This Plan Has Been Amended
See Inside Front Cover

THIS IS A "NON-EVICTION" PLAN. NON-PURCHASING TENANTS WILL NOT BE EVICTED BY REASON OF CONVERSION TO COOPERATIVE OWNERSHIP. SEE PAGE 44.

COOPERATIVE OFFERING PLAN

Premises at
225 East 47th Street
New York, New York

	Maximum Aggregate Price	Minimum Aggregate Price
Total Cash Amount of Offering (14,369 shares allocated to 54 Apartments and 6 Offices)	$12,759,672	$10,201,990
Mortgage Indebtedness	1,175,000	1,175,000
Total Cash Offering and Mortgage Indebtedness	$13,934,672	$11,376,990
Less: Estimated Reserve Fund of Apartment Corporation	306,060	306,060
Working Capital Fund	-0-	-0-
Net Exchange Price of Property	$13,628,612	$11,070,930

APARTMENT CORPORATION WHOSE SHARES ARE BEING OFFERED:

225 EAST 47TH ST. APARTMENT CORP.
c/o Leimas, Roth & Schein
71 Murray Street
New York, New York 10007

SPONSOR:

DASH ASSOCIATES
71 Murray Street
New York, New York 10007

SELLING AGENT:

THE OXBRIDGE REALTY CORPORATION
71 Murray Street
New York, New York 10007

The approximate date of first offering under this Plan is August 9, 1985.

This Plan may not be used after August 8, 1986 unless extended by duly filed amendment.

SEE PAGE 5 FOR SPECIAL RISKS TO SUBSCRIBERS.

THIS OFFERING PLAN IS THE ENTIRE OFFER TO SELL THESE COOPERATIVE APARTMENTS. 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 APARTMENT. FILING WITH THE DEPARTMENT OF LAW DOES NOT MEAN THAT THE DEPARTMENT OR ANY OTHER GOVERNMENT AGENCY HAS APPROVED THIS OFFERING.

225 East 47th Street
New York, New York

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OFFERING PLAN

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225 East 47th Street
New York, New York

SPECIAL RISKS

Tax-Free Exchange

On the Closing Date, the Sponsor will transfer the Property to the Apartment Corporation, in a transaction intended to qualify as a tax-free exchange pursuant to Section 351 of the Internal Revenue Code. As a result, the Apartment Corporation's basis in the Property for income tax purposes may be less than if the Property had been purchased by it rather than acquired by means of exchange. The reduced basis in the Property may result in a larger capital gain (or smaller loss) to the Apartment Corporation upon any sale of the Property or liquidation. The reduced basis in the Property will result in reduced depreciation deductions to certain Tenant-Shareholders whose apartments are either used in trade or business or held for the production of income. However, the reduced basis in the Property to the Apartment Corporation will not affect the amounts which Tenant-Shareholders will be entitled to deduct for federal, state and local income taxes purposes representing their proportionate share of the real estate taxes and mortgage interest paid or incurred by the Apartment Corporation. See "Special Tax Consequences of Contract of Exchange" at page 81.

Limited Number of Shares Offered to Entities Other Than Individuals

Up to 15% of the shares of the Apartment Corporation may be offered and sold to corporations, partnerships, trusts, estates and other entities, (in addition to the Unsold Shares which may be issued to the Sponsor). In the opinion of Sponsor's counsel, so long as the income derived by the Apartment Corporation from such non-natural Tenant-Shareholders, when added to all other income from other than "qualified tenant-stockholders", is not more than 20% of the Apartment Corporation's gross income, the Apartment Corporation will still qualify as a "cooperative housing corporation" as presently defined in §216 of the Internal Revenue Code. Therefore, the sale of a limited number of shares to non-individual entities should not affect the availability of tax deductions to individual Tenant-Shareholders. More than 15% of the shares of the Apartment Corporation may be sold to such entities either prior to, or after the Closing Date provided that a private letter ruling has then been obtained from the Internal Revenue Service to the effect that the Apartment Corporation will still qualify as a "cooperative housing corporation" under Section 216 of the Internal Revenue Code, notwithstanding the occurrence of such sales.

Allocation of Shares of the Apartment Corporation to Offices

Shares of the Apartment Corporation have been allocated to the six (6) offices located on the ground floor of the building. Sponsor's counsel has obtained a private letter ruling from the Internal Revenue Service that the issuance of such shares will not prevent the Apartment Corporation from meeting the requirements of Section 216(b)(1)(B) of the Internal Revenue Code. The letter ruling is set forth in Part II of the Plan as Exhibit I. See "Sale of Shares to Offices" at page 42.

Agreement of Covenants and Restrictions

The Property is adjacent to premises known as Dag Hammerskjold Plaza (the "Tower") which premises is owned by Tower Plaza Associates, the former beneficial owners of the Property (the "Tower Owner"). The Property is subject to a certain agreement made between the Sponsor, the Tower Owner and Duit Realty Corp. (the former "legal" owner of the Property) dated November 13, 1984 (the "Agreement"). The Agreement provides for (i) the granting of various easements to the Tower Owner for light, air and repair; (ii) the retention by the Tower Owner of the unused development rights of the Property (commonly known as "air rights"); (iii) restrictions and provisions for the maintenance and use of the easterly wall and side yard of the Property and (iv) provisions for the replacement of the existing structure in the event of destruction. As a result of the Agreement, the Apartment Corporation will be unable to sell, use or otherwise utilize the Property's unused development rights, if any. See "Agreement of Covenants and Restrictions" on page 83 for a more complete discussion.

Mortgage Indebtedness

At the Closing, the Apartment Corporation will execute and deliver to the Sponsor a note secured by a first mortgage, in the principal amount of $1,175,000. When the mortgage matures five (5) years from the Closing Date, the Apartment Corporation will have the responsibility of either arranging for an extension or the refinancing of the mortgage. If no extension or refinancing is obtained at or prior to the maturity date, Tenant-Shareholders may be required to contribute their pro-rata share of the then unpaid principal balance, which will amount to approximately $81.773 per share.

INTRODUCTION

The purpose of this Plan is to set forth all material terms of the offer of the cooperative apartments and offices (all references to an "apartment" or "apartments" hereinafter shall be construed to include an "office" or "offices" unless otherwise indicated) at 225 East 47th Street, New York, New York (the "Property"). All of the documents referred to in this Plan are important. Copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the filing of the Plan are available for inspection, without charge, and for copying, at a reasonable charge, to prospective Subscribers and their attorneys at the office of the Selling Agent. The offering under this Plan is being made to individuals over 18 years of age, except that up to 15% of the shares of the Apartment Corporation may be offered and sold to corporations, partnerships, trusts, estates and other entities (in addition to the Unsold Shares which may be issued to the Sponsor). More than 15% of the shares of the Apartment Corporation may be sold to such entities either prior to, or after the Closing Date provided that a private letter ruling has then been obtained from the Internal Revenue Service to the effect that the Apartment Corporation will still qualify as a "cooperative housing corporation" under Section 216 of the Internal Revenue Code notwithstanding the occurrence of such sales.

The Sponsor of this Plan is Dash Associates, a New York limited partnership. The Sponsor acquired the Property on January 16, 1985.

The Plan may be amended from time to time when an amendment is filed with the New York State Department of Law. All amendments will be served on tenants, Subscribers, and Tenant-Shareholders.

The Subscriber of a cooperative apartment purchases the shares of 225 East 47th St. Apartment Corp. (the "Apartment Corporation"). The funds raised by the sale of its shares will be used by the Apartment Corporation to acquire the "fee title" to the land and building known as 225 East 47th Street, New York, New York. Ownership of the shares entitles the Subscriber to a special lease of an apartment commonly known as a "Proprietary Lease". As a shareholder, he will have the right to vote annually for the Board of Directors who will conduct the affairs of the Apartment Corporation and supervise the operation of the Property. As a tenant, he will pay, Maintenance Charges and Assessments, a proportionate share of the Apartment Corporation's cash requirements for the operation and maintenance of the Property and creation of such reserves for contingencies as the Board of Directors may deem proper. A projected budget for the first year of cooperative operation (Schedule B) is set forth on page 19.

A Tenant-Shareholder, upon obtaining the prior consent of the Apartment Corporation, may sell his shares and assign his Proprietary Lease or may sublet his apartment. However, such consent shall not be required with respect to the sale of shares by "Original Subscribers" as that term is defined in the Proprietary Lease.

Under this Plan, 14,369 shares of the Apartment Corporation have been allocated to 54 residential apartments and 6 offices (Apartments 1A, 1B, 1C, 1D, 1G and 1K) in the Premises, and will be issued on the Closing Date. Another apartment located in the basement of the Premises, to which shares have not been allocated, is occupied by a resident superintendent.

All residential apartments, other than the superintendent's apartment, are currently subject to the provisions of either the Rent Stabilization Law and Code or the Rent Control Law. (See Schedule A). As of the Presentation Date of the Plan six (6) apartments were vacant.

