanding against the Sponsor, or the Apartment Corporation, or any other person, or persons, which might become a lien against the property, or which materially affect this offering.

This Plan is offered only to persons over eighteen (18) years of age and residents of the State of New York.

In accordance with the provisions of the laws of the State and City of New York, the Sponsor represents that the Sponsor, its agents, the Apartment Corporation, and the Managing Agent will not discriminate against any person because of race, creed, color, national origin, sex, or ancestry, in the sale of the shares offered by the Plan, or in the leasing of any apartment in the building.

As of the date of first presentation of the Offering Plan, neither the sponsor nor any representative, or agent thereof, has raised funds or made any preliminary offering or binding agreement to or with tenants, subtenants, or non-resident prospective purchasers with respect to apartments in the building.

No person has been authorized to make any representation which is not expressly contained herein. This Plan may not be changed or modified orally.

If the plan is materially and adversely amended, subscribers may have a thirty (30) day right to rescind their subscription agreements.

Dated: August 8, 1983

ANBY ASSOCIATES  
Sponsor

PART II

OFFERING PLAN FOR  
PREMISES AT

32 Gramercy Park South  
New York, New York

SUBSCRIPTION AGREEMENT

Apartment \_\_\_\_\_ No. of Shares \_\_\_\_\_  
Purchase Price \$ \_\_\_\_\_  
Down Payment \$ \_\_\_\_\_ (herewith)  
Balance \$ \_\_\_\_\_  
Rent Controlled \_\_\_\_\_ Rent Stabilized \_\_\_\_\_

Additional Information for Non-Tenant Purchaser:

Lease of existing tenant expires \_\_\_\_\_  
or  
Monthly Tenancy ( )  
Rent under existing lease or tenancy \_\_\_\_\_

To: Anby Associates  
32 Gramercy Park South

\*1. As a Tenant-Purchaser, I have received at least three (3) business days prior to the date hereof, and read the Offering Statement-Plan of Cooperative Organization with respect to premises 32 Gramercy Park South, New York, New York, dated August 8, 1983, and a copy of the documents attached thereto, which Offering Statement and documents as amended from time to time are hereinafter called the "Plan" and are made a part hereof. The Sponsor is the selling agent hereunder (the "Agent").

\*As a Non-Tenant Purchaser, I understand that I have seven (7) days after delivering an executed subscription agreement together with the required deposit to rescind the subscription agreement and have the full deposit refunded.

2. I hereby agree to purchase the above-stated number of shares of 32 Gramercy Park Owners Corp. (the Apartment Corporation) allocated to the above described apartment for the Purchase Price stated above and to become the proprietary lessee of the said apartment in said premises. Concurrently herewith I am making a down payment in the amount of ten (10%) percent of the purchase price.

3. Herewith is my check to the order of "GF&O Special G.P.S. Account" for the above mentioned down payment. I agree that if and when the Plan becomes effective in accordance with its terms, I shall pay the balance of the purchase price (made payable to "GF&O Special G.P.S. Account") by certified check of the purchaser or official bank check of a New York City bank within fifteen (15) days after written request therefor but payment of such balance will not be requested more than thirty

\*Delete if inapplicable.

(30) days prior to the Closing Date. In lieu of paying the entire balance as herein indicated, the Purchaser shall have the right to submit to Sponsor a commitment for a bank loan with the understanding that the amount of the loan will be paid over to Sponsor on the Closing Date simultaneously with the closing of the sale of the property to the Apartment Corporation; and in the event that the bank loan is an amount less than the entire balance of the purchase price, the difference shall be paid by Purchaser in accordance with the above provisions of this Paragraph 3.

If this Subscription Agreement is executed after the Plan has been declared effective and the Closing Date has been fixed, the entire cash payment shall be payable in full by my personal certified or official bank check on the execution hereof.

4. I will sign the proprietary lease for said apartment promptly upon presentation to me in the form contained in Part II of the Offering Plan. The date of the commencement of the term of said proprietary lease, and the date of issuance of the certificate for the aforesaid shares, which may be inserted by either Agent or the Apartment Corporation, shall be the date when it acquires title to said premises. Provided that I shall have paid the full Purchase Price for said shares, as provided for herein, and not be in default hereunder or under the terms of my lease (if any) or monthly tenancy of said apartment, I am to receive the certificate and the aforesaid lease, promptly after the Apartment Corporation acquires such title. I agree that my present lease (if any) or monthly tenancy of said apartment shall be deemed terminated and cancelled as of such date. If I shall not be the tenant of said apartment when said proprietary lease is issued, I will accept same subject to the then tenant's lease and tenancy of said apartment.

\*5. It is to my understanding, as provided for in Section 352-eee of the General Business Law, that I as a non-occupant purchaser must grant the managing agent the right to provide to a non-purchasing tenant, on a non-discriminatory basis, all services and facilities required by law and bear the cost thereof myself.

\*6. 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, I shall be required to obtain possession at my own expense. I understand that if the apartment I am purchasing is subject to the Emergency Tenant Protection Act, I shall be obliged to comply with said laws and the applicable regulations or code in evicting the tenant. I further understand that if the apartment I am purchasing is subject to an existing tenancy I will after the Closing Date be assuming the seller'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

\*Delete if inapplicable.

under the existing lease and tenancy whether the same be greater or less than the proprietary rent established by the proprietary lease.

7. The Sponsor will hold all moneys received by Sponsor through agents or employees in trust until actually employed in connection with the consummation of the transaction. All such moneys will be deposited with The Chase Manhattan Bank, N.A., 510 Park Avenue, and will be held in trust in a special escrow account under the name of "GF&O Special G.P.S. Account" and signed by a member of Goldschmidt, Fredericks & Oshatz (other than Lawrence E. Goldschmidt) and Irving Sonnenschein. The funds so deposited will be disbursed only at the closing and for the purposes of the consummation of the Plan if it is declared effective or returned to me as herein provided, with interest, if any, if the Plan is abandoned or is withdrawn or title does not close as provided in the Plan. In the event an action is begun by the Department of Law, the Sponsor agrees to place such deposits in an interest bearing account and to pay any interest earned thereon to the purchasers.

8. I acknowledge that I have inspected said apartment and the building prior to my signing this agreement. My signing of this Purchase Agreement shall constitute my acceptance of said apartment in the condition in which it shall be at the time of closing, including the existing kitchen, bathroom and other appliances, fixtures and equipment owned by Sponsor.

9. It is agreed that this contract is contingent upon the Plan being declared effective and that the Plan shall not be declared effective except as provided in the Plan.

10. The Plan may be abandoned by the Sponsor at any time prior to its being declared effective and shall be abandoned and deemed abandoned if it has not been declared effective within the time prescribed by the Plan.

11. If the Plan is abandoned or does not become effective, or after being declared effective, the Plan shall not be consummated for any reason within the time limits set forth in the Plan, this agreement shall be deemed cancelled and the Plan terminated and I am to receive back, not later than ten (10) days thereafter, in full, all moneys paid by me hereunder, with interest, if any, (subject, however, to the provisions set forth in Paragraph 12 hereof) and, upon such repayment no party shall have any claim against any other party or person, the Sponsor, the Apartment Corporation, or the Agent, and all parties shall be released from all obligations hereunder.

12. Title shall be transferred to the Apartment Corporation no earlier than thirty (30) days nor later than 180 days after the Plan has been declared effective, unless the closing of title is adjourned.



13. I agree that if I shall fail to pay the balance of the Purchase Price when due, as herein provided, the Apartment Corporation may elect to cancel this agreement by written notice to me at my residence or at the address stated below, by registered or certified mail, and at the expiration of thirty (30) days after the date of mailing thereof (unless I shall have theretofore cured my default and paid the balance of the Purchase Price in full) said notice shall be effective and this agreement shall be deemed cancelled and all rights of the parties hereunder shall terminate except that the amount of said down payment, to the extent of ten (10%) percent of the Purchase Price shall be paid over to the Sponsor, as liquidated damages. In the event of such cancellation, the Sponsor or Apartment Corporation shall have the right to sell said shares and proprietary lease to another purchaser as though this agreement had never been made.

14. All closings of title to the shares and related proprietary leases will take place at the offices of Goldschmidt, Fredericks & Oshatz, 655 Madison Avenue, New York, New York. If a purchaser chooses to close at any other location, defaults in the performance of his or her subscription agreement and thereafter closes it or closes at a later date than that provided for in the Amendment, then said purchaser will be obligated to pay a fee of \$250 to Messrs. Goldschmidt, Fredericks & Oshatz as a condition of securing the shares and proprietary lease.

15. The entire agreement between the parties hereto is set forth herein and in the Plan. The only representations made to me are those contained in the Plan and I understand that no person has been authorized to make any representation or warranty which is not set forth in the Plan. I have not relied upon any representations, statements or warranties, written or oral, of any nature, including, but not limited to those relating to (a) the description or physical condition of the premises or the apartment, (b) the size or dimension of the apartment or the rooms contained therein or any other physical characteristics thereof, (c) the services to be provided at the premises, (d) the estimated maintenance charges and income tax deductions for the first year of operation of the Apartment Corporation, or (e) any other matter or estimate not set forth herein or in the Plan. I acknowledge that I have had full opportunity to examine all documents and investigate all facts referred to and stated herein.

16. This agreement is not assignable by me directly or indirectly.

17. Conflicts between this agreement and the Plan shall be resolved in favor of the Plan.

18. If this offer is for an apartment not occupied by Purchaser, and, if within the 90-day 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 ten (10) days

after the occurrence of such event, the Agent shall refund to Purchaser all moneys paid by Purchaser hereunder; and upon the Selling Agent's making such repayment to Purchaser, neither Purchaser, the Sponsor, the Apartment Corporation, the Agent nor any other party hereto, shall have any liability or obligation to the other hereunder.\*

19. This agreement shall not be binding on me or the Apartment Corporation until I, as Purchaser, shall be accepted, by endorsement hereon by the Apartment Corporation and the Agent, and a fully signed copy thereof shall have been delivered promptly to me. If this agreement shall not be accepted within twenty (20) days of the date hereof by the delivery to me of such endorsed and fully signed copy, this Purchase Agreement shall be deemed to be rejected and cancelled and my deposit shall be promptly refunded to me.\*\*

20. If this offer is for an apartment which Purchaser leased after the Plan was accepted for filing and with respect to which Purchaser is entering into a lease therefor concurrently herewith, the Sponsor or Apartment Corporation shall have the right to cancel such lease in the event that this Subscription Agreement is cancelled or rescinded for any reason whatever, or if Tenant shall fail to fulfill any of the Tenant's obligations hereunder. The provisions of this paragraph shall be deemed a part of such lease and in the event of its cancellation, as provided in the preceding sentence, Landlord shall have the right to send a notice fixing the cancellation date, on which date the lease will be deemed terminated as a conditional limitation.

21. I represent that I am a person resident in the State of New York and that I am over eighteen (18) years of age. The term "I" shall read as "we" and "Purchaser" shall be read as "Purchasers" if more than one person are subscribers, in which case our obligations shall be deemed joint and several. I also represent that I have been in possession of a copy of the Offering Plan for at least three (3) business days prior to my execution of this agreement.

22. Notices hereunder shall be delivered or mailed as follows: to the Purchaser(s) at the addresses stated below; to the Apartment Corporation and to the Agent at the Agent's office.

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\*Delete if inapplicable.

\*\*Delete this paragraph if purchaser is a tenant at the time of presentation of the Plan.

23. I certify that I have agreed in good faith to purchase the shares allocated to the above-described apartment with no discriminatory repurchase agreement or other discriminatory inducement and without fraud or duress.

24. If at any time prior to the Closing (as defined in the Plan) a Purchaser who is a tenant in occupancy shall default in the payment of his rent or breach any other condition of occupancy of his apartment which would permit the Sponsor to terminate such occupancy and recover possession of such apartment, then the Sponsor may elect to cancel the Purchase Agreement by mailing a notice in writing to such Purchaser and returning to the Purchaser all payments made by the Purchaser toward the purchase price, without interest.

25. Tenants in occupancy of apartments must execute in duplicate before a Notary Public, the Statement of Good Faith Purchase set forth on the next succeeding page.

26. I understand that the Sponsor reserves the right to amend the Plan and any of the exhibits thereto at any time and from time to time and that I will receive a copy of each such amendment, and in that event this Subscription Agreement shall be deemed to refer to the Plan as amended, provided, however, that if an amendment made prior to Closing Date makes any changes which materially decreases the services to the tenants or decreases the obligations of Sponsor other than a decrease in the purchase price, I may elect within thirty (30) days after receipt of each such amendment to cancel this agreement by written notice to Sponsor. In the event of such cancellation, any payments made by me hereunder shall be returned to me without interest and I shall have no further rights or obligations hereunder. If I do not elect to cancel this agreement as set forth above, this agreement shall remain in full force and effect.

27. I UNDERSTAND THAT MY OBLIGATION UNDER THIS SUBSCRIPTION AGREEMENT IS NOT CONDITIONED ON THE PROCURANCE OR CONSUMMATION OF FINANCING ARRANGEMENTS. IF I DO NOT FULFILL MY OBLIGATION BECAUSE I HAVE NOT PROCURED OR CONSUMMATED FINANCING ARRANGEMENTS, I WILL FORFEIT MY SAID DOWNPAYMENT.

28. I understand that if I am a sub-tenant, I shall have none of the rights of tenants in occupancy unless the main tenant shall have waived his rights in writing.

29. As a tenant in occupancy, I understand that I will be responsible to pay at the time of closing of title, all rent and other charges due up to and including the date of closing on the said apartment. If these charges are not paid I shall be in default under this Agreement.\*

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\*Delete this paragraph if purchaser is a non-tenant at the time of presentation of the Plan.

30. As a non-tenant purchaser, I understand that I will be responsible to pay at the time of closing of title, rent and any other charges due on the sold apartment up to and including the date of closing. If these charges are not paid I shall be in default under this Agreement.\*

31. As a non-tenant purchaser, I represent that I or one or more members of my immediate family intend to occupy the apartment when it becomes vacant.

Dated:

\_\_\_\_\_  
Purchaser (sign above and  
print name below

\*\*

\_\_\_\_\_  
Second Purchaser, if more than one

\_\_\_\_\_  
Address

Accepted:

By \_\_\_\_\_

Approved:

\_\_\_\_\_

\*Delete this paragraph if purchaser is a tenant at the time of presentation of the Plan.

\*\*To be executed in duplicate.

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ENGINEERING

REPORT

on

32 Gramercy Park South

Manhattan

October 20, 1982

Revised May 13, 1983

GARRETT BYRNES, P.E.

INTRODUCTION

This Report was prepared for the Sponsor for inclusion in an offering plan for conversion of the Property to co-operative ownership. The Report is based on a) a visual inspection of a sufficiently large representative sampling of the spaces and mechanical equipment as deemed necessary in our professional opinion, but not, unless otherwise stated herein, any tests or penetration into walls, ceilings, floors etc., or removal of any structural or mechanical elements: b) an inspection of copies of available records relating to the Property in the files of the New York City Building Department and other departments having jurisdiction over the Property: c) information on open violations of record provided by the New York City Department of Buildings and the New York City Department of Housing Preservation and Development: and d) information provided by the Sponsor and his representatives.

This Report, in our professional opinion, fairly describes the condition of the building and improvements on the Property as of the dates of inspection with respect to those facts which could be determined from a visual inspection at that time, except as noted herein. This Report provides a general description of the Property, interior spaces and mechanical equipment and a fair summary of their general condition, but is not intended to be a comprehensive detailed list of every space and piece of equipment or of their

INTRODUCTION (Cont'd.)

condition. Emphasis is placed on describing the condition of the Property at the time of the inspection.

The scope of this Report does not include estimates of cost of repairs which would be required to correct defects determined during the inspection and listed in this report.