The residential apartments in the Premises may be used only for residential purposes and for home occupation uses permitted under applicable law. The offices may currently be used for office uses listed under Use Group 6 of the Zoning Resolution of the City of New York (which include but are not limited to, business, professional or governmental offices). The Proprietary Lease will permit Tenant-Shareholders of offices to convert their units to residential use. The Sponsor's counsel has obtained a private letter ruling from the Internal Revenue Service that the allocation and the issuance of shares of the Apartment Corporation to the offices will not prevent the Apartment Corporation from meeting the requirements of Section 216 (b)(1)(B) of the Internal Revenue Code. See "Sale of Shares to Offices" for a discussion of the terms and conditions upon which the offices are being offered.

The Property is subject to an Agreement of Covenants and Restriction dated November 13, 1984 (the "Agreement"). The Agreement provides for (i) the granting of various easements to the owner of the adjacent property (the "Tower Owner") for light, air and repair; (ii) the retention by the Tower Owner of the unused development rights of the Property (commonly known as "air rights"); (iii) restrictions and provisions for the maintenance and use of the easterly wall and side yard of the Property and (iv) provisions for the replacement of the existing structure in the event of destruction. As a result of the Agreement, the Apartment Corporation will be unable to sell, use or otherwise utilize the Property's unused development rights, if any. See "Agreement of Covenants and Restrictions" on page 83 for a more detailed discussion.

Refer to Schedule A on pages 11 to 15 for the prices for the blocks of shares allocated to the various apartments in the building. THESE PRICES HAVE BEEN SET BY THE SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY. Refer to Schedule A on pages 11 to 15 for the estimated annual Maintenance Charges for each apartment for the first year of cooperative operation.

Residential Tenants in Occupancy will have an exclusive right, for a period of ninety (90) days (the "90 Day Exclusive Period") from the Date of Presentation of the Plan, to purchase the shares allocated to their apartments at the prices to residential Tenants in Occupancy set forth in Schedule A. Prices to residential Tenants in Occupancy may not be increased during the 90 Day Exclusive Period. Further, Subscription Agreements will not be accepted from non-tenant Subscribers for shares allocated to occupied, residential apartments during the 90 Day Exclusive Period.

This is a "Non-Eviction" Plan. Residential Non-Purchasing Tenants shall not be subject to eviction because of their failure to purchase or because of the sale of the shares allocated to their apartments to non-tenant Purchasers. The "Rights of Existing Tenants" are set forth on page 44. For a discussion of the rights of existing office tenants see "Sale of Shares to Offices" at page 42.

The reader is directed to "Counsel's Income Tax Opinion" on page 36 of this Plan for a discussion of the factors upon which the availability or non-availability of income tax deductions to Tenant-Shareholders depends. A calculation of the estimated amount of the tax deduction that may be available to each individual Tenant-Shareholder, based on the Projected Budget for First Year of Operation, is set forth on Schedule A on pages 11 to 15.

The Description of the Building and General Physical Conditions including the Sponsor's Statement of Building Condition is set forth in Part II of this Plan beginning on page 109.

The agreement to purchase the Apartment Corporation's shares called a "Subscription Agreement" may be found in Part II of this Plan.

The Apartment Corporation's By-Laws, which will govern the manner in which the Apartment Corporation will conduct its affairs, are set forth in Part II of the Plan.

A summary of the Principal Terms of the Proprietary Lease is set forth on pages 61 to 65. The form of Proprietary Lease in full is set forth in full in Part II of this Plan.

THE PURCHASE OF A COOPERATIVE APARTMENT HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES AND MAY BE ONE OF THE MOST IMPORTANT FINANCIAL TRANSACTIONS OF YOUR LIFE. THE ATTORNEY GENERAL STRONGLY URGES YOU TO READ THIS OFFERING PLAN CAREFULLY AND TO CONSULT WITH AN ATTORNEY BEFORE SIGNING A SUBSCRIPTION AGREEMENT.

DEFINITIONS

The following defined terms are used throughout the Plan:

APARTMENT CORPORATION refers to 225 East 47th St. Apartment Corp.;

ASSESSMENTS refer to special charges, if any, (other than Maintenance Charges) payable by Tenant-Shareholders, as established by the Apartment Corporation's Board of Directors for either the operation and maintenance of the Property or for the establishment of reserves for future contingencies;

CLOSING refers to the conveyance of title of the Property to the Apartment Corporation;

CLOSING DATE refers to the date on which the Closing takes place;

CONTRACT refers to the agreement by which the Sponsor has agreed to convey the Premises to the Apartment Corporation;

COOPERATIVE APARTMENT OR UNIT refers to an apartment or an office in the Premises to which shares of the Apartment Corporation have been allocated and to which a Proprietary Lease has been issued;

DATE OF PRESENTATION refers to the date on which an offering is first made under this Plan;

EFFECTIVE DATE refers to the date on which the Plan is declared effective;

FILING refers to the acceptance of the Plan and any amendments thereto by the New York State Department of Law;

HOLDER OF UNSOLD SHARES refers to the Sponsor or Individuals Produced by the Sponsor, who hold the blocks of shares not sold to Subscribers prior to the Closing Date;

MAINTENANCE CHARGES refers to the rent payable by Tenant-Shareholders to the Apartment Corporation;

NON-PURCHASING TENANTS refers only to residential tenants (i.e. not office tenants) who do not purchase the shares of the Apartment Corporation allocated to their respective apartments;

ORIGINAL SUBSCRIBER refers to (i) a Subscriber of the shares of the Apartment Corporation prior to the Closing Date, and (ii) a Purchaser of Unsold Shares subsequent to the Closing Date;

SCHEDULE A

225 East 47th Street
New York, New York

PURCHASE PRICES, SHARE ALLOCATIONS, MORTGAGE ALLOCATIONS,
Estimated Maintenance Charges and Estimated Income Tax Deductions
for the First Year of Cooperative Operation
(January 1, 1986 to December 31, 1986)

See Page 27 for conditions applicable to these prices.

Apt. Number (a)	Rent Reg. Status (a)	Rooms/Baths Description (a)	Share Allocation (b)	Cash Purchase Price @$888.00 Per Share (c)	Cash Purchase Price to Residential Tenants in Occupancy for Shares Allocated to their Apartments @$710.00 Per Share* (c)	Pro-portionate Share of Mortgage @$81.773 Per Share (d)	Estimated Maintenance Charges		Estimated Annual Income Tax Deduction @$16.15 Per Share (f)
							Annual @$22.925 Per Share (e)	Monthly @$1.910 Per Share (e)	
1-A	—	Office	355	$315,240	—	$29,029.42	$8,138.38	$678.05	$5,733.25
1-B	—	Office	250	222,000	—	20,443.25	5,731.25	477.50	4,037.50
1-C	—	Office	241	214,008	—	19,707.29	5,524.93	460.31	3,892.15
1-D	—	Office	310	275,280	—	25,349.63	7,106.75	592.10	5,006.50
1-E	S	2-1	165	146,520	117,150	13,492.55	3,782.63	315.15	2,664.75
1-F	S	3-1	257	228,216	182,470	21,015.66	5,891.73	490.87	4,150.55
1-G	—	Office	198	175,824	—	16,191.05	4,539.15	378.18	3,197.70
1-H	S	3-1	163	144,744	115,730	13,329.00	3,736.78	311.33	2,632.45
1-J	S	2-1	165	146,520	117,150	13,492.55	3,782.63	315.15	2,664.75
1-K	—	Office	240	213,120	—	19,625.52	5,502.00	458.40	3,876.00

*Only for a period of 90 days from the Date of Presentation of the Plan and only for residential tenants.
See Rights of Existing Tenants on page 44.
S = Rent Stabilized C = Rent Controlled V = Vacant

PLAN refers to this Cooperative Offering Plan and all amendments thereto;

PROPERTY OR PREMISES refers to the land and structure known as 225 East 47th Street, New York, New York.

PROPRIETARY LEASE refers to the agreement containing the respective rights and obligations of the Apartment Corporation, as lessor, and each of its Tenant-Shareholders as lessees;

PURCHASERS or SUBSCRIBERS refers to any person, partnership, joint venture, corporation, company, trust, association, or other entity who, or which submits (i) an executed Subscription Agreement for the purchase of shares of the Apartment Corporation allocated to an apartment or an office in the Premises and (ii) the applicable downpayment to the Selling Agent, and whose Subscription Agreement is accepted by the Apartment Corporation and approved by the Sponsor;

SELLING AGENT refers to The Oxbridge Realty Corporation which has its principal office at 71 Murray Street, New York, New York;

SPONSOR refers to Dash Associates which has its principal office at 71 Murray Street, New York, New York;

SUBSCRIPTION AGREEMENT refers to the agreement used prior to the Closing Date for the purchase of the shares of the Apartment Corporation allocated to an apartment or an office;

TENANTS IN OCCUPANCY refers only to residential tenants of record (i.e. not office tenants) in occupancy on the Date of Presentation of the Plan;

TENANT-SHAREHOLDER refers to an owner of shares of the Apartment Corporation and lessee under a Proprietary Lease of an apartment or an office in the Premises, to which the shares are allocated.

SCHEDULE A

225 East 47th Street
New York, New York

PURCHASE PRICES, SHARE ALLOCATIONS, MORTGAGE ALLOCATIONS, Estimated Maintenance Charges and Estimated Income Tax Deductions for the First Year of Cooperative Operation (January 1, 1986 to December 31, 1986)

See Page 27 for conditions applicable to these prices.

Apt. Number (a)	Rent Reg. Status (a)	Rooms/Baths Description (a)	Share Allocation (b)	Cash Purchase Price @$888.00 Per Share (c)	Cash Purchase Price to Residential Tenants in Occupancy for Shares Allocated to their Apartments @$710.00 Per Share* (c)	Proportionate Share of Mortgage @$81.773 Per Share (d)	Estimated Maintenance Charges		Estimated Annual Income Tax Deduction @$16.15 Per Share (f)
							Annual @$22.925 Per Share (e)	Monthly @$1.910 Per Share (e)	
2-A	S	3-1	280	248,640	198,800	22,896.44	6,419.00	534.80	4,522.00
2-B	C	3-1	252	223,776	178,920	20,606.80	5,777.10	481.32	4,069.80
2-C	C	2-1	208	184,704	147,680	17,008.78	4,768.40	397.28	3,359.20
2-D	S	3-1	278	246,864	197,380	22,732.89	6,373.15	530.98	4,489.70
2-E	C	2-1	175	155,400	124,250	14,310.28	4,011.88	334.25	2,826.25
2-F	C	3-1	272	241,536	193,120	22,242.26	6,235.60	519.52	4,392.80
2-G	S	2-1	158	140,304	112,180	12,920.13	3,622.15	301.78	2,551.70
2-H	S	3-1	173	153,624	122,830	14,146.73	3,966.03	330.43	2,793.95
2-J	S	2-1	175	155,400	124,250	14,310.28	4,011.88	334.25	2,826.25
2-K	S	2-1	198	175,824	140,580	16,191.05	4,539.15	378.18	3,197.70

*Only for a period of 90 days from the Date of Presentation of the Plan and only for residential tenants.
See Rights of Existing Tenants on page 44.
S = Rent Stabilized C = Rent Controlled V = Vacant

SCHEDULE A

225 East 47th Street
New York, New York

PURCHASE PRICES, SHARE ALLOCATIONS, MORTGAGE ALLOCATIONS, Estimated Maintenance Charges and Estimated Income Tax Deductions for the First Year of Cooperative Operation (January 1, 1986 to December 31, 1986)

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							Annual @$22.925 Per Share (e)	Monthly @$1.910 Per Share (e)	
3-A	S	3-1	295	261,960	209,450	24,123.04	6,762.88	563.45	4,764.25
3-B	C	3-1	266	236,208	188,860	21,751.62	6,098.05	508.06	4,295.90
3-C	S	2-1	220	195,360	156,200	17,990.06	5,043.50	420.20	3,553.00
3-D	C	3-1	293	260,184	208,030	23,959.49	6,717.03	559.63	4,731.95
3-E	S	2-1	184	163,392	130,640	15,046.23	4,218.20	351.44	2,971.60
3-F	S	3-1	287	254,856	203,770	23,468.85	6,579.48	548.17	4,635.05
3-G	S	2-1	166	147,408	117,860	13,574.32	3,805.55	317.06	2,680.90
3-H	C	3-1	182	161,616	129,220	14,882.69	4,172.35	347.62	2,939.30
3-J	S	2-1	185	164,280	131,350	15,128.01	4,241.13	353.35	2,987.75
3-K	S	2-1	209	185,592	148,390	17,090.56	4,791.33	399.19	3,375.35

*Only for a period of 90 days from the Date of Presentation of the Plan and only for residential tenants.
See Rights of Existing Tenants on page 44.
S = Rent Stabilized C = Rent Controlled V = Vacant

SCHEDULE A

225 East 47th Street
New York, New York

PURCHASE PRICES, SHARE ALLOCATIONS, MORTGAGE ALLOCATIONS,
Estimated Maintenance Charges and Estimated Income Tax Deductions
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							Annual @$22.925 Per Share (e)	Monthly @$1.910 Per Share (e)	
4-A	C	3-1	310	275,280	220,100	25,349.63	7,106.75	592.10	5,006.50
4-B	C	3-1	280	248,640	198,800	22,896.44	6,419.00	534.80	4,522.00
4-C	S	2-1	232	206,016	164,720	18,971.34	5,318.60	443.12	3,746.80
4-D	C	3-1	308	273,504	218,680	25,186.08	7,060.90	588.28	4,974.20
4-E	V	2-1	193	171,384	137,030	15,782.19	4,424.53	368.63	3,116.95
4-F	C	3-1	302	268,176	214,420	24,695.45	6,923.35	576.82	4,877.30
4-G	S	2-1	174	154,512	123,540	14,228.50	3,988.95	332.34	2,810.10
4-H	S	3-1	191	169,608	135,610	15,618.64	4,378.68	364.81	3,084.65
4-J	S	2-1	195	173,160	138,450	15,945.74	4,470.38	372.45	3,149.25
4-K	S	2-1	220	195,360	156,200	17,990.06	5,043.50	420.20	3,553.00

*Only for a period of 90 days from the Date of Presentation of the Plan and only for residential tenants.
See Rights of Existing Tenants on page 44.
S = Rent Stabilized C = Rent Controlled V = Vacant

SCHEDULE A

225 East 47th Street
New York, New York

PURCHASE PRICES, SHARE ALLOCATIONS, MORTGAGE ALLOCATIONS,
Estimated Maintenance Charges and Estimated Income Tax Deductions
for the First Year of Cooperative Operation
(January 1, 1986 to December 31, 1986)

See Page 27 for conditions applicable to these prices.

Apt. Number (a)	Rent Reg. Status (a)	Rooms/Baths Description (a)	Share Allocation (b)	Cash Purchase Price @$888.00 Per Share (c)	Cash Purchase Price to Residential Tenants in Occupancy for Shares Allocated to their Apartments @$710.00 Per Share* (c)	Pro-portionate Share of Mortgage @$81.773 Per Share (d)	Estimated Maintenance Charges		Estimated Annual Income Tax Deduction @$16.15 Per Share (f)
							Annual @$22.925 Per Share (e)	Monthly @$1.910 Per Share (e)	
5-A	S	3-1	325	288,600	230,750	26,576.23	7,450.63	620.75	5,248.75
5-B	S	3-1	294	261,072	208,740	24,041.26	6,739.95	561.54	4,748.10
5-C	C	2-1	244	216,672	173,240	19,952.61	5,593.70	466.04	3,940.60
5-D	S	3-1	323	286,824	229,330	26,412.68	7,404.78	616.93	5,216.45
5-E	V	2-1	202	179,376	143,420	16,518.15	4,630.85	385.82	3,262.30
5-F	S	3-1	317	281,496	225,070	25,922.04	7,267.23	605.47	5,119.55
5-G	S	2-1	182	161,616	129,220	14,882.69	4,172.35	347.62	2,939.30
5-H	S	3-1	200	177,600	142,000	16,354.60	4,585.00	382.00	3,230.00
5-J	C	2-1	205	182,040	145,550	16,763.47	4,699.63	391.55	3,310.75
5-K	V	2-1	231	205,128	164,010	18,889.56	5,295.68	441.21	3,730.65
6-A	C	3-1	340	301,920	241,400	27,802.82	7,794.50	649.40	5,491.00
6-B	C	3-1	308	273,504	218,680	25,186.08	7,060.90	588.28	4,974.20
6-C	S	2-1	256	227,328	181,760	20,933.89	5,868.80	488.96	4,134.40
6-D	S	3-1	338	300,144	239,980	27,639.27	7,748.65	645.58	5,458.70
6-E	V	2-1	211	187,368	149,810	17,254.10	4,837.18	403.01	3,407.65
6-F	V	3-1	332	294,816	235,720	27,148.64	7,611.10	634.12	5,361.80
6-G	V	2-1	190	168,720	134,900	15,536.87	4,355.75	362.90	3,068.50
6-H	S	3-1	209	185,592	148,390	17,090.56	4,791.33	399.19	3,375.35
6-J	S	2-1	215	190,920	152,650	17,581.20	4,928.88	410.65	3,472.25
6-K	S	2-1	242	214,896	171,820	19,789.07	5,547.85	462.22	3,908.30
Totals			14,369	$12,759,672	—	$1,174,996.24	$329,409.33	$27,444.79	$232,059.35

*Only for a period of 90 days from the Date of Presentation of the Plan and only for residential tenants.
See Rights of Existing Tenants on page 44.
S = Rent Stabilized C = Rent Controlled V = Vacant

FOOTNOTES TO SCHEDULE A

(a) Apartments - Room Count

The number of rooms shown on Schedule A for each residential apartment has been computed as follows:

Rooms	
2	Living room and kitchenette
3	Living room, one bedroom, and kitchenette

Each apartment has one bathroom.

Subscribers are advised to physically inspect any apartment in which they are interested in purchasing prior to submitting a Subscription Agreement and downpayment in order to determine actual dimensions, layout and condition. All apartments are being offered in their current "as-is" condition.

The six (6) offices indicated on Schedule A can presently be used for office uses listed under Use Group 6 of the Zoning Resolution of the City of New York. This use group includes business, professional or governmental offices. Subscribers of offices will be permitted to convert their offices to residential use without the consent of the Apartment Corporation provided such conversion is otherwise performed in accordance with Paragraph 21 of the Proprietary Lease. Prospective Subscribers of the shares allocated to an office should consult their attorneys to determine whether the offices can be legally used for the uses they intend.