The contents of this Report are correct to the best of our knowledge and belief. This Report and the conclusions stated herein are, however, limited to actual knowledge based on visual inspection, undertaken with due diligence, of those portions of the Property which are accessible, the records voluntarily supplied by the Sponsor and records supplied by the New York City Building Department and the Department of Housing Preservation and Development. No representation is made, as to the truth, completeness or accuracy of those records furnished by others.

This Report is not to be construed as a guarantee or warranty. It is not intended or prepared for the purpose of fixing a value to the Property or as an opinion as to the advisability or inadvisability of purchasing the Property or acquiring shares in the co-operative corporation being offered pursuant to the Sponsor's offering plan.



3.

32 Gramercy Park South, Manhattan

ADDRESS: 32 Gramercy Park South, Manhattan  
BLOCK#: 875 Lot # 42  
ZONING: R-9 and Commercial.  
YEAR BUILT: 1954 to 1956  
NEW BUILDING # NB-120 of 1954  
CERTIFICATE OF OCCUPANCY: 46341 of October 2, 1956.  
ALTERATIONS: There have not been any major alterations  
since the building was built.  
CLASS OF CONSTRUCTION: Class 1--Fireproof

BUILDING SIZE

The building site is located at the southeast corner of East 20th Street (also known as Gramercy Park South) and Third Avenue. The building is also known and listed in City records as 32 Gramercy Park South, 152 East 20th Street and 230-240 Third Avenue.

The property is 100 feet by 139 feet in size and is approximately 0.312 acres. The dimensions of the property are 100 feet along East 20th Street beginning at the southwest corner of Third Avenue and East 20th Street and 138 feet along Third Avenue also beginning at the southwest corner of Third Avenue and East 20th Street.

The building has a cellar and eighteen (18) floors. The height of the building is 164' 11". The building has a total floor area of 171,657 square feet.

4.

32 Gramerey Park South, Manhattan

OCCUPANCY

The Certificate of Occupancy certifies the building for the following permissible use and occupancy:

Cellar	"Porter's room, maintenance shop, storage, meter room, New York steam, and garage for thirty eight (38) motor vehicles."
First story	"One (1) apartment, one (1) doctor's office, mail room and stores."
Second to thirteenth story, inclusive	"Twelve (12) apartments and laundry room on each story."
Fourteenth, fifteenth and sixteenth story	"Nine (9) apartments on each story."
Seventeenth and Eighteenth story	"Seven (7) apartments on each story."

There are one hundred and eighty six (186) residential apartments with a total of three hundred and forty (340) residential rooms (by Building Department count) five (5) stores and one professional office.

STRUCTURAL SYSTEM

The building has a structural frame consisting of steel beams and columns, and reinforced concrete floor slabs. The steel beams and columns are fireproofed with concrete and masonry.

STRUCTURAL SYSTEM (Cont'd.)

According to records on file in the office of the New York City Building Department, the building's foundation consists of steel piles.

EXTERIOR OF BUILDING

The exterior walls on all sides of the building and at all floors -- except for the street floor on the north or Gramercy Park South side and the east or Third Avenue side -- are constructed of red brick. The exterior first floor at Gramercy Park South and Third Avenue has a covering of sandstone veneer plus metal store fronts. The insulation value or "R" value of the exterior walls is not known.

The sandstone veneer at the street level has open joints that require recementing or recaulking. There are some movement cracks in the parapet walls at and around terrace walls. There has been some popping out of mortar at the shelf angle lines at the tops of windows. These mortar joints at the shelf angles will require cleaning out and repacking with new mortar. Steel lintels above windows require removal of rust and repainting.

The parapet walls are constructed of a combination of cement block and brick. The cement block are on the inner or roof side; and, the brick around the exterior of the parapet walls. The inner face of the parapet walls has been given a thin coating of a portland cement mix or very thin mortar. The coping or top of the parapet walls consists of precast concrete and masonry pieces

EXTERIOR OF BUILDING (Cont'd.)

that are butt jointed. There has been some movement in the parapet walls and opening of mortar joints. Recaulking and pointing-up is required in those areas. The joint between adjoining sections of precast concrete coping should be recaulked. There has been some buckling or spalling of brick at the shelf angle line above windows, especially at the north side lower floors.

WINDOWS

The windows of the apartments are aluminum framed double hung. There are some center fixed panes or lites at the larger windows. There are no grilles, storm windows or screens on the windows. Window hardware consists of typical sash locks. The windows are single glazed and uninsulated. All windows need recaulking and weatherstripping, most need renewal of glazing putty.

TERRACES

There are terraces on the 14th and 17th floors. The terraces have quarry tile surfaced floors. The terrace balustrades or walls are of brick construction with precast concrete copings and metal railings. Some pointing-up of the brick parapet walls, recaulking of the coping joints, recaulking or rewaterproofing of the mortar joints in the quarry tile and replacement of areas of unsatisfactory quarry tile is necessary. The holes in which the metal railing posts are mounted require replacement of grout

TERRACES (Cont'd.)

material. Most of the mortar joints between adjoining quarry tile require removal and replacement with new mortar joints to make the quarry tile surface satisfactorily waterproof.

ENTRANCE/EXITS

The front entrance of the building is on Gramercy Park South or East 20th Street. There is a fabric canopy on a metal frame at the main tenant entrance. There are no exterior stairs or railings. The exterior doors are of tempered glass of the "Herculite" type. The vestibule doors are of aluminum frame glass. There are no service entrances to the building. The garage is entered by a concrete surfaced ramp to the west of the building on Gramercy Park South or East 20th Street. The garage door is an overhead wood door.

ROOF

The roof is of flat built-up construction. It has a partial protective covering of slagging. In those areas where there is no slagging now on the roof, the roof surface appears to be constructed of cap sheets. The roof requires local patching or complete recovering to eliminate present and future water leakage through the roof. The number of plies or layers in the roof is not known. The insulation value or "R" value of the roof is not known. No bond or guarantee is known to be in existence. The

ROOF (Cont'd.)

roof appears to be the original installed on the building at the time of its construction in 1956.

Roof drainage is by interior drains. There are no leaders and gutters, there are no downspouts on the exterior of the building, there are no skylights on the roof. The elevator and stairway bulkheads are of brick construction. The rooftop metal ladders and stairs require removal of rust and repainting.

WATER TANK

There is a 7,000 ± gallon wood water storage tank located on the roof. The tank enclosure is a combination of brick and corrugated asbestos cement sheets. The structural steel framework for the asbestos cement enclosures of the water tank requires removal of rust and repainting. The water tank serves a dual purpose of providing a 3,000 ± gallon reserve storage capacity for the fire standpipe system and of providing storage capacity and creating a pressure head to deliver water to all floors of the building on a downfeed basis. The structural steel frame supporting this wood water tank has some deterioration, scaling and rust. The rust and scale should all be removed and the steel properly protected against present and future rusting. In those areas where excessive rusting has developed, bracing or replacement of steel sections may be necessary.

The wood water tank itself requires a major overhaul

WATER TANK (Cont'd.)

including cleaning, removal and replacement of deteriorated wood staves, tightening of the tie rods, correction of cone roof and may need complete replacement.

FIRE ESCAPES

This is a fireproof building, there are no fire escapes.

YARDS AND COURTS

There is a side yard on the west side of the building that extends the full length of the property. This concrete surfaced side yard is also the roof of the garage below. There are no stairs at this yard. There is a metal railing enclosing the yard.

INTERIOR STAIRS

There are two scissor-type interior public fire stairs. They are enclosed in plastered, painted cement block and masonry walls. The stairs are of concrete with concrete treads and risers. There are wood railings bolted to the enclosing concrete walls.

ELEVATORS

There are two automatic passenger elevators. The elevator cars and most of the original equipment were manufactured by Watson who are no longer in business. Some replacement equipment recently

ELEVATORS (Cont'd.)

installed was manufactured by Millar. Parts of the elevator system are the originals installed in the building at the time of its construction in 1956, other parts are from recent major upgradings and equipment replacement. The controller is a new solid state type and is in very good condition. The elevators operate at an actual speed of 325 feet per minute. Their contract rated speed is 330 feet per minute, this is an acceptable variance. The doors on the elevator cars are sliding, at the floors they are swinging manual doors. The elevator machine room is on the roof. Elevator capacity is 2,000 pounds.

APARTMENTS

The apartments have wood floors, painted plaster walls and ceilings. Bathrooms have ceramic tile floors and walls. Kitchen floors are of a variety of types of floor tile and floor covering. Refrigerators are a mixture of General Electric and other brands and vary in age, some are the originals installed in the building at the time of its construction. Gas ranges and ovens are combined and are a mixture of Slattery, Imperial and Royal Rose. Gas ranges and ovens vary in age -- some are the originals installed in the building at the time of its construction.



11.

32 Gramercy Park South, Manhattan

LAUNDRY ROOM

There is a basement laundry room with seven washing machines and four dryers. Ventilation should be improved. It is operated as a concession.

PLUMBING AND DRAINAGE

Water is provided to the building by the New York City Department of Water Resources through the New York City Water Supply mains in the street. Water is metered on a building-wide basis, there are no individual water meters.

Water piping is mostly threaded brass and some copper pipe. The water supply piping is the original installed in the building at the time of its construction in 1956. Hot water piping is partially insulated. There have been no major improvements or replacement of water supply piping. Minor pipe leaks and ruptures will develop on an occasional, but continuing, basis in water supply piping of this age because of its age and the size of the building.

Water pressure is generally adequate in the building. The sanitary sewage system consists of galvanized steel lateral or branch pipes between individual bathroom and kitchen fixtures or appliances and vertical cast iron sanitary waste stacks or risers. The sanitary waste piping is the original installed in the building at the time of its construction. There are no sewage pumps. There are two ground water sump pumps in the garage

PLUMBING AND DRAINAGE (Cont'd.)

and a third one in the boiler room. Sanitary sewage is disposed of by discharging it to the New York City public sewers located in the street.

Storm drainage is accomplished through interior roof drains and is disposed of by discharging it into the New York City combined sewer system. There are no storm drainage pumps. Storm drainage piping is thought to be cast iron.

FIRE PROTECTION SYSTEM

The building's fire protection system consists of a fire standpipe in one of the public fire stairways with linen fire hoses and nozzles at each floor level. There is a siamese connection at street level. The garage is sprinklered. The fire protection system also consists of 3,000 + gallon fire reserve storage capacity in the wood rooftop water storage tank. Some linen fire hose should be replaced because of their age and condition.

HEATING

The building is heated by a two pipe steam system using finned steam convectors in the apartments. The building has no boilers, steam is supplied by Con Edison (New York Steam Company). There is a Dunham-Bush "Vari-Vac" steam differential

HEATING (Cont'd.)

vacuum pump and condensate return pumps. Hot water is produced by two steam-to-hot-water convertors and storage tanks.

There is much leaking of steam at the joints of the steam piping in the steam room and at the valves and other devices through which the steam flows. The two steam-to-hot-water convertors and storage tanks require upgrading or replacement; or installation of new coils or heat exchangers and relining of the interior surfaces. The differential vacuum pump also requires corrective work to make it work properly, or replacement.

VENTILATION

Most bathrooms and kitchens in the building do not have windows. Ventilation for those windowless kitchens and bathrooms is provided through a system of ventilation ducts, wall mounted louvers or grilles and rooftop electrically powered exhaust fans. The public halls are also ventilated through a similar system. The ventilation, or quantity of the change of air, provided by this ventilation system in the kitchens and bathrooms is barely measurable -- and in many apartments -- too little to be measured. The overall ventilation system requires corrective work in the form of replacing loose, slipping and missing fan belts on the rooftop electrically powered fans.

14.

32 Gramercy Park South, Manhattan

VENTILATION (Cont'd.)

changing or replacing electric motors and other forms of repair and parts replacement to make the system work in a more satisfactory manner. This type of ventilation system was not designed and constructed to remove all cooking and other odors from the apartments. The design criteria defined by the New York City Building Code for this type of ventilation system provides a minimum change of air only and not a complete exhausting of all odors from cooking, instantly.

AIR CONDITIONING

The building is not centrally air conditioned. Air conditioning is provided through building owned through-the-wall room sized air conditioners. These room sized through-the-wall air conditioners vary in age from original units installed in the building at the time of its construction to others that are relatively new and all ages in between. Some of the air conditioner units have reached and exceeded their maximum useful economic life and should be replaced. Other air conditioner units require service and maintenance only.

GAS SUPPLY

Gas is supplied through a pressure main and is provided by Con Edison. Gas is provided to the apartments in bulk and is not individually metered.

PEST CONTROL

Pest control and extermination services are performed on a twice a month basis. We observed no evidence indicating the need for more frequent service.

ELECTRICAL

Main electrical service into the building consists of three separate services each with three sets of 4 wire, 3 phase 500MCM conductors. There are no main fuses or circuit breakers. There are three main disconnect switches each rated at 1200 amps, 220 volts, 3 phase. Individual basement distribution panels for the apartment electric service consist of two #6's with two 60 amp fuses for overload protection. Electrical service into the building is at least 1200 amp, 3 phase, 110/220 volt service.

The electric room is excessively hot. Adequate ventilation should be provided. All electrical connections in the electrical meter room should be checked for loose connections, arcing and should be reconnected and tightened where necessary. Electrical service into the apartments is individually metered.

OTHER SPACE

Basement (cellar) rooms and spaces all have concrete floors, walls that are a combination of painted masonry block and concrete. The lobby and entry vestibule have terrazzo floors, walls are painted plaster or plaster covered with wallpaper.

REFUSE DISPOSAL

Refuse disposal is by a hydraulically powered compactor. The compactor was not operating during our inspection. It requires repairs to make it operate in a satisfactory manner.

GARAGE

There is a below ground garage for thirty eight (38) cars. The garage occupies the west portion of the basement (cellar) level. Entrance to the garage is by a concrete surfaced ramp at the west side of the plot and building. The garage has an overhead wood door. The garage is subject to water leakage through the south wall from the adjoining building when it rains. The garage is subject to water leakage through the south wall of the garage when it rains. The garage is ventilated by an electrically powered exhaust fan located on top of the garage roof in the rear yard.

CONDITION

The condition of the various component parts of the building have been detailed in the preceding report. In addition, the condition of these component parts can be summarized, in my professional opinion, as follows. The exterior walls are in a fair condition. The scattered open mortar joints, movement and stress cracks that have developed are not a major problem and are

CONDITION (Cont'd.)

not a major problem and are not abnormal for a building of this type. Terraces are in a fair to poor condition. There is no significant structural problem or defect in the terraces. The roof is in a fair to poor condition. The structural steel water tank supports are in a fair to poor condition and require corrective work as listed in the report. The plumbing system is in a fair condition. The heating system is in a fair condition. The ventilation system is in a fair to poor condition. The electrical system is in a fair condition. The garage is in a fair condition with the exception of the continuing water leakage in its south wall during periods of rain.

VIOLATIONS

A list of current uncorrected violations is attached.

INSPECTION AND ENGINEERING REPORT by

GARRETT BYRNES, P.E. #52419  
270 Madison Avenue  
New York, NY 10016



RECOMMENDED CORRECTIVE WORK

- Point-up exterior parapet walls. Perform pointing-up and other corrective work at scattered local areas of exterior brick walls.
- Recaulk and weatherstrip windows.
- RegROUT joints in terrace floors. Replace deteriorated areas of floor tiles.
- Recover roof and eliminate ponding.
- Remove rust from water tank structural supports and repaint.
- Clean water tank, replace deteriorated wood staves, tighten tension tie rods, install new wood cone roof.
- Replace or correct heating system vacuum pump.
- Correct leaks in steam equipment room.
- Replace individual parts and upgrade ventilation system.
- Replace individual parts in air conditioners. Replace those individual air conditioners that do not work.
- Provide ventilation in electric equipment room.