All residential apartments are currently subject to either the provisions of Title YY of Chapter 51 of the New York City Administrative Code, commonly known as the Rent Stabilization Law and the Code of the Rent Stabilization Association (noted as "S" on Schedule A) or the provisions of Title Y of Chapter 51 of the New York City Administrative Code, commonly known as the Rent Control Law (noted as "C" on Schedule A). All apartments noted with a "V" are currently vacant.

The current Certificate of Occupancy (#71226) dated October 28, 1971 identifies seven (7) offices and three (3) residential apartments on the ground floor. One of the offices has been converted to a residential apartment. Prior to the Closing Date, the Sponsor will file the necessary applications to obtain an amended or new Certificate of Occupancy to legally permit the use of said unit for residential purposes.

Some residential apartments may be occupied by tenants receiving an exemption from rent increases under the Senior Citizen Rent Increase Exemption Program ("SCRIE") pursuant to Section 467-b

of the Real Property Tax Law of the State of New York and Section YY51-4.1 of the Administrative Code of the City of New York. Such apartments, if any, are noted on Schedule A with an "SC" designation. Under the SCRIE, owners of properties are entitled to real estate tax abatement in the amount of exempt rent increases. As a result, those Subscribers and Holders of Unsold Shares whose shares are allocated to apartments occupied by tenants enjoying the benefits of a SCRIE rent increase exemption order will be unable to receive rent increases beyond the amounts specified in such order. These Subscribers and Holders of Unsold Shares will, however, be entitled to a credit against their Maintenance Charges equal to the real estate tax abatement allocable to their apartment, due to the rent increase exemption.

See Description of Property and Building Condition in Part II of the Plan.

(b) Allocation of Shares

The share allocation for each apartment has been based on various factors, including (i) size of the apartment; (ii) the location of the apartment; and (iii) other factors of relative value to other apartments. See the Opinion of Reasonable Relationship of Arnold S. Warwick & Co., Ltd. beginning on page 29.

(c) Cash Purchase Prices

(i) Cash Purchase Prices to Non-Tenants and Office Tenants

The cash purchase prices in this column may be changed at any time, before or after the Closing Date, by a duly filed amendment to the Plan when the price change (A) is to be advertised or (B) involves an across-the-board change affecting one or more lines of apartments or (C) is a price increase to an individual Subscriber. The prices in this column may be negotiable and the Sponsor and the Apartment Corporation may enter into Subscription Agreements with Subscribers to sell one or more blocks of shares at prices which are less than those set forth in this column, without amending the Plan. See "Changes in Prices and Units" on page 27.

(ii) Cash Purchase Prices to Tenants in Occupancy for Shares Allocated to Their Apartments

For a period of 90 days from the Date of Presentation of the Plan (the "90 Day Exclusive Period"), residential Tenants in Occupancy shall have the exclusive right to purchase the shares allocated to their respective apartments at a cash purchase price of $710.00 per share, as shown in this column. These prices may not be increased during the 90 Day Exclusive Period.

Subsequent to the expiration of the 90 Day Exclusive Period, the prices shown in this column shall automatically lapse, as shall any exclusive right of Tenants in Occupancy to purchase the shares allocated to their respective apartments.

Any additional exclusive periods and any price change, other than as stated above, to Tenants in Occupancy prior to declaring the Plan effective, will be disclosed in a duly filed amendment to the Plan.

(d) Proportionate Share of Mortgages

Tenant-Shareholders will not have any personal liability for payment of the Apartment Corporation's mortgage indebtedness except to the extent that debt service payments for such mortgage indebtedness are included in Maintenance Charges. However, if a significant number of Tenant-Shareholders fail to pay their Maintenance Charges, the Apartment Corporation might not have sufficient funds to pay debt service on its mortgage indebtedness. If this occurs the mortgage could be foreclosed, in which case Tenant-Shareholder's could lose their equity in their respective apartments.

The figures in Schedule A are computed on the basis of a $1,175,000 mortgage. See "Terms of Mortgage" on page 59. These amounts do not include interest and principal payments on any loan which a Subscriber obtains to finance the purchase of shares of the Apartment Corporation allocated to his apartment.

(e) Estimated Maintenance Charges

Estimated Maintenance charges are based on the Projected Budget for First Year of Cooperative Operation as set forth on page 19 and assuming a January 1, 1986 Closing under this Plan.

Estimated Maintenance Charges do not include: (i) electricity and gas for cooking for individual apartments which will be separately metered to each Tenant-Shareholders, (ii) interior repairs and repainting of apartments in accordance with the Proprietary Lease, (iii) debt service, if any, with respect to any cooperative apartment loan obtained by a Tenant-Shareholder, (iv) insurance covering personal property and/or liability to others for personal injury or property damage as a result of occurences within a Tenant-Shareholder's apartment, and (v) cable television service.

(f) Estimated Annual Amounts Deductible For Income Tax Purposes

Estimated on the basis of the Projected Budget for the First Year of Operation as set forth in page 19. These amounts may vary in the future due to the allocation of constant debt service payments to interest and principal or due to changes in the interest rate on the mortgage(s) or on any refinanced mortgage, or due to changes in the assessed value of the Property, the tax rate, or in the method of assessing real property which result in a change in real estate taxes. The amount stated represents approximately 71% of the first year's estimated Maintenance Charges. Non-individual Tenant-Shareholders will not be entitled to these deductions under §216 of the Internal Revenue Code. See "Counsel's Income Tax Opinion" on page 36.

Subscribers of offices may be entitled to additional deductions if the offices are used in trade or business. Subscribers of offices should consult their own tax counsel as to the tax deductions to which they may be entitled.

The projected tax deductions do not include interest paid by Tenant-Shareholders on their own cooperative apartment loans, if any, which interest may also be deductible.

SCHEDULE B

Projected Budget For First Year of Cooperative Operation (Beginning January 1, 1986)*

Estimated Income

Maintenance Charges (14,369 shares at $22.542 per share)	$329,400
Laundry Income (a)	3,800
TOTAL	$333,200

Estimated Expenses

Labor (b)	$ 23,000
Heating and hot water (c)	11,500
Electricity and gas (d)	7,750
Water charges and sewer rents (e)	5,500
Repairs and maintenance (f)	15,000
Service contracts (g)	3,500
Insurance (h)	7,200
Management fees (i)	15,000
Accounting fees and legal fees (j)	4,000
Franchise and corporate taxes (k)	1,500
Real estate taxes (l)	82,000
Mortgage payments (m)	152,750
Contingencies (n)	4,500
TOTAL	$333,200

*If it becomes apparent that the first year of cooperative operation will commence significantly later than January 1, 1986 and as a result the expenses projections set forth herein are inaccurate, then the Plan will be amended to include a revised budget. If the revised exjpense projections (in the aggregate) exceed the projections set forth herein by twenty-five (25%) percent or more Subscribers will have the right to rescind their Subscription Agreements. See page 26.

FOOTNOTES TO SCHEDULE B

(a) Laundry Income (Budget - $3,800)

As of the submission date of this Plan the existing laundry contract has not been renewed. The Sponsor expects to enter into a new agreement prior to the Closing Date with Atlas Auto Appliance Corp. of 2291 Palmer Avenue, New Rochelle, New York ("Atlas") for a term of five (5) years at an annual rent of approximately $3,800. The laundry equipment will consist of three (3) washing machines and two (2) clothes dryers that will be owned and serviced by Atlas. The Sponsor is not related either directly or indirectly to Atlas.

(b) Labor (Budget - $23,000)

The budget is predicated on the existing building staff, which consists of one non-union resident superintendent. The budgeted amount is 110% of the current labor charges.

The labor charges include payroll taxes, unemployment insurance, worker's compensation and vacation pay.

The superintendent occupies an apartment in the basement of the building without being required to pay rent. Also, the basic telephone bills for the superintendent's apartment will be paid by the Apartment Corporation. The estimated cost of the foregoing items has been included in this budget. Shares have not been allocated to the superintendent's apartment.

In addition, the Apartment Corporation will pay the cost of electricity and gas for cooking in the superintendent's apartment. The estimated cost of these items has been included in the budget for "Electricity and Gas".

(c) Heating (Budget - $11,500)

Steam heat for the property is provided by a steam boiler which is fired by a combination gas/oil burner which is fueled by gas when the exterior temperature is above 20° Farenheit and otherwise fueled by #4 fuel oil. The budgeted amount is based on the average consumption of gas for the past three years (i.e. 17,086 ccf) multiplied by a rate equal to approximately 115% of the average rate for 1984 ($.5862 per ccf of gas).

The cost and consumption of gas for the past three years is as follows:

Year	Consumption (ccf)	Cost
1984	19,328	$11,330.91
1983	16,371	9,768.94
1982	15,559	8,571.03

There has been no fuel oil consumption for calendar years 1984 or 1983. In 1982 2,000 gallons of #4 fuel oil was purchased at a total cost of $1,986.40.