**INSPECTION ORDER**  
**THE CITY OF NEW YORK**  
 Department of Housing Preservation and Development  
 Office of Rent and Housing Maintenance

DATE: 2-23-82  
 INITIALS: JAW  
 BADGE NO: 5074

STREET NO: 45 WEST 57 STREET

PREMISES	BORO	AREA	BLOCK	LOT	CLASS	REG NO	DATE ISSUED
150 E 20 STREET	MANH	255	00675	0047	FR22	110240	LOT 12, 1980
PRESENT STATUS OF PREMISES	LAST INSPECTED	CITY	APTS	ROOMS	OTHER	NAME AND ADDRESS OF OCCUPANT	
AWAITING DISMISSAL REQUEST	2-24-82	C18	0180	0000	00	MCKEEL LEVEL 1 45 WEST 57 STREET NEW YORK, N.Y. 10019	
TYPE OF INSPECTION		REASON					
Reminspection		C1020					

DATE REPORTED	STY	NSP REPT		ITEM	ORDER	SECTION OR COMPLAINT NO.	VIOLATION DESCRIPTION
1ST	2ND	*** PUBLIC PARTS INSPECTION DIRECTED ***					
0-17-82	CU	N		30	530	22-10.01, 10.05	APR CODE REMOVE ALL ENCUMBRANCES CONSISTING OF CHAIRS CLIPPING TABLES AND BOARDS AT GARAGE WEST.
DATE	TO	CLERK	1/14/82				ISSUED 09/20/82 FRY SP1 02/17/82
0-17-82	CU	N		31	530	22-10.01, 10.05	APR CODE REMOVE AND REPAIR ALL DEFECTS INCLUDING THE DUFFS PUPPET INCINERATOR CLOSED OFF STAIR PUBLIC HALL.
DATE	TO	CLERK	1/14/82				ISSUED 09/20/82 FRY SP1 02/17/82
0-17-82	CU	C		32	530	22-10.01, 10.05	APR CODE APPEARANCE AND REPAIRS INCLUDING THE DISMISSED FOR INCINERATOR DISMISSED: STAIR PUBLIC HALL.
DATE	TO	CLERK	1/14/82				ISSUED 09/20/82 FRY SP1 02/17/82

LAST ITEM NUMBER 30

1ST INSPECTION →

0000157 1/13/82 0.000 5 7253 35 32 C 021 N - 1

PRINC HOUSE NO	STREET CODE	SC-B-BST	INSPECTION DATE	BADGE NO	RE DAYS	AP	CL	TARGET	ITEMS	PUPP	DATE	INITIALED BY
RECOM CODE NO	INSPECTOR'S SIGNATURE	PUBLIC PARTS		APARTMENT & ROOM COUNT				ENTRY TIME	EXIT TIME	SUPERVISOR'S SIGNATURE		
40	<i>[Signature]</i>	NO ACC	A APTS	B ROOMS	B UNITS							
		ACCESS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO										
		CELLAR <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO										

2ND INSPECTION →

FORM 22 FOR

RECOM CODE NO	INSPECTOR'S SIGNATURE	PUBLIC PARTS		APARTMENT & ROOM COUNT				ENTRY TIME	EXIT TIME	SUPERVISOR'S SIGNATURE
		NO ACC	A APTS	B ROOMS	B UNITS					

DATE REC'D: 3-23-82

All other inquiries should be made to the Borough Office listed below.

DATE: April 11, 1974

**BRONX**  
67 Metropolitan Oval  
Bronx, N.Y.  
731-3400 x 012-013

**BROOKLYN**  
Municipal Bldg.  
Court St. &  
Jerome St.  
645-7945

**MANHATTAN**  
Municipal Bldg.  
Chambers St. &  
Park Row  
566-2008

**QUEENS**  
Borough Hall  
120-35 Queens Blvd.  
BO 8-3000 Ext. 294

**RICHMOND**  
Borough Hall  
Stuyvesant Pl. &  
Myatt St.  
390-5154

**NOTICE TO REPAIR SIDEWALK OR TO ERECT FENCE OR FILL LOTS**

IMPORTANT Before starting work a permit must be secured in Room 1828 in the Borough Office

BLOCK NO. 875 LOT NO. 47

OWNER

Granarcy Lark Co.  
c/o H. Tanzer  
235 E. 42nd St.  
New York, N.Y. 10017

MORTGAGEE

LOCATION OF PREMISES

150 E. 20th St.  
A/K/A 3rd Ave. #230-240

BOROUGH OF Manhattan

VIOLATION

Repair Sidewalk. 50 pp/H

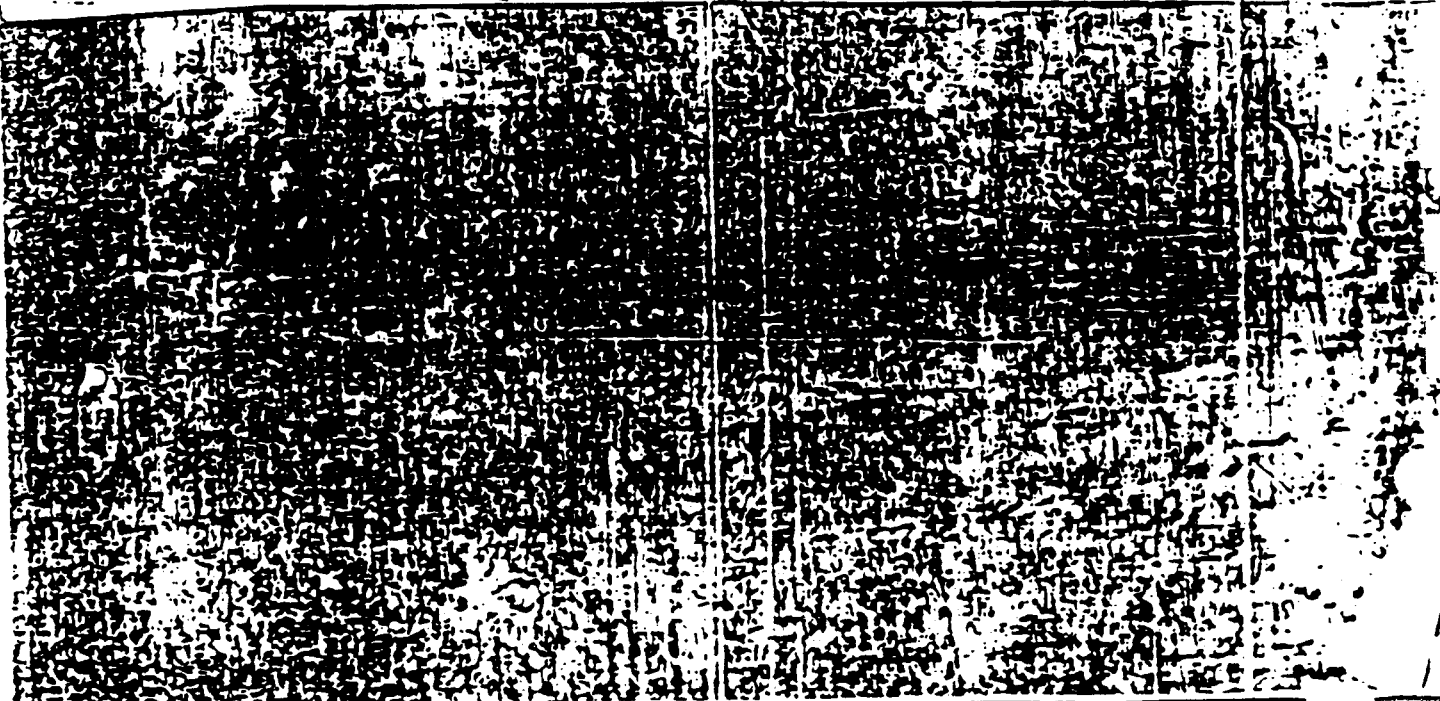
Date

Report

Date Notice Sent to County Clerk

Date Satisfaction Issued  
(Violation Removed)

OFFICE COPY (2)





THE CITY OF NEW YORK  
 HOUSING AND DEVELOPMENT ADMINISTRATION  
 DEPARTMENT OF BUILDINGS

MANHATTAN  
 Municipal Building  
 New York, N.Y. 10007  
 568-2484

BRONX  
 1932 Arthur Avenue  
 Bronx, N.Y. 10467  
 543-5620

BROOKLYN  
 Municipal Building  
 Brooklyn, N.Y. 11207  
 643-2928

QUEENS  
 128-06 Queens Blvd.  
 Kew Gardens, N.Y. 11418  
 520-3423

RICHMOND  
 Borough Hall  
 St. George, N.Y. 10301  
 390-6204

GROMERCY YORK CO.  
 HERBERT TENIZER  
 235 E 42 ST  
 10017 N.Y.

VITAMIN QUOTA  
 HEALTH FOODS  
 232 - 3<sup>RD</sup> AVE  
 N.Y.  
 MICHAEL ROES  
 MANAGER

You are hereby notified that there exists a violation in the subject premises as described below.

You are hereby directed to remove this violation, pursuant to Section C26-86.5, subd. d and/or Section 643a-8.0 of Chapter 26 of the Administrative Code.

MAR 9 1978

All inquiries and reference to this violation should be directed to the Violation Section in the respective borough.

(If this violation is not corrected within ten days, you may be summoned to appear in the Criminal Court.)

BOROUGH SUPERINTENDENT

*Jeremiah Walsh*  
 COMMISSIONER

Location 232-3 <sup>RD</sup> AVE.		Boro in Manhattan		Violation Number			
Construction	No. of Stories	Block 875	Lot 47	Date 3/6/78	Type E	Dist 12	Quad 11
Occupied at Time of Inspection as: HEALTH FOODS STORE				Complaint No. 5112-2001		Docket No.	
Section(s) Violated C26-22.0 & 25.0				of the Administrative Code			

DESCRIPTION OF VIOLATION: Erecting and maintaining an illuminated sign without having obtained a permit from this department.

Wording on sign: VITAMIN QUOTA HEALTH FOODS

Location of sign on premises: FRONT

Approximate size of sign: 2' 6" X 10' Type Illum. Right Angle: 2x2x1/2

Remedy: File an application and obtain a permit from this department or remove the illegal sign forthwith.

If you fail to file you will be summoned to appear in Criminal Court on:

Filed By: *F. J. ...*

BRIBERY IS A CRIME:

A person who gives or offers a bribe to any employee of the City of New York, or an employee who takes or solicits a bribe, is guilty of a felony punishable by imprisonment for up to seven years or a fine, or both. Penal Law, Section 200.00 and 200.10.

THE CITY OF NEW YORK  
DEPARTMENT OF BUILDINGS

- MANHATTAN Municipal Bldg. New York, N.Y. 10007 Tel. 506-2383
- BROOKLYN Municipal Bldg. Brooklyn, N.Y. 11201 643-1943
- BRONX 432 Arthur Avenue Bronx, N.Y. 10457 483-4570 Ext. A
- QUEENS 116-06 Queens Blvd. New York, N.Y. 11415 570-3268
- STATEN ISLAND Boro Hall St. George, N.Y. 10301 390-5202

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

C26-105.3 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 first year following the erection thereof. This form may also be used for submission of a report of the On-Going Maintenance Program.

BLOCK 375 LOT 47  
 LOCATION 32 Gramercy Park South  
HOUSE NUMBER STREET  
Zero Manhattan  
DISTANCE FROM NEAREST CORNER BOROUGH

DO NOT WRITE IN THIS SPACE

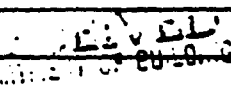
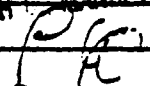
Number of stories 13 + PH Height in ft. 170 C.O. No. 46341  
 How occupied Residential + Stores Type of Exterior Walls Brick

Name 32 Gramercy Park South Assoc. Firm c/o First Shelter Co.  
OWNER  
 Whose principal officer is Evlyn Rockwell Title General Manager  
 Address 49 West 57th Street, New York, N.Y. 10019 Tel. 839-4646

To the Borough Superintendent:  
 Herewith filed is a report of 5 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:

  
 DEPARTMENT OF BUILDINGS  
 Jan 18 1982  
 CITY OF NEW YORK  
 BOROUGH OF MANHATTAN  



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

Name ALEXANDRU C. VOITICU, P.E. Firm \_\_\_\_\_  
APPLICANT

Address 906 Hillcrest Rd., Ridgewood, N.J. Tel. (201) 652-2404

Signature Alexandru C. Voiticu  
PROFESSIONAL REGISTERED ARCHITECT

Date Jan. 18th, 1982



- 31 Location: 12 Gramercy Park South, Manhattan, corner  
site was between the South side of Gramercy Park South  
and the West side of 3rd Avenue.  
Block 375, lot 47.
- 32 Owner: 12 Gramercy Park South Assoc., 49 W 57th St., N.Y. 10019.
- G3a Building Description:  
13 stories + penthouse, overall plan dimensions 138 Ft. x  
70 Ft. Height - approx. 170 Ft.  
Usage - Residential, with stores at street level.  
D.O. No. 46341.  
Age - 22 years.  
Exterior wall construction - brick, stone veneer at ground  
floor.
- b Exterior appurtenances:  
Canvas entrance canopy on North side, canvas folding  
awnings at 3rd Ave. stores, some fascia signs.  
The building is partially and gradually recessed above the  
13th story, with tiled terraces, with brick parapet,  
concrete copings, metal railing on top, interior drainage.  
Some planters on parapet ( should be secured or removed ).  
Roof - flat, interior drainage, brick faced parapet, concrete  
block interior, cast stone coping. Some T.V. antennas.  
2 story penthouse with stack on roof, corrugated siding  
upper part enclosure.  
Windows - aluminum, double hung with cast sills.  
Built-in air conditioning units.  
Walls subject to Local Law Ten - North and East, partially  
South and West.
- c The building has undergone repairs at roof and upper stories  
- repointing, caulking, during 1980.
- G4 Procedure used in making the critical examination:  
- Direct visual inspection of street level perimeter, roof,  
parapet, coping.  
- Visual examination using high powered binoculars of  
perimeter walls and appurtenances.  
- Interview with building maintenance personnel.  
- High resolution photographic equipment with telephoto lens  
for documenting conditions which require precautionary work  
and maintenance.
- G5 No unsafe conditions or significant deteriorations were  
apparent at the time of the inspection.  
The apparent water-tightness of the exterior surfaces is good.
- G6 The status of the exterior maintenance is good.
- G7
- G8 Precautionary work recommendations:  
A few bricks ( details A, D ) are displaced and/or appear  
loose and should be repaired.  
The roof parapet exhibits numerous fine cracks ( details  
E, F ) in need of sealing. The concrete coping at terraces  
needs sealing at some joints.  
The stone veneer corner joints ( details B, C ) are open and  
should be resealed. The corrugated siding at penthouse should  
be checked periodically for proper anchorage.

(Continued)

19

This inspection was performed and completed in accordance with the New York City Administrative Code, on January 9th and 18th, 1982.

The present report represents only a professional evaluation within the scope of the Local Law Ten, based on a visual examination using the procedures outlined above and is not to be construed as a certification of the building's safety and/or imply any guarantee or liability from the part of the deponent.

G10

Alexandru C. Voitiuc, P.E., R.A.  
906 Hillcrest Rd.  
Ridgewood, N.J. 07450

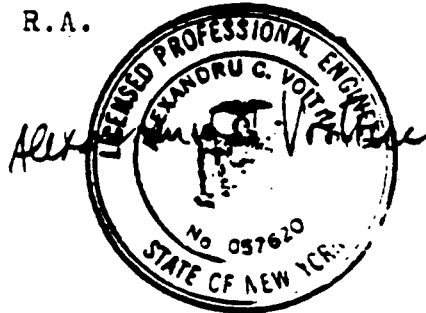


EXHIBIT II

BY-LAWS

OF

32 GRAMERCY PARK OWNERS CORP.

ARTICLE I

Purpose of Business

Section 1. The primary purpose of the Corporation is to provide residences for shareholders who shall be entitled, solely by reason of their ownership of shares, to proprietary leases for apartments in the building owned by the Corporation.