In view of the current energy situation, it is not possible to predict whether the budgeted figure will reflect the actual cost to be incurred during the first year of cooperative operation, which may vary with the level of consumption and fuel rate. Consumption will be affected by the severity of the weather and conservation measures, if any, adopted by the Board of Directors. Fluctuating fuel prices and other factors may raise the costs substantially higher than the projected rates. If current trends continue, it is likely that the fuel rates will increase in the future. Subscribers should consider the effect of such increases in their future monthly Maintenance Charges.

(d) Electricity and Gas (Budget - $7,750)

This item includes the cost of electricity for the public halls and facilities, the laundry equipment and the superintendent's apartment and gas for the superintendent's apartment and laundry equipment. It does not include electric or gas usage for individual apartments which are separately metered for both utilities or gas for heating purposes which is included in the budget for "Heating". The estimated cost is based on the average consumption of each utility for the past three years (i.e. 32,195 kwh of electricity and 790 ccf of gas) multiplied by a rate equal to approximately 115% of the average rate for each utility for 1984 ($.183 per kwh of electricity and $1.04 per ccf of gas). The consumption and cost of each utility for the past three (3) years is as follows:

Electricity

Year	Consumption (kwh)	Cost
1984	36,376	$6,656.42
1983	30,380	5,389.91
1982	29,831	5,014.65

Gas

Year	Consumption (ccf)	Cost
1984	910	$948.01
1983	709	739.14
1982	751	728.82

In view of the current energy situation, it is not possible to predict with certainty whether the budgeted figure will be in accord with the actual costs to be incurred during the first year of cooperative operation. If current trends continue, it is likely that electricity and gas rates will increase in the future. Subscribers should consider the effect of such increases in their future monthly Maintenance Charges.

(e) Water Charges and Sewer Rent (Budget - $5,500)

The budgeted item is based on the actual charges incurred for the 1985/86 fiscal year (i.e. $5,391.42).

(f) Repairs and Maintenance (Budget - $15,000)

Based on repairs and the cost of supplies which can normally be expected in the maintenance of the Property, including painting of public areas, supplies, fees and permits. Of the total budgeted amount $5,000 is projected for supplies permits and fees and $10,000 for repairs. The budget does not include painting or repairs within apartments which are the responsibility of Tenant-Shareholders.

(g) Service Contracts (Budget - $3,500)

On the Closing Date, the Apartment Corporation will assume the Sponsor's obligations under service contracts, as follows:

Company	Nature of Service	Approximate Annual Cost	Date of Expiration
Republic Elevator Company	Elevator	$1,500	Month-to-Month
Pest Pro	Extermination	1,660	Month-to-Month

Prior to the Closing Date, the Sponsor has the right to modify, renew and replace existing service, maintenance, employment, concessionaire and other agreements and insurance policies, and to enter into new agreements and policies that will be binding on the Apartment Corporation for a period not in excess of three (3) years from the Closing Date, provided any material increase in the first year's estimated Maintenance Charges resulting therefrom or service contracts costing more than $5,000.00 per annum will be disclosed in a duly filed amendment to the Plan.

(h) Insurance (Budget - $7,200)

Insurance Policies that will be in effect at Closing will include:

Coverage	Amount
Fire-All Risk with Waiver of Co-insurance (replacement cost)	$3,600,000
Rental Value (Maintenance Charges)	280,000
Comprehensive General Liability (including Bodily Injury and Property Damage)	1,000,000
Officers and Directors Liability	1,000,000
Water Damage Legal Liability	100,000

The budgeted amount ($7,200) is 20% higher than the estimate provided by Schiff, Teller & Michaels, Inc., 9 East 41st Street, New York, New York 10017.

Subscribers should note that the foregoing insurance policy will not cover losses sustained to personal property located within apartments or for items, the maintenance of which is not the responsibility of the Apartment Corporation. Insurance coverage for such items will be at the sole expense of each tenant shareholder.

Additionally, the insurance policy will not include boiler and machinery, elevator collision, excess liability, auto liability or fidelity bond and garage keepers liability coverage. The Apartment Corporation may elect to obtain insurance coverage for these items at an additional cost.

Subscribers should also note that the fire insurance coverage for the Property is intended to insure the estimated replacement cost of the existing structure (not including land) and that such coverage bears no relationship to the amount sought to be raised by this offering. The proposed policy will contain a waiver of co-insurance, which will prevent the Apartment Corporation from being a co-insurer in the event of a partial loss. Because of current trends, it is likely that the replacement cost of the structure will increase in the future, as will the cost of insurance premiums. Subscribers should consider the effect of such increased premiums on their future monthly Maintenance Charges. Subscribers should also note that insurance proceeds may be applied by the mortgagee in order to reduce the outstanding mortgage indebtedness, instead of to restoring the Property.

(i) Management Fees (Budget - $15,000)

The Property will be managed for three (3) years after the Closing Date by Oktagon Corporation. The fee for the first year will be $15,000 (payable in equal monthly installments of $1,250) and shall be increased to $18,000 for the second year (payable in equal monthly installments of $1,500) and to $21,000 for the third year (payable in equal monthly installments of $1,750). The Management Agreement will essentially provide for the following services: (a) Receipt of Monthly Maintenance Charges from Tenant-Shareholders; (b) Payment of the obligations of the Apartment Corporation, to the extent that funds are available, and as authorized by the Board of Directors; (c) Maintenance of books and records of the Apartment Corporation; and (d) Supervision of building the employee(s). See page 82 of the Plan for a more detailed discussion of the terms of the Management Agreement.

(j) Accounting and Legal (Budget - $4,000)

Accounting covers the cost of preparing the Apartment Corporation's annual tax returns and financial statements by an independent professional accountant. An accounting fee of $2,700, is based on the written estimate of Kapner and Tichy, Certified Public Accountants, of 175 Great Neck Road, Great Neck, New York. In addition, $1,300 has been budgeted for nominal legal fees which may be incurred by the Apartment Corporation.

(k) Franchise and Corporate Taxes (Budget - $1,500)

The budgeted amount represents an increase of 25% above the projected New York State Corporate Franchise Taxes and New York City General Corporation Taxes for the Apartment Corporation, as estimated by the aforementioned (item "j") Certified Public Accountants.

(l) Real Estate Taxes (Budget - $82,000)

The projected amount was computed for the period including the second half of fiscal year 1985/86 (January 1 to June 30) and the first half of fiscal year 1986/87 (July 1 to December 31). The budgeted amount is based on total transitional assessed valuations of $816,000 (actual) for 1985/86 and $960,000 (estimated) for 1986/87 and tax rates of .0915 (actual) for 1985/86 and .0925 (estimated) for 1986/87. Based on the foregoing the total real estate tax due for the second half of 1985/86 should be $37,332 and for the first half of 1986/87 should be $44,400 (i.e. total of $81,732). The 1985/86 total actual assessed valuation is $1,350,000. In tax years 1984/85 the total actual assessed valuation was $750,000. In tax years 1982/83 and 1983/84, the total actual assessment was $675,000. In tax year 1981/82 the total assessed valuation was $630,000. The 1985/86 total actual asessment of $1,350,000 represented an increase of $600,000 from the 1984/85 total actual assessed vaulation of $750,000. Similarly the 1984/85 total actual assessment of $750,000 represented an increase of $75,000 from the 1983/84 total actual assessed valuation of $675,000 and the 1982/83 total actual assessment represented an increase of $45,000 from the 1981/82 total assessed valuation of $630,000. Each of these three increases, to $675,000, then to $750,000, and finally to $1,350,000 is being "phased-in" over five years at the rate of twenty percent (20%) per year. The incremental phase in amounts are $9,000, $15,000 and $120,000 respectively.

Assuming that the 1985/86 total actual assessed valuation is not increased in any subsequent year discussed herein, then the total transitional assessments for the next five (5) years will be approximately as follows:

Tax Year	Estimated Total Transitional Assessments
1986/87	$ 960,000
1987/88	$1,095,000
1988/89	$1,230,000
1989/90	$1,350,000
1990/91	$1,350,000

Assuming that the 1985/86 total actual assessed valuation is not reduced in subsequent years and that the estimated tax rate of .0925 is not significantly reduced in future years, then the real estate taxes payable by the Apartment Corporation in tax years 1986/87 and beyond will be greater than as projected for the first year of operation. Any of such increases may necessitate an increase of Tenant-Shareholder's Maintenance Charges or the imposition

of an assessment. However in the event of any such increase, Tenant-Shareholders will be entitled to increased income tax deductions approximately equal to the amount of any increase in Maintenance Charges or the amount of such assessment attributable to real estate taxes.

No assurances can be given that the actual and transitional assessed valuations of the Property will not be increased above amounts projected herein by the assessing authority or that the tax rate will not be increased above .0925 after 1985/86.

The actual real estate taxes payable in tax year 1985/86, and actually paid in years prior to that, may be less than the product of the tax rates and the total transitional assessed valuations set forth herein, inasmuch as the Property has received real estate tax abatement benefits pursuant to the Senior Citizen Rent Increase Exemption Program ("SCRIE" - section 467-b of the Real Property Tax Law of the State of New York and section Y51-5.0(n) or section YY51-4.1 of the Administrative Code of the City of New York). Those Subscribers and Holders of Unsold Shares whose shares are allocated to apartments subject to a SCRIE rent increase exemption order shall be entitled to a credit against their Maintenance Charges equal to the tax abatement attributable to their apartments.