ARTICLE II

Meetings of Shareholders

Section 1. Annual Meeting: The 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 Borough of Manhattan, City of New York, at such time and place during the month of June of each year as may be designated by the Board. The notice of the 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 place within the state where it is to be held, and the secretary shall cause a copy thereof to be delivered personally or mailed to each shareholder of record of the Corporation entitled to vote at such meeting not less than ten (10) nor more than forty (40) days before the meeting. If mailed, it shall be directed to each such shareholder at his or her address as it appears on the share book, unless he or she shall have filed with the secretary of the Corporation a written request that notices intended for him or her be mailed to some other address, in which case it shall be mailed to the address designated in such request.

Section 2. Special Meetings: Special meetings of shareholders, other than those the calling of which is regulated by statute, may be called at any time by the president or secretary or by a majority of the Board of Directors. It shall also be the duty of the secretary to call such meetings whenever requested in writing so to do by shareholders owning at least twenty-five (25%) percent of the outstanding shares of the Corporation. The secretary shall cause a notice of such special meeting stating the time, place and object thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed as provided in Section 1 of this Article to each shareholder of record of the Corporation entitled to vote at

such meeting not less than ten (10) nor more than forty (40) days before such meeting. No business other than that stated in such notice shall be transacted at such special meeting unless the holders of all the outstanding shares of the Corporation be present thereat in person or by proxy.

Section 3. Waiver of Notices: The notice provided for in the two (2) foregoing sections is not indispensable but any shareholders' meeting whatever shall be valid for all purposes if all the outstanding shares of the Corporation are represented thereat in person or by proxy, or if a quorum is present, as provided in the next succeeding section, and waiver of notice of the time, place and objects of such meeting shall be duly executed in writing either before or after said meeting by such shareholders as are not so represented and were not given such notice.

Section 4. Quorum: At each meeting of shareholders, except where otherwise provided by law, shareholders representing, in person or by proxy, a majority of the shares then issued and outstanding shall constitute a quorum; in case a quorum shall not be present at any meeting, the holders of a majority of the shares represented may adjourn the meeting to some future time and place. No notice of the time and place of the adjourned meeting need be given other than by announcement at the meeting. Only those shareholders who, if present at the original meeting, would have been entitled to vote thereat, shall be entitled to vote at any such adjourned meeting.

Section 5. Voting: At each meeting of shareholders, each shareholder present in person or by proxy shall be entitled to one vote for each share registered in his name at the time of service of notice of such meeting or at such prior date, not more than forty (40) days before such meeting, as may be prescribed by the Board of Directors for the closing of the corporate share transfer books or fixed by the Board of Directors as the date for determining which shareholders of records are entitled to notice of and to vote at such meeting. The proxies shall be in writing duly signed by the shareholder but need not be acknowledged or witnessed, and the person named as proxy by any shareholder need not himself be a shareholder of the Corporation. Voting by shareholders shall be viva voce unless any shareholder present at the meeting, in person or by proxy, demands a vote by written ballot, 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 of such ballot if cast by a proxy.

In all elections of directors of the Corporation, each shareholder shall be entitled to as many votes as shall equal the number of votes which (except for these provisions) he would be entitled to cast for the election of directors with respect to his shares, multiplied by the number of directors to be elected,



and he may cast all of such votes for a single director or may distribute them among the number to be voted for, or any two (2) or more of them, as he may see fit.

Section 6. Inspectors of Election: Inspectors of election shall not be required to be appointed at any meeting of shareholders unless requested by a shareholder present (in person or by proxy) and entitled to vote at such meeting and upon the making of such request inspectors shall be appointed or elected as provided in Section 610 of the Business Corporation Law.

Section 7. Order of Business: So far as consistent with the purpose of the meeting, the order of business of each meeting of shareholders shall be as follows:

1. Call to order.
2. Presentation of proofs of due calling of the meeting.
3. Roll call and presentation and examination of proxies.
4. Reading of minutes of previous meeting or meetings, unless waived.
5. Reports of officers and committees.
6. Appointment or election of inspectors of election, if requested.
7. If the annual meeting or a special meeting called for that purpose, the election of directors.
8. Unfinished business.
9. New business.
10. Adjournment.

### ARTICLE III

#### Directors

Section 1. Number: The number of the Directors of the Corporation shall be not less than three (3) nor more than seven (7), as may from time to time be herein provided and, in the absence of such provision shall be three (3). Commencing with the first election of Directors by tenant-shareholders of the Corporation, and until changed by amendment of this By-Law provision, as hereinafter provided, the number of Directors shall be seven (7). 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.

Section 2. Election: The Directors 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 votes cast at such meeting. Their term of office shall be until the date herein fixed for the next annual meeting, and thereafter until their respective successors are elected and qualify. It shall not be necessary for a director of this Corporation to be a shareholder.

Section 3. Quorum: A majority of the Directors then authorized by these By-Laws shall constitute a quorum.

Section 4. Vacancies: Vacancies in the Board of Directors resulting from death, resignation or otherwise may be filled without notice to any of the shareholders by a vote of a majority of the remaining directors present at the meeting at which such election is held even though no quorum is present, which may be at any regular meeting of the Board of Directors or any special meeting thereof called for such purpose. In the event of the failure to hold any election of directors at the time designated for the annual election of directors or in the event that the Board of Directors shall not have filled any such vacancy, a special meeting of shareholders to elect a new Board of Directors or to fill such vacancy or vacancies may be called in the manner generally provided for the calling of special meetings of shareholders. Vacancies in the Board of Directors resulting from an increase of the Board of Directors by amendment of these By-Laws shall be filled in the manner provided in the resolution adopting such amendment. In case of a reduction of the authorized number of directors by amendment of these By-Laws, the directors, if any, whose term of office shall cease, shall be determined in the manner provided in the resolution adopting such amendment.

Section 5. Meetings: The Board of Directors shall meet immediately after the annual meeting of shareholders without notice and also whenever called together by any officer of the Corporation or upon the written request of any two directors then holding office, upon notice given to each director, by delivering personally, mailing or telegraphing the same to him at least two (2) days prior to such meeting at the last address furnished by him to the Corporation. Regular meetings may be held without notice at such time and places as the Board of Directors may determine. Any meeting of the Board at which all the members shall be present, or of which notice shall be duly waived by all absentees, either before or after the holder of such meeting, shall be valid for all purposes provided a quorum be present. Meetings of directors may be held either at the principal office of the Corporation or elsewhere within the State of New York as provided in the notice calling the meeting, unless the Board of Directors by resolution adopt some further limitation in regard thereto. At all meetings of the Board of Directors, each director shall be entitled to one vote. The vote of a majority of the Board of Directors present at the time of a vote of a duly constituted meeting shall be the act of the Board of Directors.

Section 6. Resignation and Removal: Any director may resign at any time by written notice delivered in person or sent by certified registered mail to the President or 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 without cause by the shareholders of the Corporation at a meeting duly called for that purpose.

Section 7. Annual Cash Requirements: The Board of Directors shall, except as may be otherwise restricted by the Proprietary Lease of the Corporation, from time to time, determine the cash requirements as defined in the Corporation's proprietary leases, and fix the terms and manner of payment rent under the Corporation's proprietary leases. The Board of Directors shall have discretionary power to prescribe the manner of maintaining and operating the apartment house of the Corporation and to determine the cash requirements of the Corporation to be paid as aforesaid by the shareholder-tenants under their respective proprietary leases. Every such determination by the Board of Directors shall be final and conclusive as to all shareholder-tenants and any expenditures made by the Corporation's officers or its agent under the direction or with the approval of the Board of Directors of the Corporation shall, as against the shareholder-tenants, be deemed necessarily and properly made for such purpose.

Section 8. House Rules: The Board of Directors may from time to time, adopt and amend such house rules as it may deem necessary in respect to the apartment building of the corporation for the health, safety and convenience of the shareholder-tenants. Copies thereof and of changes therein shall be furnished to each shareholder-tenant.

Section 9. Executive Committee and other Committees: The Board of Directors may by resolution appoint an Executive Committee, and such other committees as it may deem appropriate, each to consist of three (3) or more directors of the Corporation. Such committees shall have and may exercise such of the powers of the Board in the management of the business and affairs of the Corporation during the intervals between the meetings of the Board as may be determined by the authorizing resolution of the Board of Directors and so far as may be permitted by law, except that no committee shall 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.

Section 10. Distributions: The shareholder-tenants shall not 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 IV

### Officers

Section 1. Election and Removal: The officers of the Corporation shall be a president, one (1) or more vice-presidents, a secretary and a treasurer. Such officers shall be elected at the first meeting of the Board of Directors after these By-Laws become effective, and thereafter at the regular meeting in each year following the annual meeting of shareholders, and shall serve until removed or until their successors shall have been elected. The Board of Directors may at any time or from time to time appoint one (1) or more assistant secretaries and one (1) or more assistant treasurers to hold office at the pleasure of the Board and may accord to such officers such power as the Board deems proper. Any officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the then authorized total number of directors. The president shall be a member of the Board of Directors, and shall be a shareholder or the spouse of a shareholder, but none of the other officers need be a member of the Board of Directors or a shareholder or the spouse of a shareholder. One person may hold not more than two (2) offices at the same time, except that the president and the secretary may not be the same person. Vacancies occurring in the office of any officer may be filled by the Board of Directors at any time.

Section 2. Duties of President and Vice-Presidents: The president shall preside at all meetings of the stockholders and of the Board of Directors. The president or any vice-president shall sign in the name of the Corporation all contracts, leases and other instruments which are authorized from time to time by the Board of Directors. The president, subject to the control of the Board of Directors, shall have general management of the affairs of the Corporation and perform all the duties incidental to the office. In the absence from the City of New York or inability of the president to act, any vice-president shall have the powers and perform the duties of the president.

Section 3. Duties of Treasurer: The treasurer shall have the care and custody of all funds and securities of the Corporation, and shall deposit such funds in the name of the Corporation in such bank or trust companies as the directors may determine, and he shall perform all other duties incidental to his office. If so required by the Board of Directors, he shall, before receiving any such funds, furnish to the Corporation a bond with a surety company as surety, in such form and amount as said Board from time to time shall determine. The premium upon such bond shall be paid by the Corporation. Within three (3) months after the close of each calendar year, the treasurer shall cause to be furnished to each shareholder-tenant whose proprietary lease is then in effect, a statement of the Certified Public Accountant of the Corporation of any deduction available for income tax purposes on a per share basis and indicating thereon on a per share

basis any such other information as may be necessary or useful to permit him to compute his income tax returns in respect thereof.

Within three months after the end of each fiscal year, the treasurer shall cause to be transmitted to each shareholder-tenant whose proprietary lease is then in effect, an annual report of operations and balance sheet of the Corporation which shall be certified by an independent Certified Public Accountant. A copy of said annual report shall be submitted to the Department of Law of the State of New York.

In the absence or inability of the treasurer, the assistant treasurer, if any, shall have all the powers and perform all the duties of the treasurer.

Section 4. Duties of Secretary: The secretary shall keep the minutes of the meetings of the Board of Directors and of the meetings of shareholders; he shall attend to the giving and serving of all notices of the Corporation and shall be empowered to affix the corporate seal to all written instruments authorized by the Board of Directors of these By-Laws. He shall also perform all other duties incidental to his office. He shall cause to be kept a book containing the names, alphabetically arranged, of all persons who are shareholders of the Corporation, showing their places of residence, the number of shares held by them, respectively, the time when they respectively became the owners thereof, and the amount paid thereon, and the denomination and the amount of all share issuance or transfer stamps affixed thereto, and such book shall be open for inspection as provided by law. In the absence or inability of the secretary, the assistant secretary, if any, shall have all the powers and perform all the duties of the secretary.

## ARTICLE V

### Proprietary Leases

Section 1. Form of Lease: The Board of Directors shall adopt a form of proprietary lease to be used by the Corporation for the leasing of all apartments and other space in the apartment building of the Corporation to be leased to shareholder-tenants under proprietary leases. Such proprietary leases shall be for such terms, 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 and/or transfer of the shares of the Corporation appurtenant thereto, and such other terms, provisions, conditions and covenants as the Board of Directors may determine.

After a proprietary lease in the form so adopted by the Board of Directors shall have been executed and delivered by the Corporation, all proprietary leases (as distinct from the house rules) subsequently executed and delivered shall be in the same

form, except with respect to the statement as to the number of shares owned by the lessee, the use of the premises and the date of the commencement of the term, unless any change or alteration is approved by lessees in accordance with the voting set forth in Section 5 of Meetings of Shareholders above.

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 leases. A duplicate original of each proprietary lease shall always be kept on file in the principal office of the Corporation or with the managing agent of the apartment building.

Section 3. Allocation of Shares: The Board of Directors shall allocate to each apartment or other space in the apartment building of the corporation to be leased to shareholder-tenants under proprietary leases the number of shares of the Corporation which must be owned by the proprietary lessee of such apartment or other space.

Section 4. Assignment of Lease and Transfer of Shares: No assignment of any lease or transfer of the shares of the Corporation shall take effect as against the Corporation for any purpose until a proper assignment has been delivered to the Corporation; the assignee has assumed and agreed to perform and comply with all the covenants and conditions of the assigned lease or has entered into a new lease for the remainder of the term; all shares of the Corporation appurtenant to the lease have been transferred to the assignee; all sums due have been paid to the Corporation; and all necessary consents have been properly obtained. The action of the Board of Directors with respect to the written application for consent of a proposed assignment or subletting must be made within thirty (30) days after receipt of said written application.

Where the Assignor is a holder of "Unsold Shares," consent to an assignment or transfer of his lease and the shares appurtenant thereto or a subletting or occupancy of the demised premises will not be required. The provisions of the preceding sentence may not be changed or discontinued without the written consent of the holders of Unsold Shares.

No person to whom the interest of a lessee or shareholder shall pass by law shall be entitled to assign any lease, transfer any share, or to sublet or occupy any apartment, except upon compliance with the requirements of the lease and these By-Laws, unless the proposed assignor or sublessor is a holder of "Unsold Shares," in which case the preceding paragraph shall apply.

Section 5. Fees on Assignment: The Board of Directors shall have authority before an assignment or sublet of a proprietary lease or reallocation of shares takes effect as against

the Corporation as lessor, to fix a reasonable fee to cover actual expenses and attorneys' fees of the Corporation, a service fee of the Corporation and such other conditions as it may determine, in connection with each such proposed assignment.

Section 6. 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 in lieu thereof, in the same form and with the same terms, provisions, conditions and limitations. The Board may, in its discretion, before the issuance of any such new proprietary lease, require the owner thereof, or the legal representative of the owner, to make an affidavit or affirmation setting forth such facts as to the loss, destruction or mutilation as it deems necessary, and to give the Corporation a bond in such reasonable sum as it directs, to indemnify the Corporation.

Section 7. Regrouping 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 any desired number of apartments, (2) to combine 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, but the total number of the shares so reallocated shall not be less than the number of shares previously allocated to the apartment or apartments involved, and, in connection with any such regrouping, the Board of Directors may require that the number of shares allocated to the resulting apartment or apartments be greater than the number of shares allocated to the original apartment or apartments, and may authorize the issuance of shares from its treasury for such purpose; or B: to incorporate one or more servant's rooms, or other space in the building not covered by an 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 this Section 7 or otherwise, and in allocating shares to any such resulting apartment or apartments, shall determine the number of shares from its treasury to be issued and allocated in connection with the appropriation of such additional space.