On the date of the submission of the proposed Plan, there was a pending certiorari proceeding for the current tax year (1984/85). In the event that the Sponsor files an application to have the assessed valuation of the Property reduced and a refund is made for the tax year in which the Closing occurs, said refund, together with the cost of such proceeding (including attorneys' fees), will be apportioned between the Sponsor and the Apartment Corporation as of the Closing Date. Any refund covering a period prior to the year in which the Closing occurs shall belong solely to the Sponsor.

Pursuant to §581 of the New York State Real Property Tax Law, cooperatively owned buildings are required to be assessed on a comparable basis to rental buildings. However, this law does not specify that the buildings subject to rent regulations are to be used as comparables. Although the Finance Department of the City of New York has stated that rent regulated buildings would be used as comparables in assessing cooperatives, no assurance can be given that this policy will continue in the future. If buildings that are not subject to rent regulations are used as comparables, then it is likely that the real estate taxes payable by the Property will substantially increase.

The total assessed valuations of the Property and the tax rate for the current and the past two years are as follows:

Tax Year	Assessed Valuation	Tax Rate
1985/86	$816,000 Transitional 1,350,000 Actual	.09150
1984/85	$672,000 Transitional 750,000 Actual	.09150
1983/84	$648,000 Transitional 675,000 Actual	.09057

(m) Mortgage Payments (Budget - $152,750)

On the Closing Date, the Apartment Corporation will execute and deliver to the Sponsor a note secured by a purchase money first mortgage, to be held by the Sponsor in the principal amount of $1,175,000. The mortgage will be repayable in constant monthly payments of $12,729.17 which shall be applied to the payment of interest only at the rate of 13% per annum. The entire unpaid principal balance of $1,175,000 and any accrued interest shall be due and payable five (5) years after the Closing Date. See "Terms of Mortgage" on page 59.

(n) Contingencies (Budget - $4,500)

This item is intended to provide for any unanticipated expenses or for possible increases in one or more items of expense above the amounts projected, and is to be used at the discretion of the Board of Directors. This item does not include a reserve for future replacements or repairs, should same be necessary. See "Reserve Fund" at page 73.

THE PROPERTY IS BEING OFFERED IN ITS CURRENT "AS IS" CONDITION. NO REPRESENTATION OR WARRANTY IS MADE THAT SUCH RESERVE FOR CONTINGENCIES WILL BE SUFFICIENT TO MEET ANY UNANTICIPATED EXPENSES INCURRED BY THE APARTMENT CORPORATION. IF ADDITIONAL FUNDS ARE REQUIRED, IT MAY BE NECESSARY FOR THE APARTMENT CORPORATION TO INCREASE MAINTENANCE CHARGES PAYABLE BY TENANT-SHAREHOLDERS.

IN THE OPINION OF ARNOLD S. WARWICK & CO., LTD., THE FOREGOING ESTIMATES ARE SUFFICIENT TO MEET THE NORMAL ANTICIPATED OPERATING EXPENSES FOR THE FIRST YEAR OF COOPERATIVE OPERATION. HOWEVER, THESE ESTIMATES ARE NOT INTENDED TO BE TAKEN AS A GUARANTY OR WARRANTY BY ANYONE THAT THE ACTUAL EXPENSES OR MAINTENANCE CHARGES WILL NOT VARY FROM THE AMOUNTS SHOWN.

If it becomes apparent that the first year of cooperative operation will commence significantly later than the date projected herein and, as a result, the original expense projections set forth in the budget are no longer accurate, then the Plan will be amended to include a revised budget. If the revised projections set forth in such Amendment exceed the original projections by twenty five (25%) percent or more, Subscribers will have the right to rescind their Subscription Agreements and have their deposits returned for a period of fifteen (15) days after the presentation of such Amendment.

Certified financial statements for the three most recent fiscal years of operation for the Property are set forth herein. If prior to the date on which the Plan is declared effective a more recent fiscal year has ended, and provided that the Sponsor has had an additional three (3) months thereafter to prepare a certified financial statement, then the Plan shall be amended to include a certified financial statement for the more recent fiscal year.

CHANGES IN PRICES AND UNITS

The cash purchase price for the shares allocated to apartments may be increased or decreased at any time (except that the prices to Tenants in Occupancy may not be increased during the 90 Day Exclusive Period), before or after the Closing Date, by a duly filed amendment to the Plan when the price change is to be advertised or involves an across-the-board change affecting one or more lines of apartments or is a price increase to an individual Subscriber. The cash purchase prices may be negotiable and the Sponsor and the Apartment Corporation may enter into Subscription Agreements with Subscribers to sell one or more blocks of shares at prices which are less than those set forth in Schedule A without amending the Plan except that any price reduction to Tenants in Occupancy prior to declaring the Plan effective, will be made by duly filed amendment. Therefore, if a change in the cash purchase price of shares allocated to an apartment is made, a Subscriber of the affected shares may pay more or less than another Subscriber of shares allocated to a similar apartment, but this will not affect any prior or later sale of shares allocated to such similar (or any other) apartment.

Arnold Warwick & Co., Ltd., a licensed real estate brokerage firm, has advised the Sponsor that, in its opinion, the price of the block of shares allocated to each apartment in the Property as set forth on Schedule A is not less than an amount that bears a reasonable relationship to the portion of the fair market value of the Property attributable to each apartment, as determined on the Date of Presentation of this Plan. (See page 29). Prior to the Closing Date, the Sponsor will obtain a further opinion as to the aforementioned reasonable relationship.

The Sponsor reserves the right, at its sole option, at any time and from time to time before and after the Closing Date (i) to change the layout of or the number of rooms in any apartment; (ii) to change the size or number of apartments by subdividing one or more apartments into separate apartments, combining separate apartments into one or more apartments, altering any boundary walls between apartments or otherwise and (iii) to change the total number of shares or to reallocate among the apartments affected by any such change, subdivision, combination or alteration, the shares of the Apartment Corporation allocated thereto, to reflect among other things such change, subdivision, combination or alteration. With respect to items (ii) and (iii) changes will be made only by duly filed amendment to the Plan. The Sponsor may elect to rearrange the number or size of one or more apartments in a manner which may result in an enlargement of the public hall space. In no event, however, will such a rearrangement reduce the amount of public hall space. Holders of Unsold Shares will also comply with the foregoing requirement. No change in the size, layout or share allocation of an apartment, for which a Subscription Agreement has been executed and is in effect, will be made unless the affected Subscriber consents to the change.

No change will be made in the total number of shares of the Apartment Corporation or of the size or quality of the public areas of the Property unless Subscribers who have executed and delivered Subscription Agreements, and who are not in default, are given the right to rescind their Subscription Agreement and to receive their downpayments during a reasonable period to be specified in an amendment to the Plan.

The Contract provides that if there shall be any increase or decrease in the cash purchase price of shares allocated to any apartments, then the amount to be paid to the Sponsor by the Apartment Corporation in exchange for the Property shall be increased or decreased by the same amount.

ARNOLD S. WARWICK & CO. LTD.
licensed real estate broker 26 west ninth street new york, new york 10011 (212) 777-2000

July 22, 1985

DASH Associates
217 Broadway Suite 712
New York, N. Y. 10007

OPINION OF REASONABLE RELATIONSHIP

RE: Offering Plan of Cooperative Ownership
(the "Plan") for the Premises located at
225 East 47th Street
New York, New York

Gentlemen:

The undersigned has reviewed the allocation of shares, (which shares were assigned on the basis of relative apartment size, number of rooms and baths and location within the building), the purchase price for each apartment and the other estimates contained in Schedule A of the Plan.

In our opinion, the prices to be paid for the shares appurtenant to the respective apartments, as set forth in Schedule A of the Plan, are not less than amounts which bear a reasonable relationship to the portion of the fair market value of the equity of the Apartment Corporation will aquire the property on consumation of the Plan which is attributable to such apartments.

We are also of the opinion that such reasonable relationship will continue until the Plan is consumated, at which time, if such be the case, we will give you further written opinion that the actual purchase price paid for each block of shares meets such reasonable relationship standard.

It is our further opinion that such reasonable relationship exists even though blocks of shares may be sold to tenants of the building for a per share purchase price lower than that paid by nontenants, all as provided in the aforesaid Schedule A.

We are not affiliated with Sponsor under the Plan, nor with any of its principals, and we have no financial interest with respect to the offering under the Plan, other than our fee for services rendered in connection with this Opinion of Reasonable Relationship and the Certification of Schedule B contained elsewhere in the Plan.

Our firm, organized in 1963, is a real estate brokerage and management company specializing in residential properties. It has sold and managed cooperatives and cooperative units in New York City for more than twenty years.

You have advised us of your intention to reproduce this letter in the Plan and we hereby consent to such use.

Very truly yours,

ARNOLD S. WARWICK & CO., LTD.