In respect of apartments for which the proprietary lease and shares issued to accompany the same are owned by the Sponsor named in the Plan of Cooperative Organization or the Sponsor's Nominee or the Sponsor's Assignee (who while entitled to occupy any such apartments for his personal use does not do so), such Sponsor, Nominee, or Assignee may, upon the written consent of only the Managing Agent of the Building, change the

number of such apartments by increasing or decreasing their size, or change the size, layout or location of any such apartment; but such Sponsor, Nominee, or Assignee shall not have the right to reallocate the shares allocated to any of the apartments offered for sale under said Plan, unless such reallocation is designed to reflect a change in the value of the equity in the property attributable to the apartment or apartments to which the block of shares is being reallocated. Any such changes shall comply with the law and shall not permanently encroach on any public area of the Corporation.

Upon any regrouping of space in the building, the proprietary leases so affected, and the accompanying share certificates shall be surrendered, and there shall be executed and delivered in place thereof, respectively, a new proprietary lease for each separate apartment involved, and a new certificate for the number of shares so reallocated to each new proprietary lease.

## ARTICLE VI

### Capital Shares

Section 1. No shares hereafter issued or acquired by the Corporation shall be issued or reissued except in connection with the execution by the purchaser and delivery by the Corporation of a proprietary lease of an apartment in the building owned by the Corporation. The ownership of shares shall entitle the holder thereof to occupy the apartment for the purposes specified in the proprietary lease to which the shares are appurtenant, subject to the provisions, covenants and agreement contained in such proprietary lease.

Section 2. Form and Share Register: Certificates of the shares of the Corporation shall be in the form adopted 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. Such signatures and seal may be facsimiles when and to the extent permitted by applicable statutory provisions. Certificates shall be issued in consecutive order and there shall be recorded the name of the person holding the shares, 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 and such certificate shall be retained in the Corporate records.

Section 3. Issuance of Certificates: Shares appurtenant to each proprietary lease shall be issued in the amount allocated by the Board of Directors to the apartment or other space described in such proprietary lease and shall be represented by a single certificate.

Section 4. Transfers: Transfers of shares shall be made upon the books of the Corporation only by the holder in person or



by power of attorney, duly executed and filed with the secretary of the Corporation and on the surrender of the certificate for such shares, except that shares sold by the Corporation to satisfy any lien which it holds thereon may be transferred without the surrender of the certificate representing such shares.

Section 5. Units of Issuance: Except as otherwise provided in Article V, Section 7, unless and until all proprietary leases which shall have been executed by the Corporation, shall have been terminated, the shares appurtenant to each proprietary lease shall not be sold or assigned except as an entirety to the Corporation or an assignee of such proprietary lease, after complying with and satisfying the requirements of such proprietary lease in respect to the assignment thereof.

Section 6. Corporation's Lien: The Corporation shall at all times have a first lien upon the shares owned by each shareholder for all indebtedness and obligations owing and to be owing by such shareholder to the Corporation, arising under the provisions of any proprietary lease issued by the Corporation and at any time held by such shareholder or otherwise arising. Unless and until such shareholder as lessee shall default in the payment of any of the rental or in the performance of any of the covenants or conditions of such proprietary lease, and/or unless and until such shareholder shall default in the payment of any indebtedness or obligation owing by such shareholder to the Corporation otherwise arising, such 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 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 of the shares so purchased substantially of the tenor of the certificate for such shares theretofore issued to such defaulting shareholder shall become void and such defaulting shareholder agrees to surrender such last mentioned certificate to the Corporation upon the latter's demand, but the failure of such defaulting shareholder so to surrender such certificate shall not affect the validity of the certificate issued in replacement thereof. The Corporation may refuse to consent to the transfer of shares of any shareholder indebted to the Corporation unless and until such indebtedness is paid.

Section 7. Lost Certificates: In the event that any share certificate 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, destruction or mutilation as it deems necessary, and to give the Corporation a bond in such reasonable sum as it directs, to indemnify the Corporation.

Section 8. Legend on Share Certificates: Certificates representing shares of the Corporation shall bear a legend reading as follows:

"The rights of the purchaser granted him by the proprietary lease and stock certificate for this apartment are subject to the rights of an existing tenant even though the purchaser may want to occupy the apartment as his own residence.

The rights of any holder of this certificate are subject to the provisions of the by-laws of 32 Gramercy Park Owners Corp. and to all the terms, covenants, conditions and provisions of a certain proprietary lease made between 32 Gramercy Park Owners Corp., as lessor, and the person in whose name this certificate is issued, as lessee, for an apartment in the premises known as 32 Gramercy Park South, New York, New York, which 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 approved assignee of such proprietary lease."

Copies of the proprietary lease and the by-laws are on file and available for inspection at the office of the Managing Agent of this Corporation.

The directors of this Corporation may refuse to consent to the transfer of the shares represented by this certificate until any indebtedness of the shareholder to the Corporation is paid. The Corporation, by the terms of said By-Laws and proprietary lease, has a first lien on the shares represented by this certificate for all sums due and to become due under said proprietary lease.

## ARTICLE VII

### Indemnification

Section 1. To the extent allowed by law, the Corporation shall indemnify 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, 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, as such duty is defined in Section 717 of the Business Corporation Law. To the extent allowed by law, the Corporation shall also indemnify any person.

made, or threatened to be 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, including an action by or in the right of any other corporation, domestic or foreign, which he served in any capacity at the request of the Corporation by reason of the fact, that he, his testator or intestate was a director or officer of the Corporation or served it in any capacity 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 interests of the Corporation and, in criminal actions or proceedings, in addition, had no reasonable cause to believe that his conduct was unlawful.

Nothing contained in this provision shall limit any right to indemnification to which any director or any officer may be entitled by contract or under any law now or hereinafter enacted.

#### ARTICLE VIII

##### Seal

Section 1. The seal of the Corporation shall be circular in form and have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal" and "New York".

#### ARTICLE IX

##### Negotiable Instruments

Section 1. All checks, drafts, orders for payment of money and negotiable instruments shall be signed by such officer or officers or employee or employees as the Board of Directors may from time to time, by standing resolution or special order, prescribe.

Section 2. Endorsements or transfers of shares, bonds, or other securities shall be signed by the president or any vice-president and by the treasurer or an assistant treasurer or the secretary or an assistant secretary unless the Board of Directors, by special resolution in one or more instances, prescribe otherwise.

Section 3. Safe Deposit Boxes: Such officer or officers as from time to time shall be designated by the Board of Directors, shall have access to any safe of the Corporation in the vault of any safe deposit company.

Section 4. Securities: Such officer or officers as from time to time shall be designated by the Board of Directors shall

have power to control and direct the disposition of any bonds or other securities or property of the Corporation deposited in the custody of any trust company, bank or other custodian.

## ARTICLE X

### Fiscal Year

Section 1. The fiscal year of the Corporation shall be the calendar year unless otherwise determined by resolution of the Board of Directors.

## ARTICLE XI

### Miscellaneous

Section 1. Salaries: No salary or other compensation for services shall be paid to any director or 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 duly held meeting of shareholders, by shareholders owning at least a majority of the then outstanding shares of the Corporation.

Section 2. Capital Reserves Authorization: The Board has 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.

## ARTICLE XII

### Amendments

Section 1. These By-Laws may be amended, enlarged or diminished either (a) at any shareholders' meeting by vote of shareholders owning two-thirds of the amount of the outstanding shares, represented in person or by proxy, provided that the proposed amendment or the substance thereof shall have been inserted in the notice of meeting or that all of the shareholders be present in person or by proxy, or (b) at any meeting of the Board of Directors by a majority vote, provided that the proposed amendment or the substance thereof shall have been inserted in the notice of meeting or that all of the Directors are present in person, except that the Directors may not repeal a By-Law amendment adopted by the shareholders as provided above.

EXHIBIT III

Section 352-eeee of General Business Law

Section 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 were 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 pos-

session 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 tenants 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 for 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 expenses; 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 tenants 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 of 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 said executed contract to said tenant.

(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 accomplished 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 or 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 as to rentals 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 provision of this section shall only be applicable in the city of New York.

ANBY ASSOCIATES  
c/o Robert J. Ettinger  
220 Madison Avenue  
New York, New York

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

Attention: Real Estate Financing Bureau

Re: 32 Gramercy Park South  
New York, New York

The undersigned, certify as follows:

We are the sponsor and the principals of sponsor of the offering to convert the subject property 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 making this certification. We jointly and severally certify that the offering plan does, and that all documents submitted hereafter by us which amend or supplement the offering plan will:

- (1) set forth the detailed terms of the transaction and be complete, current and accurate;
- (2) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (3) not omit any material fact;
- (4) not contain any untrue statement of a material fact;
- (5) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
- (6) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

- (7) not contain any representation or statement which is false, where we: (i) knew the truth; (ii) with reasonable effort could have known the truth; (iii) made no reasonable effort to ascertain the truth, or (iv) did not have knowledge concerning the representations or statement made.

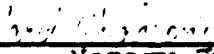
This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

ANBY ASSOCIATES

  
\_\_\_\_\_  
LAWRENCE E. GOLDSCHMIDT

  
\_\_\_\_\_  
ROBERT J. ETTINGER

Sworn to before me this  
20th day of July, 1983.

  
\_\_\_\_\_  
Notary Public

CAROL CHIAPPONE  
Notary Public, State of New York  
1981-1983  
County of ...  
Commission Expires March 30, 1984

# BYRNES & WALSH

*Consulting Engineers*

ROOM 1608  
270 MADISON AVENUE  
NEW YORK, NEW YORK 10016  
(212) 889-0679

GARRETT BYRNES, P.E.

JEREMIAH T. WALSH, P.E.

1932-1983

May 15, 1983

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

Att: Real Estate Financing Bureau

Re: 32 Gramercy Park South  
Manhattan

The undersigned (an engineer licensed to practice as a professional engineer in New York State) certify as follows:

The sponsor of the offering to convert the captioned property to a cooperative retained me to prepare a report disclosing the condition of the above captioned property (the "Report"). I visually inspected the property from time to time during September and October 1982 and in April and May 1983. I prepared the report dated October 20, 1982 revised on May 13, 1983, a copy of which is intended to be incorporated into the offering plan so that tenants and prospective purchasers may rely on the Report.

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

I 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.

I certify that the Report and all documents prepared by me 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. I certify that the Report based on my visual inspection:

- (i) sets forth in detail the condition of the entire property and are current and accurate as of the date of inspection;
- (ii) 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 I:
  - (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.

I further certify that I am not owned or controlled by and have no beneficial interest in the sponsor and that my 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.

GARRETT BYRNES, P.E.

By: *Garrett Byrnes* P.E.

GB:ab

Sworn to before me  
this 5<sup>th</sup> day of May 1983.

*Laurie Pollack*  
Notary Public



Laurie Pollack  
NOTARY PUBLIC, State of New York  
No. 31-4770003  
Qualified in New York County  
Commission Expires March 30, 1984





**EICHNER LEEDS ASSOCS. LTD.**

274 MADISON AVENUE, NEW YORK, N.Y. 10016 ■ (212) 532-6446

**CERTIFICATION OF SPONSOR'S EXPERT CONCERNING  
ADEQUACY OF BUDGET**

April 19, 1983

Department of Law  
Real Estate Financing Bureau  
110 World Trade Center  
New York, New York

Re: 32 Gramercy Park South  
New York, New York

Gentlemen:

The sponsor of the cooperative offering plan for the captioned property retained our firm to review or prepare Schedule B containing projections of income and expenses for the first year cooperative operation. Our experience in this field includes the management of over thirty rental properties and two cooperatives in New York City and its surrounding areas. The undersigned is a licensed real estate broker and has been involved in management of buildings for twenty-five years.

We understand we are responsible for complying with Article 25-A of the General Business Law and the regulations promulgated by the Department of Law in Part 18 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 also have relied on our experience in managing residential buildings.

We certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of cooperative operation.

**EICHNER LEEDS ASSOCS. LTD.**

ge 2

We certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of cooperative operation.

We certify that the Schedule:

- (i) sets forth in detail the projected income and expenses for the first year of cooperative operation;
- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of cooperative operation;
- (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 statements made.

We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of cooperative operation.

**EICHNER LEEDS ASSOCS. LTD.**

Page 3


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.

EICHNER LEEDS ASSOCS., LTD.

By: 

Arthur Eichner, CPM  
Vice President

Sworn to before me this  
27th day of April, 1983.



Notary Public

DONALD J. SHELL  
NOTARY PUBLIC, STATE OF NEW YORK  
152 CO. ST. 2170  
ROCKAWAY COUNTY  
ROCKAWAY COUNTY, N.Y.  
EXPIRES: March 31, 1984

---

Apartment No.:

Shares:

32 GRAMERCY PARK OWNERS CORP.

Lessor,

TO

Lessee.

---

PROPRIETARY LEASE

---

32 GRAMERCY PARK SOUTH  
NEW YORK, NEW YORK

This Proprietary Lease was adopted by shareholders at the  
Special Meeting of Shareholders held on September 30, 2002  
and supersedes all prior proprietary leases.

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PROPRIETARY LEASE

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PROPRIETARY LEASE made as of . . . 20 . . . , by and between 32 GRAMERCY PARK OWNERS CORP., a New York corporation, having an office at 32 Gramercy Park, 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 City, County and State of New York known as and by the street number 32 Gramercy Park South, New York, New York, 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                      NOW, THEREFORE, in consideration of the premises, the Lessor hereby leases to the Lessee, and 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 . . . until September 30, 2062 (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. Such appurtenances, fixtures, closets, terraces, balconies, roof, or portion thereof outside of said partitioned rooms which are allocated exclusively to the occupant of the apartment shall be identified on Schedule A to this lease. If no Schedule A is attached, Lessee shall not have any rights to exclusive use of any such appurtenances, fixtures or additional spaces.

Term

Rent (Main-tenance)                      1. (a) The rent (sometimes called maintenance) payable by the Lessee for each year, or portion

How Fixed

of a year, during the term shall equal that 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 shares 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. The Lessee shall also pay such additional rent as may be provided for herein when due. The Lessor may apply any payments received from the Lessee or from any third party for Lessee's account to unpaid rent, to unpaid additional rent or to any other outstanding charge then remaining due and owing from Lessee to Lessor in any order as Lessor may determine, in its sole discretion.

Accompanying Shares to Be Specified in Proprietary Lease

(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.

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 reserves for contingencies or capital improvements 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  
Board 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 be issued on a date other than the first or last day of the 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 as may be proper determine how much of the maintenance and other receipts, when received (but not more than such amount as represents payments on account of principal of mortgages on the property and other capital expenditures), shall be credited on the corporate accounts to "Paid-in Surplus". Unless the Directors shall determine otherwise, the amount of payments on account of principal of any mortgages shall be credited to Paid-in Surplus.

Failure to  
Fix Cash  
Require-  
ments

(g) The omission 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 in good repair all of the building 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 Lessor may, but is not obligated to, provide directly to Lessee electricity, gas, or other services offered by third parties to occupants of the building. Should Lessor provide such services directly to Lessee, the charges for such services, if any, shall be determined by the Directors, in its sole discretion, and may be included as part of the rent payable by Lessee hereunder or separately charged and, if separately charged, shall be payable by Lessee as additional rent. The covenants 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

4. (a) If the apartment or the means of access thereto or the building shall be damaged by fire

or Building

or other cause covered by multiperil policies commonly carried by cooperative corporations in New York City (any other damage is 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, Lessor shall not be required to repair or replace or cause to be repaired or replaced, equipment, fixtures, furniture, furnishings or decorations installed by the Lessee or any of his predecessors in title nor shall the Lessor be obligated to repaint or replace wallpaper or other decorations in apartments.

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 agents, 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 carriers, 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 leases and all right, title and interest of the parties thereunder and the tenancies thereby created, shall thereupon wholly cease and expire and rent shall be paid to the date of such destruction or damage. 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.