Arnold S. Warwick, President

PERLMAN & KOPEL
CERTIFIED PUBLIC ACCOUNTANTS
646 ANDERSON AVENUE
CLIFFSIDE PARK, N.J. 07010

(201) 943-9535
(212) 254-0337

March 8, 1985

Dash Associates
c/o Leimas, Roth & Schein
217 Broadway - Suite 712
New York, New York 10007

Gentlemen:

We have examined the statement of operations for the property located at 225 East 47th Street, New York, N. Y. for the periods ending December 31, 1982, 1983 and 1984. No provision for depreciation of fixed assets, renting expenses, mortgage interest, vacancy advertising, credit checking, interest income, rental commissions and painting of and repairs to individual apartments were considered in this report. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such test of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statement for the three above mentioned periods, present fairly the operating results exclusive of depreciation of fixed assets, renting expenses, painting of and repairs to individual apartments and mortgage interest of the aforementioned periods in conformity with generally accepted accounting principles applied on a consistent basis.

Very truly yours,

Perlman & Kopel

PERLMAN & KOPEL
Certified Public Accountants

225 EAST 47TH STREET
STATEMENT OF OPERATIONS
FOR YEARS ENDED DECEMBER 31, 1982, 1983 AND 1984

	1984		1983		1982	
INCOME						
Rental - Residential (Note 1)	$238,823.49		$225,046.95		$223,232.87	
Commercial	45,600.00		41,985.00		36,840.00	
Laundry	900.00		975.00		900.00	
Miscellaneous (Sch. A)	30.00		830.00		60.00	
Total Income		$285,353.49		$268,836.95		$261,032.87
EXPENSES						
Labor	$ 13,495.00		$ 13,444.78		$ 14,232.73	
Heating	10,878.15		9,201.41		10,158.67	
Utilities (Gas & Elect.)(Note 2)	8,308.65		6,127.34		5,182.95	
Water Charges & Sewer Rents	5,069.85		4,587.40		4,192.92	
Repairs & Maintenance (Sch. B)	24,926.45		20,259.18		9,523.44	
Insurance	4,279.46		6,714.73		3,557.71	
Management Fees	15,200.00		13,000.00		12,560.00	
Legal Fees and Accounting	2,270.00		2,036.00		1,879.00	
Real Estate Taxes	59,875.28		57,459.86		56,254.42	
Other Expenses (Sch. C)	1,911.09		1,139.11		2,396.02	
Total Expenses		146,213.93		133,969.81		119,937.86
Net Income from Operations		$139,139.56		$134,867.14		$141,095.01

See attached Supporting Schedules and Notes to the Statement of Operation.

225 EAST 47TH STREET

SUPPORTING SCHEDULES FOR THE STATEMENT OF OPERATIONS

FOR YEARS ENDED DECEMBER 31, 1982, 1983 & 1984

MISCELLANEOUS INCOME SCHEDULE A	1984	1983	1982
Bad Check Fees	$ 30.00	$ 30.00	$ 60.00
Insurance Recovery	0.00	800.00	0.00
Total Miscellaneous Income	$ 30.00	$ 830.00	$ 60.00

REPAIRS & MAINTENANCE SCHEDULE B			
Exterminating	$2,116.29	$ 503.37	$ 322.56
Miscellaneous Repairs	1,807.77	329.29	50.00
Maintenance Supplies/Hardware	3,367.67	3,003.50	1,175.93
Doors and Windows	884.40	211.09	0.00
Rubbish Compactor System	0.00	0.00	0.00
Elevator Maintenance & Repairs	1,475.40	1,300.04	1,038.92
Paint, Plaster and Tile	7,273.67	6,386.76	4,168.12
Landscaping and Decorating	184.03	400.00	650.00
Intercom Equipment	132.24	1,947.13	0.00
Floor Scraping and Carpeting	295.00	351.81	0.00
Electrical	289.97	2,431.48	0.00
H.V.A.C.	2,265.66	3,028.84	2,117.91
Plumbing	4,834.35	365.87	0.00
Total Repairs & Maintenance	$24,926.45	$20,259.18	$9,523.44

225 EAST 47TH STREET

SUPPORTING SCHEDULES FOR THE STATEMENT OF OPERATIONS

FOR YEARS ENDED DECEMBER 31, 1982, 1983 AND 1984

OTHER EXPENSES SCHEDULE C	1984	1983	1982
Telephone	$475.05	$263.19	$223.50
Stationery & Printing	74.26	28.02	87.28
Postage	400.00	400.00	400.00
Dues & Subscriptions	52.00	195.00	211.00
Permits & Licenses	75.00	150.60	654.75
Fines & Penalties	0.00	50.00	650.00
Miscellaneous Office Expenses	615.21	17.30	169.49
Real Estate Tax Consulting	0.00	35.00	0.00
Computer Charges	219.57	0.00	0.00
Total Other Expenses	$1,911.09	$1,139.11	$2,396.02

225 EAST 47TH STREET

NOTES TO OPERATING STATEMENT

FOR YEARS ENDED DECEMBER 31, 1982, 1983 AND 1984

Note 1: Inclusive in the Residential Rental Income are the fuel adjustment charges as allowed by the New York City Rent Stabilization Board, vacancy allowances and year end receivables from tenants deemed as uncollectable.

Note 2: Inclusive in Utilities are the gas and electric charges for the superintendent's apartment.

LEIMAS, ROTH & SCHEIN
ATTORNEYS AT LAW

71 MURRAY STREET
NEW YORK, NY 10007
212-349-2090

IRWIN LEIMAS
FREDRIC JAY ROTH
ALVIN SCHEIN

SOL M. ISRAEL
DANIEL B. ZANINI

COUNSEL'S INCOME TAX OPINION

July 1, 1985

Dash Associates
71 Murray Street
New York, New York 10007

Re: 225 East 47th Street
New York, New York

Gentlemen:

You have requested our opinion as to whether 225 East 47th St. Apartment Corp. (the "Apartment Corporation"), organized under the laws of New York pursuant to a Plan of Cooperative Ownership (the "Plan") for the above referred to premises (the "Property"), will qualify as a cooperative housing corporation within the meaning of Section 216 of the Internal Revenue Code ("Section 216") and the corresponding provisions of the New York State and City income tax laws, after consummation of the Plan, and as to whether the tenant-shareholders of the Apartment Corporation will be entitled to deduct, for Federal, New York State and City income tax purposes, their proportionate share of the real estate taxes (if any) and mortgage interest paid or incurred by the Apartment Corporation.

We have reviewed and are familiar with the Certificate of Incorporation, the Proprietary Lease and the By-Laws of the Apartment Corporation. We have reviewed the Plan and are familiar with the Contract of Exchange pursuant to which the Sponsor agreed to transfer to the Apartment Corporation all of its right, title and interest in the Property.

The opinions expressed herein are based solely upon the foregoing documents and on the following assumptions:

(i) The validity of the opinion of Arnold S. Warwick & Co., Ltd., licensed real estate brokerage firm, that the prices of the block of shares allocated to each apartment in the Property, as set forth in Schedule A of the Plan, are not less than amounts which bear a reasonable relationship to the portion of the fair market value of the equity the Apartment Corporation will acquire in the Property on consummation of the Plan, which is attributable to such apartments.

(ii) A limited number of shares of the Apartment Corporation (not to exceed fifteen (15%) percent of the total shares to be issued and outstanding) may be issued to corporations, partnerships, trusts, estates and other entities not qualifying as "tenant-stockholders" within the meaning of Section 216 (which entities shall have exe-

cuted Proprietary Leases covering the apartments in the Premises to which their respective shares have been allocated), and the remainder of such shares will be issued to (a) natural persons (who shall also execute such Proprietary Leases); and (b) you, as Sponsor. You have agreed in the Plan to transfer any such shares to natural persons, on or before the third anniversary of the Closing Date, to the extent required to enable the Apartment Corporation to qualify as a cooperative housing corporation pursuant to Section 216.

(iii) The Plan is declared effective and there is a closing under the Plan strictly in accordance with the terms thereof.

We also note that in order for the Apartment Corporation to qualify as a "cooperative housing corporation", the following four (4) requirements must be met:

(1) It must have one and only one class of outstanding stock;

(2) Each of its stockholders must be entitled, solely by reason of his or her ownership of stock in the Apartment Corporation, to occupy for dwelling purposes an apartment in a building owned or leased by the Apartment Corporation;

(3) None of its stockholders may be entitled, either conditionally or unconditionally, to receive any distribution other than out of earnings and profits of the Apartment Corporation, except upon a complete or partial liquidation of the Apartment Corporation; and

(4) The Apartment Corporation must derive at least 80% of its gross income (for the taxable year in which the real estate taxes and mortgage interest are paid or incurred) from qualified "tenant-stockholders".

With respect to the first requirement, since the Apartment Corporation's Certificate of Incorporation provides that the Apartment Corporation is authorized to issue only one class of stock, this requirement should be satisfied provided that no other inconsistent action is taken by the Apartment Corporation or its stockholders.

With respect to the second requirement it is noted both under the Certificate of Incorporation and under the Plan provide that each stockholder will be entitled, solely by virtue of his ownership of shares in the Apartment Corporation, to a proprietary lease covering the apartment to which his block of shares is allocated. The Proprietary Leases will have an original term of approximately ninety nine (99) years (more or less) and will grant the lessees the right to occupy the apartments for dwelling purposes. Consequently, this requirement appears to be satisfied, assuming Proprietary Leases are in fact issued to each and every stockholder concurrently with the issuance of a stock certificate for each apartment.