Insurance  
to be  
Purchased  
By Lessee

(d) Lessee shall, at the Lessee's sole cost and expense, obtain and keep in full force and effect throughout the term of this lease (1) comprehensive public liability and property damage insurance against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, upon, or from the apartment or any part thereof, naming the Lessor and the Lessor's managing agent as additional named insureds, and with a minimum limit of liability of \$300,000 for bodily injury or death arising out of one occurrence, and \$250,000 for damage to property, and (2) tenant's property damage insurance in respect of property damage occurring in, upon or from the apartment or building or any part thereof (including, but not limited to loss due to water damage). The Directors of Lessor may, from time to time, establish such other minimum limits of liability and types of insurance to be obtained by Lessee as it deems appropriate in its sole discretion. The insurance required herein shall be written by good and solvent insurance companies of recognized standing, admitted and licensed to do business in the State of New York. Upon ten (10) days' written notice from the Lessor, the Lessee shall deliver to the Lessor either a duplicate original or the aforesaid policies or certificates evidencing such insurance. The failure of the Lessee to obtain and maintain, throughout the term of this lease, the insurance required above shall be a default under this lease.

Waiver of  
Subrogation

(e) Lessor and Lessee, unless the Directors of Lessor determines, in its sole discretion, to waive this obligation of Lessee, agree to use their best efforts to obtain a provision in all insurance policies carried by them waiving the right of subrogation against the Lessee and Lessor, respectively. To the extent that any loss or damage sustained by the Lessor is covered 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 the 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 Lessor, then in such event Lessee releases Lessor from any liability with respect to such loss or damage.

Inspection  
of Books  
of Account

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 accountant.

Changes in  
Terms and  
and Condi-  
tions of  
Proprie-  
tary Leases

6. Each proprietary lease shall be in the form of this lease, unless a variation of any lease is authorized by lessees owning 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 seventy-five (75%) percent 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.

Penthouses,  
Terraces  
and Bal-  
conies

7. If the apartment includes a terrace, balcony, or a portion of the roof adjoining a penthouse, the Lessee shall have and enjoy the exclusive use of the terrace or 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, television and data transmission aerials, antennas and satellite dishes, and such other equipment as the Directors in its sole discretion may determine for use by the Lessor and/or by the other lessees in the building and shall have the right of access thereto for such installations and for the repair thereof. The Lessor, its agents and contractors, shall also be granted access by the Lessee to any terrace, balcony or portion of the roof for the purpose of performing repairs to such space or to assist in the performance of repairs to other areas of the building. The Lessee shall keep the terrace, balcony, or portion of the roof appurtenance 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 nor shall anything be affixed to the exterior walls of the building 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 obligations 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 Lessee's rights against said third party.

Cancel-  
lation of  
Prior Agree-  
ments

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 En-  
joyment

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 underlying leases of the land and building.

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 this 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 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, together with such late fee as may be determined by the Directors from time to time in its sole discretion, and such interest and late fee, if any, 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. This lease shall be in all respects subject to 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 and the Lessee shall pay, as additional rent hereunder, all legal fees and disbursements and, if such breach shall continue after written notice is sent by Lessor to Lessee to cure such breach of House Rule, an administrative fee, in an amount not greater than one-half of one month's maintenance charges payable by Lessee, as may be established by the Directors, from time to time, in its sole discretion, as compensation for Lessor's and its managing agent's additional time and effort required by Lessee's violation of a House Rule. 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 may occupy or use the apartment or permit the same or any part thereof to be occupied or used as a private dwelling for the

Lessee and the Lessee' s spouse or domestic partner, their children, grandchildren, parents, grandparents, brothers and sisters and domestic employees, and for such other purposes as may be permitted under applicable zoning laws and are otherwise legal. In no event shall more than one married 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 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 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.

#### Subletting

15. Except as provided in Paragraph 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 Directors or, if the Directors shall have failed or refused to give such consent, then by Lessees owning at least sixty-five (65%) percent 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 called for such purpose. Any consent to subletting may be subject to such financial and other conditions as the Directors or Lessees, as the case may be, may impose, and such financial conditions may include payment of such sublease fees as may be established from time to time in the sole discretion of the Directors or Lessees, and payment of all related legal fees and disbursements, management fees and other charges. There shall be no limitation on the right of Directors or Lessees to grant or withhold consent, for any reason or for no reason to a subletting.

#### 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 a 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 a form approved by Lessor assuming and agreeing to be bound by all the covenants and conditions of this lease and of all other agreements then in effect between Lessee and Lessor 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; and

(v) Except in the case of an assignment, transfer or bequest to the Lessee's spouse, of the shares and this lease, and except as provided in Paragraph 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 thirty (30) days after submission of references to them or Lessor's agent, then by lessees owning of record at least sixty-five (65%) percent 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 called for such purpose in the manner as provided in the By-Laws.

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 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 right of the Directors or lessees to grant or withhold consent, for any reason or for no reason, to an assignment.

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 Sublet-  
ting

(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 statement that this lease remains on the date thereof in force and effect; but no such statement shall be deemed an admission that there is no default under the lease.

17. (a) Provided that the Lessee complies with the criteria for financing or refinancing established by the Directors in its sole discretion, the execution and delivery of a leasehold mortgage and/or the creation of a

security interest in this lease and the shares to which this lease is appurtenant shall not be a violation of this lease; but, except as provided in this Paragraph 17 below, neither the secured party nor the leasehold mortgagee, nor any transferee of the 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 complying with all of the provisions of Paragraphs 15 and 16 of this lease. The acceptance by the Lessor of payments by the secured party or leasehold mortgagee or any transferee of the security on account of rent or additional rent shall not constitute a waiver of the aforesaid provision.

Rights of a  
Secured  
Party

(b) 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.

(c) If this lease is terminated by the Lessor as provided in Paragraph 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 dispossess 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 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 Paragraphs 16(a)(v) and 32(c) but 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, on behalf of the Lessee, 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).

(d) 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-leasehold mortgage or either of them 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-leasehold mortgage, or either of them, (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, on behalf of the Lessee, 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 as hereinafter provided, 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) - (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 shareholders to which reference is made in Paragraph 16(a)(v), but 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, 21 and 38 of this lease as if he were a holder of Unsold Shares.

(e) Without the prior written consent of any Secured Party who has requested a copy of any notice of default as hereinbefore provided in subparagraph (b) of this Paragraph 17, (a) the Lessor and the Lessee will not enter into any agreement modifying or cancelling this lease, (b) no change in the form, 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 Paragraph 31 or 35 of this lease and in subparagraph (b) 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.

f) Any designee of the Secured Party to whom a transfer of a lease shall have been made pursuant to the terms of subparagraphs (b) and (a) hereof 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-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.

Repairs by  
the Lessee

18. (a) 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 and terrace doors, frames and saddles unless same has been installed by Lessee) in good repair, shall do all of the painting and decorating required for 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 and air conditioner sleeves, 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 heating equipment which is part of the standard building equipment unless same has been installed by the Lessee. 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. The Lessee shall be solely responsible for the maintenance, repair and replacement of all of the work and equipment, fixtures, pipes and wiring installed by the Lessee in the interior of the apartment or in the walls, ceiling or floors of the apartment. Any ventilator or air conditioning device which shall be visible from the outside of the building shall at all times be painted by the Lessee in a standard color which the Lessor may select for the building. All air conditioning units shall be properly pitched and maintained by Lessee to prevent the accumulation of water or condensation and damage to the building, the apartment or other apartments in the building.

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 noises 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 appliances or equipment which may be creating the objectionable condition.

Rules and  
Regulations  
and Require-  
ments 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 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 requirements of such mortgage or mortgages 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  
Default

19. If the Lessee shall fail for thirty (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 thirty (30) days 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 five (5) days), then Lessor may, but shall not be obligated, to comply therewith, and for such purpose may enter upon the apartment of Lessee. The Lessor shall be entitled to recover from the Lessee all expenses incurred or for which it has contracted hereunder, such expenses to be payable by the Lessee on demand as 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 thirty (30) days after written notice from the Lessor specifying the objectionable occupancy or use) become 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, 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 including, but not limited to, the execution and delivery to Lessor of an alteration agreement and such other documents as may be requested by Lessor, and of all governmental agencies having jurisdiction thereof. Alterations of the building or any unit must be made in full compliance with all building codes and related laws and are precluded from encroaching or impinging on exterior walls and public areas of the building. The Lessee shall not in any case install any appliances which will overload the existing wires or equipment in the building. These provisions shall apply to the Holders of Unsold Shares.

Removal of

(b) Without Lessor's written consent, the

Fixtures

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 additional rent or in the performance or observance of any other covenants or conditions of this lease; and (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; and (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; and (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.

Surrender on  
Expiration  
of Term

(c) On the expiration or termination of this lease, the Lessee shall surrender to the Lessor possession of the apartment with all additions, 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.

Lease Sub-  
ordinate to  
Mortgages  
and Ground  
Leases

22. This lease is and shall be subject and subordinate to all present and future ground or underlying 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. This clause shall be self-operative and no further instrument of subordination shall be required by any such mortgagee or ground or underlying 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 or underlying 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 or underlying lease is executed and delivered to the holder of a mortgage or mortgages on such ground or underlying 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 or such mortgagee or to any corporation formed by or for the benefit of such mortgagee.

Mechanics'  
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 attorneys' 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

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 their act or omission of the Lessee or any of 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 emergency, only when specifically authorized by an officer of the Lessor or an officer of the Managing Agent) 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 registered mail or certified 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.



Reimburse-  
ment 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 the preparation or the sending of any default, termination or other notice to the Lessee regarding such default, 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 attorneys' 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 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 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 Lessee 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, other lessees, and the managing agent, for all losses, damages or fines suffered by them 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 of the events mentioned in subdivisions (a) to (i) 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 (5) 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 Accompany-  
ing 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 of said shares;

Lessee Becoming  
Bankrupt

(b) If at any time during the term of a 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 of the 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 (30) 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 provided that within eight (8) months (which period may be extended by the Directors) after the death said lease and shares shall have been transferred to any assignee in accordance with Paragraph 16 hereof;

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 Lessees shall fail to cause such unauthorized person to vacate the apartment within ten (10) 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 (10) 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 or additional rent, and such default shall continue for thirty (30) days after written notice from the Lessor;

Lessee's Objec-  
tionable 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;

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 seventy-five (75%) percent 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.

Lessor's  
Right 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 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 installments at the time such rent would be due hereunder. No suit brought to recover any 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 rent 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 four (4) following 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 Sub-  
tenants

(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 subdivisions (a) to (f) inclusive 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 towards the payment of the Lessee's indebtedness hereunder, including interest, attorneys' fees and other expenses incurred by the Lessor, and, if the proceeds are sufficient to pay the same, the Lessor shall pay over any surplus to the Lessee, but, if insufficient, the Lessee shall remain liable for the balance of the indebtedness. 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 dispossessed by judgment or warrant of any court or judge. The words "enter", "re-enter" and "re-entry" as used in this lease are not restricted to their technical legal meaning.

Surrender of

34. Upon the termination of this lease under

Possession

the provisions of subdivisions (a) to (f) inclusive 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 provision, the Lessee shall remain liable for all 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 30<sup>th</sup> after the third anniversary of the consummation of the Offering Statement-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

(i) 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 and other charges whatsoever;

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

(iii) 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

(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 31<sup>st</sup> of the year of cancellation, and on or before said August 31<sup>st</sup> 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 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 30<sup>th</sup>.

Possession

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 31<sup>st</sup> 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  
Cancel-  
lation

(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 30<sup>th</sup> 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

(e) If the Lessee shall give the notice but fail to comply with any of the other

Default

provisions of this paragraph, the Lessor shall have the option at any time prior to September 30<sup>th</sup> (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 30<sup>th</sup> 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 30<sup>th</sup> of said year, shall aggregate ten (10%) percent or more of the Lessor's outstanding shares, exclusive of treasury shares, then the Lessor shall, prior to April 30<sup>th</sup> in such year, give a written notice to the holders 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 July 1st instead of April 1st.

Right of  
Lessees  
to Cancel

(b) If lessees owning at least eighty (80%) percent 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 30<sup>th</sup> 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 Coopera-  
tive Manage-  
ment of  
Building  
After All  
Leases  
Terminated

37. No later than thirty (30) 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 Sponsor's grantor(s) or individuals produced by the Sponsor's grantor(s) pursuant to the offering Statement-Plan of Cooperative Organization or Contract of Sale under which the Lessor acquired title to the building; and, all shares which are Unsold Shares 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. This Paragraph 38 shall become inoperative as to this lease upon the occurrence of either of said events with respect to the Unsold Shares held by the Lessee named herein or his assignee. In connection with the sale of Unsold Shares, Lessor will, on request, deliver to the lender the standard recognition agreement then being used by banks or other lenders.

Subletting  
Apartment

(b) Neither the subletting of the apartment from time to time nor the assignment of this lease

and Sale  
of Shares

by the holder of Unsold Shares allocated to the apartment shall require the consent of the Directors or shareholders to which reference is made in Paragraphs 15 and 16(a) (v) of this lease, and such subletting or assignment shall not require any consent whatever nor shall the expenses of the Lessor and managing agent as provided by Paragraph 16(a) (iv) be payable.

Change  
in Form  
of Lease

(c) Without the Lessee's consent, 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.

No voluntary  
Cancellation

(d) The provisions of Paragraph 35 are not applicable to a Lessee who is the holder of a block of the Unsold Shares accompanying this lease to the following extent: The holders of Unsold Shares shall only have the right to surrender the shares of stock in accordance with the provisions of Paragraph 35 if (1) five (5) years have expired from the date of the initial offering, (2) eighty-five (85%) percent of all apartments have been sold to parties other than holders of Unsold Shares, and (3) the holder of Unsold Shares desiring to surrender the shares shall pay to Lessor two (2) years maintenance charges based upon the maintenance charges then in effect.

(e) Notwithstanding anything to the contrary contained in this lease, the provisions of this Paragraph 38 may not be changed without the written consent of the holders of Unsold Shares.

Fore-  
closure-  
Receiver  
Rents

39. Notwithstanding anything contained in this lease, if any action shall be instituted to fore-close 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.

To Whom  
Covenants  
Apply

40. The references herein to the Lessor shall be deemed to include its successors and assigns, and 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 and administrators, legal representatives, legatees, distributees 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 Lessor 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 signature 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 constitute any cause of action in favor of either party as against the other.

Marginal  
Headings

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

Rights of  
Non-Purchas-  
ing Tenants

46. The rights of the purchaser granted him by the proprietary lease and stock certificate for this apartment are subject to the rights of an existing tenant even though the purchaser may want to occupy the apartment as his own residence. Such right is intended for the benefit of the non-purchasing tenant and is not intended to abrogate any rights of the owner of the apartment (Lessee) as against the Apartment Corporation. A non-purchasing tenant who resides in the apartment is subject to government regulations as to rentals and occupancy shall continue to be subject thereto; in the event government regulation as to rental and continued occupancy is eliminated or becomes inapplicable, the rent of the non-purchasing tenant shall not be subject to unconscionable increases beyond ordinary rentals for a comparable apartment during the period of the non-purchasing tenant's occupancy. The provisions of this Paragraph 47 may not be amended

or deleted.

Obligations  
if Non-  
Occupant  
Purchaser

47. A non-occupant purchaser shall deposit with the managing agent a sum equal to or not less than two months' maintenance charges to be used as working capital to furnish services required by law to the occupant of the apartment. Upon notice by the managing agent that said deposit has been diminished the purchaser-owner shall replenish the deposit within twenty (20) days. The foregoing provision shall not apply to shares held by the Holder of Unsold Shares provided the Holder of Unsold Shares is the Sponsor, a principal of the Sponsor, or a designee of the Sponsor.

Changes  
to Be in  
Writing

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

IN WITNESS WHEREOF, the parties have executed this lease.

LESSEE:

\_\_\_\_\_  
, Lessee

\_\_\_\_\_  
, Lessee

LESSOR:

32 GRAMERCY PARK OWNERS CORP.

By: \_\_\_\_\_  
President

STATE OF NEW YORK )  
 : SS:  
COUNTY OF NEW YORK )

On the \_\_\_\_ day of \_\_\_\_\_ in the year 20\_\_\_\_  
before me, the undersigned, a Notary Public in and for said State,  
personally appeared \_\_\_\_\_,  
personally known to me or proved to me on the basis of satisfactory  
evidence to be the individual(s) whose name(s) is (are) subscribed  
to the within instrument and acknowledged to me that he/ she/ they  
executed the same in his/ her/ their capacity(ies), and that by  
his/ her/ their signature(s) on the instrument, the individuals(s)  
or the person upon behalf of which the individual(s) acted,  
executed the instrument.

\_\_\_\_\_  
Notary Public

STATE OF NEW YORK )  
 : SS:  
COUNTY OF NEW YORK )

On the \_\_\_\_ day of \_\_\_\_\_ in the year 20\_\_\_\_  
before me, the undersigned, a Notary Public in and for said State,  
personally appeared \_\_\_\_\_,  
personally known to me or proved to me on the basis of satisfactory  
evidence to be the individual(s) whose name(s) is (are) subscribed  
to the within instrument and acknowledged to me that he/ she/ they  
executed the same in his/ her/ their capacity(ies), and that by  
his/ her/ their signature(s) on the instrument, the individuals(s)  
or the person upon behalf of which the individual(s) acted,  
executed the instrument.

\_\_\_\_\_  
Notary Public

STATE OF NEW YORK )  
 : SS:  
COUNTY OF NEW YORK )

On the \_\_\_\_ day of \_\_\_\_\_ in the year 20\_\_\_\_  
before me, the undersigned, a Notary Public in and for said State,  
personally appeared \_\_\_\_\_,  
personally known to me or proved to me on the basis of satisfactory  
evidence to be the individual(s) whose name(s) is (are) subscribed  
to the within instrument and acknowledged to me that he/ she/ they  
executed the same in his/ her/ their capacity(ies), and that by  
his/ her/ their signature(s) on the instrument, the individuals(s)  
or the person upon behalf of which the individual(s) acted,  
executed the instrument.

\_\_\_\_\_  
Notary Public



EXHIBIT II

BY-LAWS

OF

32 GRAMERCY PARK OWNERS CORP.

ARTICLE I

Purpose of Business

Section 1. The primary purpose of the Corporation is to provide residences for shareholders who shall be entitled, solely by reason of their ownership of shares, to proprietary leases for apartments in the building owned by the Corporation.

ARTICLE II

Meetings of Shareholders

Section 1. Annual Meeting: The 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 Borough of Manhattan, City of New York, at such time and place during the month of June of each year as may be designated by the Board. The notice of the 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 place within the state where it is to be held, and the secretary shall cause a copy thereof to be delivered personally or mailed to each shareholder of record of the Corporation entitled to vote at such meeting not less than ten (10) nor more than forty (40) days before the meeting. If mailed, it shall be directed to each such shareholder at his or her address as it appears on the share book, unless he or she shall have filed with the secretary of the Corporation a written request that notices intended for him or her be mailed to some other address, in which case it shall be mailed to the address designated in such request.

Section 2. Special Meetings: Special meetings of shareholders, other than those the calling of which is regulated by statute, may be called at any time by the president or secretary or by a majority of the Board of Directors. It shall also be the duty of the secretary to call such meetings whenever requested in writing so to do by shareholders owning at least twenty-five (25%) percent of the outstanding shares of the Corporation. The secretary shall cause a notice of such special meeting stating the time, place and object thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed as provided in Section 1 of this Article to each shareholder of record of the Corporation entitled to vote at

such meeting not less than ten (10) nor more than forty (40) days before such meeting. No business other than that stated in such notice shall be transacted at such special meeting unless the holders of all the outstanding shares of the Corporation be present thereat in person or by proxy.

Section 3. Waiver of Notices: The notice provided for in the two (2) foregoing sections is not indispensable but any shareholders' meeting whatever shall be valid for all purposes if all the outstanding shares of the Corporation are represented thereat in person or by proxy, or if a quorum is present, as provided in the next succeeding section, and waiver of notice of the time, place and objects of such meeting shall be duly executed in writing either before or after said meeting by such shareholders as are not so represented and were not given such notice.

Section 4. Quorum: At each meeting of shareholders, except where otherwise provided by law, shareholders representing, in person or by proxy, a majority of the shares then issued and outstanding shall constitute a quorum; in case a quorum shall not be present at any meeting, the holders of a majority of the shares represented may adjourn the meeting to some future time and place. No notice of the time and place of the adjourned meeting need be given other than by announcement at the meeting. Only those shareholders who, if present at the original meeting, would have been entitled to vote thereat, shall be entitled to vote at any such adjourned meeting.

Section 5. Voting: At each meeting of shareholders, each shareholder present in person or by proxy shall be entitled to one vote for each share registered in his name at the time of service of notice of such meeting or at such prior date, not more than forty (40) days before such meeting, as may be prescribed by the Board of Directors for the closing of the corporate share transfer books or fixed by the Board of Directors as the date for determining which shareholders of records are entitled to notice of and to vote at such meeting. The proxies shall be in writing duly signed by the shareholder but need not be acknowledged or witnessed, and the person named as proxy by any shareholder need not himself be a shareholder of the Corporation. Voting by shareholders shall be viva voce unless any shareholder present at the meeting, in person or by proxy, demands a vote by written ballot, 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 of such ballot if cast by a proxy.

In all elections of directors of the Corporation, each shareholder shall be entitled to as many votes as shall equal the number of votes which (except for these provisions) he would be entitled to cast for the election of directors with respect to his shares, multiplied by the number of directors to be elected.

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 for 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 expenses; 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 tenants 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 of 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 said executed contract to said tenant.

(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 accomplished 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 or 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 as to rentals 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 provision of this section shall only be applicable in the city of New York.

ANBY ASSOCIATES  
c/o Robert J. Ettinger  
220 Madison Avenue  
New York, New York

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

Attention: Real Estate Financing Bureau

Re: 32 Gramercy Park South  
New York, New York

The undersigned, certify as follows:

We are the sponsor and the principals of sponsor of the offering to convert the subject property 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 making this certification. We jointly and severally certify that the offering plan does, and that all documents submitted hereafter by us which amend or supplement the offering plan will:

- (1) set forth the detailed terms of the transaction and be complete, current and accurate;
- (2) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (3) not omit any material fact;
- (4) not contain any untrue statement of a material fact;
- (5) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
- (6) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

- (7) not contain any representation or statement which is false, where we: (i) knew the truth; (ii) with reasonable effort could have known the truth; (iii) made no reasonable effort to ascertain the truth, or (iv) did not have knowledge concerning the representations or statement 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.

ANBY ASSOCIATES

  
LAWRENCE E. GOLDSCHMIDT

  
ROBERT J. ETINGER

Sworn to before me this  
20th day of July, 1983.

  
Notary Public

CAROL CHAPONE  
Notary Public, New York  
Commission Expires March 30, 1984



and he may cast all of such votes for a single director or may distribute them among the number to be voted for, or any two (2) or more of them, as he may see fit.

Section 6. Inspectors of Election: Inspectors of election shall not be required to be appointed at any meeting of shareholders unless requested by a shareholder present (in person or by proxy) and entitled to vote at such meeting and upon the making of such request inspectors shall be appointed or elected as provided in Section 610 of the Business Corporation Law.

Section 7. Order of Business: So far as consistent with the purpose of the meeting, the order of business of each meeting of shareholders shall be as follows:

1. Call to order.
2. Presentation of proofs of due calling of the meeting.
3. Roll call and presentation and examination of proxies.
4. Reading of minutes of previous meeting or meetings, unless waived.
5. Reports of officers and committees.
6. Appointment or election of inspectors of election, if requested.
7. If the annual meeting or a special meeting called for that purpose, the election of directors.
8. Unfinished business.
9. New business.
10. Adjournment.

### ARTICLE III

#### Directors

Section 1. Number: The number of the Directors of the Corporation shall be not less than three (3) nor more than seven (7), as may from time to time be herein provided and, in the absence of such provision shall be three (3). Commencing with the first election of Directors by tenant-shareholders of the Corporation, and until changed by amendment of this By-Law provision, as hereinafter provided, the number of Directors shall be seven (7). 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.

Section 2. Election: The Directors 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 votes cast at such meeting. Their term of office shall be until the date herein fixed for the next annual meeting, and thereafter until their respective successors are elected and qualify. It shall not be necessary for a director of this Corporation to be a shareholder.

Section 3. Quorum: A majority of the Directors then authorized by these By-Laws shall constitute a quorum.

Section 4. Vacancies: Vacancies in the Board of Directors resulting from death, resignation or otherwise may be filled without notice to any of the shareholders by a vote of a majority of the remaining directors present at the meeting at which such election is held even though no quorum is present, which may be at any regular meeting of the Board of Directors or any special meeting thereof called for such purpose. In the event of the failure to hold any election of directors at the time designated for the annual election of directors or in the event that the Board of Directors shall not have filled any such vacancy, a special meeting of shareholders to elect a new Board of Directors or to fill such vacancy or vacancies may be called in the manner generally provided for the calling of special meetings of shareholders. Vacancies in the Board of Directors resulting from an increase of the Board of Directors by amendment of these By-Laws shall be filled in the manner provided in the resolution adopting such amendment. In case of a reduction of the authorized number of directors by amendment of these By-Laws, the directors, if any, whose term of office shall cease, shall be determined in the manner provided in the resolution adopting such amendment.

Section 5. Meetings: The Board of Directors shall meet immediately after the annual meeting of shareholders without notice and also whenever called together by any officer of the Corporation or upon the written request of any two directors then holding office, upon notice given to each director, by delivering personally, mailing or telegraphing the same to him at least two (2) days prior to such meeting at the last address furnished by him to the Corporation. Regular meetings may be held without notice at such time and places as the Board of Directors may determine. Any meeting of the Board at which all the members shall be present, or of which notice shall be duly waived by all absentees, either before or after the holder of such meeting, shall be valid for all purposes provided a quorum be present. Meetings of directors may be held either at the principal office of the Corporation or elsewhere within the State of New York as provided in the notice calling the meeting, unless the Board of Directors by resolution adopt some further limitation in regard thereto. At all meetings of the Board of Directors, each director shall be entitled to one vote. The vote of a majority of the Board of Directors present at the time of a vote of a duly constituted meeting shall be the act of the Board of Directors.

Section 6. Resignation and Removal: Any director may resign at any time by written notice delivered in person or sent by certified registered mail to the President or 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 without cause by the shareholders of the Corporation at a meeting duly called for that purpose.

Section 7. Annual Cash Requirements: The Board of Directors shall, except as may be otherwise restricted by the Proprietary Lease of the Corporation, from time to time, determine the cash requirements as defined in the Corporation's proprietary leases, and fix the terms and manner of payment rent under the Corporation's proprietary leases. The Board of Directors shall have discretionary power to prescribe the manner of maintaining and operating the apartment house of the Corporation and to determine the cash requirements of the Corporation to be paid as aforesaid by the shareholder-tenants under their respective proprietary leases. Every such determination by the Board of Directors shall be final and conclusive as to all shareholder-tenants and any expenditures made by the Corporation's officers or its agent under the direction or with the approval of the Board of Directors of the Corporation shall, as against the shareholder-tenants, be deemed necessarily and properly made for such purpose.

Section 8. House Rules: The Board of Directors may from time to time, adopt and amend such house rules as it may deem necessary in respect to the apartment building of the corporation for the health, safety and convenience of the shareholder-tenants. Copies thereof and of changes therein shall be furnished to each shareholder-tenant.

Section 9. Executive Committee and other Committees: The Board of Directors may by resolution appoint an Executive Committee, and such other committees as it may deem appropriate, each to consist of three (3) or more directors of the Corporation. Such committees shall have and may exercise such of the powers of the Board in the management of the business and affairs of the Corporation during the intervals between the meetings of the Board as may be determined by the authorizing resolution of the Board of Directors and so far as may be permitted by law, except that no committee shall 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.

Section 10. Distributions: The shareholder-tenants shall not 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 IV

### Officers

Section 1. Election and Removal: The officers of the Corporation shall be a president, one (1) or more vice-presidents, a secretary and a treasurer. Such officers shall be elected at the first meeting of the Board of Directors after these By-Laws become effective, and thereafter at the regular meeting in each year following the annual meeting of shareholders, and shall serve until removed or until their successors shall have been elected. The Board of Directors may at any time or from time to time appoint one (1) or more assistant secretaries and one (1) or more assistant treasurers to hold office at the pleasure of the Board and may accord to such officers such power as the Board deems proper. Any officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the then authorized total number of directors. The president shall be a member of the Board of Directors, and shall be a shareholder or the spouse of a shareholder, but none of the other officers need be a member of the Board of Directors or a shareholder or the spouse of a shareholder. One person may hold not more than two (2) offices at the same time, except that the president and the secretary may not be the same person. Vacancies occurring in the office of any officer may be filled by the Board of Directors at any time.

Section 2. Duties of President and Vice-Presidents: The president shall preside at all meetings of the stockholders and of the Board of Directors. The president or any vice-president shall sign in the name of the Corporation all contracts, leases and other instruments which are authorized from time to time by the Board of Directors. The president, subject to the control of the Board of Directors, shall have general management of the affairs of the Corporation and perform all the duties incidental to the office. In the absence from the City of New York or inability of the president to act, any vice-president shall have the powers and perform the duties of the president.

Section 3. Duties of Treasurer: The treasurer shall have the care and custody of all funds and securities of the Corporation, and shall deposit such funds in the name of the Corporation in such bank or trust companies as the directors may determine, and he shall perform all other duties incidental to his office. If so required by the Board of Directors, he shall, before receiving any such funds, furnish to the Corporation a bond with a surety company as surety, in such form and amount as said Board from time to time shall determine. The premium upon such bond shall be paid by the Corporation. Within three (3) months after the close of each calendar year, the treasurer shall cause to be furnished to each shareholder-tenant whose proprietary lease is then in effect, a statement of the Certified Public Accountant of the Corporation of any deduction available for income tax purposes on a per share basis and indicating thereon on a per share

basis any such other information as may be necessary or useful to permit him to compute his income tax returns in respect thereof.

Within three months after the end of each fiscal year, the treasurer shall cause to be transmitted to each shareholder-tenant whose proprietary lease is then in effect, an annual report of operations and balance sheet of the Corporation which shall be certified by an independent Certified Public Accountant. A copy of said annual report shall be submitted to the Department of Law of the State of New York.

In the absence or inability of the treasurer, the assistant treasurer, if any, shall have all the powers and perform all the duties of the treasurer.

Section 4. Duties of Secretary: The secretary shall keep the minutes of the meetings of the Board of Directors and of the meetings of shareholders; he shall attend to the giving and serving of all notices of the Corporation and shall be empowered to affix the corporate seal to all written instruments authorized by the Board of Directors of these By-Laws. He shall also perform all other duties incidental to his office. He shall cause to be kept a book containing the names, alphabetically arranged, of all persons who are shareholders of the Corporation, showing their places of residence, the number of shares held by them, respectively, the time when they respectively became the owners thereof, and the amount paid thereon, and the denomination and the amount of all share issuance or transfer stamps affixed thereto, and such book shall be open for inspection as provided by law. In the absence or inability of the secretary, the assistant secretary, if any, shall have all the powers and perform all the duties of the secretary.

## ARTICLE V

### Proprietary Leases

Section 1. Form of Lease: The Board of Directors shall adopt a form of proprietary lease to be used by the Corporation for the leasing of all apartments and other space in the apartment building of the Corporation to be leased to shareholder-tenants under proprietary leases. Such proprietary leases shall be for such terms, 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 and/or transfer of the shares of the Corporation appurtenant thereto, and such other terms, provisions, conditions and covenants as the Board of Directors may determine.

After a proprietary lease in the form so adopted by the Board of Directors shall have been executed and delivered by the Corporation, all proprietary leases (as distinct from the house rules) subsequently executed and delivered shall be in the same

form, except with respect to the statement as to the number of shares owned by the lessee, the use of the premises and the date of the commencement of the term, unless any change or alteration is approved by lessees in accordance with the voting set forth in Section 5 of Meetings of Shareholders above.

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 leases. A duplicate original of each proprietary lease shall always be kept on file in the principal office of the Corporation or with the managing agent of the apartment building.

Section 3. Allocation of Shares: The Board of Directors shall allocate to each apartment or other space in the apartment building of the corporation to be leased to shareholder-tenants under proprietary leases the number of shares of the Corporation which must be owned by the proprietary lessee of such apartment or other space.

Section 4. Assignment of Lease and Transfer of Shares: No assignment of any lease or transfer of the shares of the Corporation shall take effect as against the Corporation for any purpose until a proper assignment has been delivered to the Corporation; the assignee has assumed and agreed to perform and comply with all the covenants and conditions of the assigned lease or has entered into a new lease for the remainder of the term; all shares of the Corporation appurtenant to the lease have been transferred to the assignee; all sums due have been paid to the Corporation; and all necessary consents have been properly obtained. The action of the Board of Directors with respect to the written application for consent of a proposed assignment or subletting must be made within thirty (30) days after receipt of said written application.

Where the Assignor is a holder of "Unsold Shares," consent to an assignment or transfer of his lease and the shares appurtenant thereto or a subletting or occupancy of the demised premises will not be required. The provisions of the preceding sentence may not be changed or discontinued without the written consent of the holders of Unsold Shares.

No person to whom the interest of a lessee or shareholder shall pass by law shall be entitled to assign any lease, transfer any share, or to sublet or occupy any apartment, except upon compliance with the requirements of the lease and these By-Laws, unless the proposed assignor or sublessor is a holder of "Unsold Shares," in which case the preceding paragraph shall apply.

Section 5. Fees on Assignment: The Board of Directors shall have authority before an assignment or sublet of a proprietary lease or reallocation of shares takes effect as against

the Corporation as lessor, to fix a reasonable fee to cover actual expenses and attorneys' fees of the Corporation, a service fee of the Corporation and such other conditions as it may determine, in connection with each such proposed assignment.

Section 6. 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 in lieu thereof, in the same form and with the same terms, provisions, conditions and limitations. The Board may, in its discretion, before the issuance of any such new proprietary lease, require the owner thereof, or the legal representative of the owner, to make an affidavit or affirmation setting forth such facts as to the loss, destruction or mutilation as it deems necessary, and to give the Corporation a bond in such reasonable sum as it directs, to indemnify the Corporation.

Section 7. Regrouping 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 any desired number of apartments, (2) to combine 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, but the total number of the shares so reallocated shall not be less than the number of shares previously allocated to the apartment or apartments involved, and, in connection with any such regrouping, the Board of Directors may require that the number of shares allocated to the resulting apartment or apartments be greater than the number of shares allocated to the original apartment or apartments, and may authorize the issuance of shares from its treasury for such purpose; or B: to incorporate one or more servant's rooms, or other space in the building not covered by an 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 this Section 7 or otherwise, and in allocating shares to any such resulting apartment or apartments, shall determine the number of shares from its treasury to be issued and allocated in connection with the appropriation of such additional space.

In respect of apartments for which the proprietary lease and shares issued to accompany the same are owned by the Sponsor named in the Plan of Cooperative Organization or the Sponsor's Nominee or the Sponsor's Assignee (who while entitled to occupy any such apartments for his personal use does not do so), such Sponsor, Nominee, or Assignee may, upon the written consent of only the Managing Agent of the Building, change the

number of such apartments by increasing or decreasing their size, or change the size, layout or location of any such apartment; but such Sponsor, Nominee, or Assignee shall not have the right to reallocate the shares allocated to any of the apartments offered for sale under said Plan, unless such reallocation is designed to reflect a change in the value of the equity in the property attributable to the apartment or apartments to which the block of shares is being reallocated. Any such changes shall comply with the law and shall not permanently encroach on any public area of the Corporation.

Upon any regrouping of space in the building, the proprietary leases so affected, and the accompanying share certificates shall be surrendered, and there shall be executed and delivered in place thereof, respectively, a new proprietary lease for each separate apartment involved, and a new certificate for the number of shares so reallocated to each new proprietary lease.

## ARTICLE VI

### Capital Shares

Section 1. No shares hereafter issued or acquired by the Corporation shall be issued or reissued except in connection with the execution by the purchaser and delivery by the Corporation of a proprietary lease of an apartment in the building owned by the Corporation. The ownership of shares shall entitle the holder thereof to occupy the apartment for the purposes specified in the proprietary lease to which the shares are appurtenant, subject to the provisions, covenants and agreement contained in such proprietary lease.

Section 2. Form and Share Register: Certificates of the shares of the Corporation shall be in the form adopted 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. Such signatures and seal may be facsimiles when and to the extent permitted by applicable statutory provisions. Certificates shall be issued in consecutive order and there shall be recorded the name of the person holding the shares, 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 and such certificate shall be retained in the Corporate records.

Section 3. Issuance of Certificates: Shares appurtenant to each proprietary lease shall be issued in the amount allocated by the Board of Directors to the apartment or other space described in such proprietary lease and shall be represented by a single certificate.

Section 4. Transfers: Transfers of shares shall be made upon the books of the Corporation only by the holder in person or



by power of attorney, duly executed and filed with the secretary of the Corporation and on the surrender of the certificate for such shares, except that shares sold by the Corporation to satisfy any lien which it holds thereon may be transferred without the surrender of the certificate representing such shares.

Section 5. Units of Issuance: Except as otherwise provided in Article V, Section 7, unless and until all proprietary leases which shall have been executed by the Corporation, shall have been terminated, the shares appurtenant to each proprietary lease shall not be sold or assigned except as an entirety to the Corporation or an assignee of such proprietary lease, after complying with and satisfying the requirements of such proprietary lease in respect to the assignment thereof.

Section 6. Corporation's Lien: The Corporation shall at all times have a first lien upon the shares owned by each shareholder for all indebtedness and obligations owing and to be owing by such shareholder to the Corporation, arising under the provisions of any proprietary lease issued by the Corporation and at any time held by such shareholder or otherwise arising. Unless and until such shareholder as lessee shall default in the payment of any of the rental or in the performance of any of the covenants or conditions of such proprietary lease, and/or unless and until such shareholder shall default in the payment of any indebtedness or obligation owing by such shareholder to the Corporation otherwise arising, such 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 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 of the shares so purchased substantially of the tenor of the certificate for such shares theretofore issued to such defaulting shareholder shall become void and such defaulting shareholder agrees to surrender such last mentioned certificate to the Corporation upon the latter's demand, but the failure of such defaulting shareholder so to surrender such certificate shall not affect the validity of the certificate issued in replacement thereof. The Corporation may refuse to consent to the transfer of shares of any shareholder indebted to the Corporation unless and until such indebtedness is paid.

Section 7. Lost Certificates: In the event that any share certificate 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, destruction or mutilation as it deems necessary, and to give the Corporation a bond in such reasonable sum as it directs, to indemnify the Corporation.

Section 8. Legend on Share Certificates: Certificates representing shares of the Corporation shall bear a legend reading as follows:

"The rights of the purchaser granted him by the proprietary lease and stock certificate for this apartment are subject to the rights of an existing tenant even though the purchaser may want to occupy the apartment as his own residence.

The rights of any holder of this certificate are subject to the provisions of the by-laws of 32 Gramercy Park Owners Corp. and to all the terms, covenants, conditions and provisions of a certain proprietary lease made between 32 Gramercy Park Owners Corp., as lessor, and the person in whose name this certificate is issued, as lessee, for an apartment in the premises known as 32 Gramercy Park South, New York, New York, which 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 approved assignee of such proprietary lease."

Copies of the proprietary lease and the by-laws are on file and available for inspection at the office of the Managing Agent of this Corporation.

The directors of this Corporation may refuse to consent to the transfer of the shares represented by this certificate until any indebtedness of the shareholder to the Corporation is paid. The Corporation, by the terms of said By-Laws and proprietary lease, has a first lien on the shares represented by this certificate for all sums due and to become due under said proprietary lease.

## ARTICLE VII

### Indemnification

Section 1. To the extent allowed by law, the Corporation shall indemnify 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, 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, as such duty is defined in Section 717 of the Business Corporation Law. To the extent allowed by law, the Corporation shall also indemnify any person.

made, or threatened to be 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, including an action by or in the right of any other corporation, domestic or foreign, which he served in any capacity at the request of the Corporation by reason of the fact, that he, his testator or intestate was a director or officer of the Corporation or served it in any capacity 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 interests of the Corporation and, in criminal actions or proceedings, in addition, had no reasonable cause to believe that his conduct was unlawful.

Nothing contained in this provision shall limit any right to indemnification to which any director or any officer may be entitled by contract or under any law now or hereinafter enacted.

#### ARTICLE VIII

##### Seal

Section 1. The seal of the Corporation shall be circular in form and have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal" and "New York".

#### ARTICLE IX

##### Negotiable Instruments

Section 1. All checks, drafts, orders for payment of money and negotiable instruments shall be signed by such officer or officers or employee or employees as the Board of Directors may from time to time, by standing resolution or special order, prescribe.

Section 2. Endorsements or transfers of shares, bonds, or other securities shall be signed by the president or any vice-president and by the treasurer or an assistant treasurer or the secretary or an assistant secretary unless the Board of Directors, by special resolution in one or more instances, prescribe otherwise.

Section 3. Safe Deposit Boxes: Such officer or officers as from time to time shall be designated by the Board of Directors, shall have access to any safe of the Corporation in the vault of any safe deposit company.

Section 4. Securities: Such officer or officers as from time to time shall be designated by the Board of Directors shall

have power to control and direct the disposition of any bonds or other securities or property of the Corporation deposited in the custody of any trust company, bank or other custodian.

#### ARTICLE X

##### Fiscal Year

Section 1. The fiscal year of the Corporation shall be the calendar year unless otherwise determined by resolution of the Board of Directors.

#### ARTICLE XI

##### Miscellaneous

Section 1. Salaries: No salary or other compensation for services shall be paid to any director or 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 duly held meeting of shareholders, by shareholders owning at least a majority of the then outstanding shares of the Corporation.

Section 2. Capital Reserves Authorization: The Board has 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.

#### ARTICLE XII

##### Amendments

Section 1. These By-Laws may be amended, enlarged or diminished either (a) at any shareholders' meeting by vote of shareholders owning two-thirds of the amount of the outstanding shares, represented in person or by proxy, provided that the proposed amendment or the substance thereof shall have been inserted in the notice of meeting or that all of the shareholders be present in person or by proxy, or (b) at any meeting of the Board of Directors by a majority vote, provided that the proposed amendment or the substance thereof shall have been inserted in the notice of meeting or that all of the Directors are present in person, except that the Directors may not repeal a By-Law amendment adopted by the shareholders as provided above.

EXHIBIT III

Section 352-eeee of General Business Law

Section 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 were 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 pos-

session 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 tenants 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 for 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 expenses; 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 tenants 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 of 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 said executed contract to said tenant.

(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 (1) ten percent and (11) 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 accomplished 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 or 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 as to rentals 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 provision of this section shall only be applicable in the city of New York.

ANBY ASSOCIATES  
c/o Robert J. Ettinger  
220 Madison Avenue  
New York, New York

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

Attention: Real Estate Financing Bureau

Re: 32 Gramercy Park South  
New York, New York

The undersigned, certify as follows:

We are the sponsor and the principals of sponsor of the offering to convert the subject property 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 making this certification. We jointly and severally certify that the offering plan does, and that all documents submitted hereafter by us which amend or supplement the offering plan will:

- (1) set forth the detailed terms of the transaction and be complete, current and accurate;
- (2) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (3) not omit any material fact;
- (4) not contain any untrue statement of a material fact;
- (5) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
- (6) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

- (7) not contain any representation or statement which is false, where we: (i) knew the truth; (ii) with reasonable effort could have known the truth; (iii) made no reasonable effort to ascertain the truth, or (iv) did not have knowledge concerning the representations or statement made.

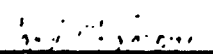
This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

ANBY ASSOCIATES

  
LAWRENCE E. GOLDSCHMIDT

  
ROBERT J. ETTINGER

Sworn to before me this  
20th day of July, 1983.

  
Notary Public

CAROL CHAPONE  
Notary Public in and for the State of New York  
Commission Expires March 30, 1984

# BYRNES & WALSH

*Consulting Engineers*

ROOM 1608  
270 MADISON AVENUE  
NEW YORK, NEW YORK 10016  
(212) 889-0679

GARRETT BYRNES, P.E.

JEREMAHY WALSH, P.E.

1932-1983

May 15, 1983

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

Att: Real Estate Financing Bureau

Re: 32 Gramercy Park South  
Manhattan

The undersigned (an engineer licensed to practice as a professional engineer in New York State) certify as follows:

The sponsor of the offering to convert the captioned property to a cooperative retained me to prepare a report disclosing the condition of the above captioned property (the "Report"). I visually inspected the property from time to time during September and October 1982 and in April and May 1983. I prepared the report dated October 20, 1982 revised on May 13, 1983, a copy of which is intended to be incorporated into the offering plan so that tenants and prospective purchasers may rely on the Report.

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

I 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.

I certify that the Report and all documents prepared by me 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. I certify that the Report based on my visual inspection:

- (i) sets forth in detail the condition of the entire property and are current and accurate as of the date of inspection;
- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgement 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 I:
  - (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.

I further certify that I am not owned or controlled by and have no beneficial interest in the sponsor and that my 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.

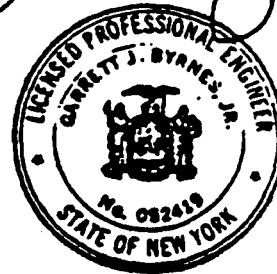
GARRETT BYRNES, P.E.

By: Garrett Byrnes P.E.

GB:ab

Sworn to before me  
this 5th day of May 1983.

Laure Pollack  
Notary Public



LAURE POLLACK  
NOTARY PUBLIC, State of New York  
No. 31-477002  
Qualified in New York County  
Commission Expires March 30, 1987





**EICHNER LEEDS ASSOCS. LTD.**

● 274 MADISON AVENUE, NEW YORK, N.Y. 10016 ■ (212) 532-6446

CERTIFICATION OF SPONSOR'S EXPERT CONCERNING  
ADEQUACY OF BUDGET

April 19, 1983

Department of Law  
Real Estate Financing Bureau  
Two World Trade Center  
New York, New York

Re: 32 Gramercy Park South  
New York, New York

Gentlemen:

The sponsor of the cooperative offering plan for the captioned property retained our firm to review or prepare Schedule B containing projections of income and expenses for the first year of cooperative operation. Our experience in this field includes the management of over thirty rental properties and two cooperatives in New York City and its surrounding areas. The undersigned is a licensed real estate broker and has been involved in management of buildings for twenty-five years.

We understand we are responsible for complying with Article 25-A of the General Business Law and the regulations promulgated by the Department of Law in Part 18 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 also have relied on our experience in managing residential buildings.

We certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of cooperative operation.

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We certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of cooperative operation.

We certify that the Schedule:

- (i) sets forth in detail the projected income and expenses for the first year of cooperative operation;
- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of cooperative operation;
- (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 statements made.

We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of cooperative operation.

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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.

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By: 

Arthur Eichner, CPM  
Vice President

Sworn to before me this  
27th day of April, 1983.



Notary Public

DONALD J. SHELL  
Notary Public, State of New York  
No. 00 852470  
Westchester County  
New York