You have advised us that shares of stock of the Apartment Corporation have been allocated to six (6) offices located on the ground floor, that such offices can presently be legally converted to residential

use, and that the Proprietary Leases will permit the tenant-stockholders of these offices to convert same to residential apartments without the consent of the Apartment Corporation. You have further advised us that you have obtained a private letter ruling from the Internal Revenue Service dated April 23, 1985 which states that the allocation and issuance of shares to said offices will not prevent the Apartment Corporation from satisfying the requirements of Section 216 (b)(1)(B) of the Internal Revenue Code.

Further, we have taken into consideration that apartments will be purchased subject to certain possessory rights of existing tenants under the Rent Stabilization Law and Code (the "R.S.L."), the Rent Control Law (the "R.C.L."), and Section 352-eeee of the General Business Law (the "G.B.L.").

The Regulations issued by the Internal Revenue Service provide, in pertinent part: "The stockholder is not required to occupy premises. The right as against the corporation to occupy the premises is sufficient. Such right must be conferred on each stockholder solely by reason of his ownership of stock in the corporation, that is, the stock must entitle the owner thereof either to occupy the premises or to a lease of the premises." Treasury Regulation Section 1.216-1(d)(2). Accordingly, it is not necessary that a stockholder physically occupy the apartment in order to meet this requirement. Although, under New York law, a purchaser of an occupied apartment may not be entitled to immediate occupancy of the apartment to which his shares have been allocated, the Proprietary Lease grants each stockholder the right as against the Apartment Corporation to occupy the apartment covered by such Proprietary Lease. Therefore, we believe that this second requirement that all stockholders be entitled to occupy their apartments for dwelling purposes will be met. Rev. Rul. 80-299, 1980-2 C.B. 82.

With respect to the third requirement this limitation has been embodied in the By-Laws of the Apartment Corporation.

The fourth requirement contains three distinct but interdependent tests which must be met.

A. The first test is commonly called the "eighty (80%) percent gross income" test.

In the Plan under the Budget for First Year of Cooperative Operation, the Apartment Corporation is projected to receive at least eighty (80%) percent of its gross income from the maintenance charges to be paid by the tenant-stockholders under their respective proprietary leases. Assuming the projections prove to be accurate, and further assuming the other two interdependent tests are satisfied, then in our opinion the eighty (80%) percent gross income test will be satisfied for said first year.

B. The second interdependent test pertains to the identity of the tenant-stockholder.

Apart from two narrow exceptions, the statute requires that a tenant-stockholder be an "individual". One of the exceptions, enacted under the Revenue Act of 1978, as amended, relates to an "original seller". The term "original seller" is defined in the Act as the person from whom the Apartment Corporation has acquired title to the apartments or houses (or leaseholds therein). Such original seller will be treated as a tenant-stockholder for a period not to exceed three (3) years from the date it acquires the Apartment Corporation's stock, provided the original seller has the right to occupy the apartment to which such shares are allocated.

In our opinion, the Sponsor will be regarded as the "original seller" under Section 216, as amended, and all maintenance charges paid by the Sponsor to the Apartment Corporation under the Proprietary Lease during said three year period, but not thereafter, will qualify as income derived from qualified tenant-stockholders for purposes of meeting the eighty (80%) percent gross income test.

In the case of Eckstein v. United States, 471 F.2d 1036 (Ct. Cl. 1971), the Court of Claims found, in part, that an individual who owned shares of the Apartment Corporation as nominee for a corporation was not considered to be a bona fide tenant-stockholder within the intent of Section 216 and that income received by the Apartment Corporation from such nominee could not be credited toward the eighty (80%) percent gross income required to be derived from tenant-stockholders. Although this decision concerned only one who was acting as a nominee for a corporation, the court's rationale would preclude all but natural persons from qualifying as a tenant-stockholder.

Based on the Eckstein case, all persons owning shares of the Apartment Corporation who are not individuals (other than the Sponsor during the three years it may hold Unsold Shares as the "original seller" as stated above) would not be qualified "tenant-stockholders" as defined in Section 216(b)(2) and income from such non-qualified "tenant-stockholders" could not be counted towards the eighty (80%) percent gross income test.

The Plan provides that shares will be issued only to individuals, except for the Unsold Shares issued to the Sponsor and a limited number of shares (including Unsold Shares) which may be issued or transferred to other than individuals. The Plan limits the number of shares to be held by entities other than individuals to not more than 15% of the outstanding and issued shares of the Apartment Corporation.

Assuming the Plan and the foregoing limitations are strictly adhered to, this second test will have been satisfied.

C. The third interdependent test is customarily referred to as the "reasonable relationship" test.

The Internal Revenue Service has interpreted this provision to require that each block of shares be fully paid for in an amount equal to an amount as bears "...a reasonable relationship to the portion of

the fair market value, as of the date of the original issuance of the stock, of the corporation's equity in the building and the land on which it is situated which is attributable to the apartment...which such individual is entitled to occupy". Treasury Regulations Section 1.216-1(e).

This is in essence a twofold test: (i) the shares must be "fully paid for", and (ii) the amount paid must at least equal a price that bears a reasonable relationship to the fair market value of the equity acquired by the corporation in the property allocable to the pertinent apartment.

Regarding the first part of the test, the Certificate of Incorporation provides that the shares have a par value of One ($1.00) Dollar each. The cash purchase price of each block of shares set forth in the Plan exceeds this amount. Assuming the full purchase price under each purchaser's Subscription Agreement is paid (including the par value of the shares), then in our opinion the shares will be deemed to have been fully paid and non-assessable under New York law.

With respect to the second part of this test, Arnold S. Warwick & Co., Ltd., has rendered its opinion as previously discussed.

Based on the foregoing, but without passing upon the validity of the opinion of Arnold S. Warwick & Co., Ltd., referred to above, it is our opinion that:

(1)The Apartment Corporation will qualify as a "cooperative housing corporation" within the present meaning of Section 216(b)(1) of the Internal Revenue Code, Sections 615 and 623(b) of the New York Tax Law and Section T46-15.0 of the Adminsitrative Code of the City of New York.

(2)In any taxable year in which not less than 80% of the Apartment Corporation's gross income consists of rent received from qualified "tenant-stockholders", each tenant-stockholder who is a natural person will be entitled, under present tax laws and regulations, to deduct from his adjusted gross income for Federal and New York State and City income tax purposes his proportionate share of (a) any real estate taxes paid or incurred by the Apartment Corporation (during the taxable year of such tenant-stockholder) on the buildings and the land on which they stand, and (b) interest paid or incurred by the Apartment Corporation (during the taxable year of such tenant-stockholder) on mortgages to which the Property is subject, to the extent that such tenant-stockholder has paid or incurred within his taxable year an amount equal to such proportionate share of taxes paid or incurred by the Apartment Corporation. Each Tenant-Shareholder who is not a natural person, will not be entitled to the deductions referred to above, under Section 216.

It is noted that the current provisions of the New York State Tax Law and the Administrative Code of the City of New York do not contain any separate, independent requirements in order for tenant-stockholders to be entitled to the above-described tax deductions. Rather, these statutes permit tenant-stockholders to automatically deduct for New York State and City income tax purposes their proportionate share of the real estate taxes and mortgage interest paid or incurred by the Apartment Corporation to the same extent such deductions are allowed under Section 216.

This is an opinion, not a guarantee, that the Apartment Corporation will qualify as a "cooperative housing corporation" and that individual Tenant-Shareholders will be entitled to income tax deductions. This opinion is based solely on the facts and documents referred to above. No warranties are made that the tax laws upon which this opinion is based will not change. In no event will we, the Sponsor, the Apartment Corporation, the Selling Agent or any other person be liable if the Apartment Corporation does not meet or ceases to meet the requirements of the Internal Revenue Code, or the New York State Tax Law, or the Administrative Code of the City of New York, by reason of future changes in fact or applicable law, regulations, decisional law or Internal Revenue Service rulings.

There are many further tax consequences of the acquisition of shares of the Apartment Corporation to a person who becomes a tenant-stockholder of the Apartment Corporation with a view to holding the shares for rental income and income on a future sale, or for other business use, rather than for purposes of occupying the apartment to which the shares and Proprietary Lease relate solely as a residence. This opinion does not deal with any of such consequences. A person considering the purchase of shares for such business purpose should consult his own advisors as to the tax consequences thereof.

Finally, we have not passed upon the accuracy of any figures or estimates contained in the Plan and do not warrant the amount deductible for income tax purposes by tenant-stockholders for any period, assuming such tax deductions are allowed, or the amount tenant-stockholders may save in federal, state or city income taxes, if any.

We understand that this letter is to be made a part of the Offering Plan and consent to its reproduction therein.

Very truly yours,
LEIMAS, ROTH & SCHEIN

By: Irwin Leimas

SALE OF SHARES TO OFFICES

Allocation of Shares and Permissible Uses

Shares of the Apartment Corporation have been allocated to six (6) offices located on the ground floor of the building (Apartments 1A, 1B, 1C, 1D, 1G and 1K). The offices may currently be used for office uses listed under Use Group 6 of the Zoning Resolution of the City of New York (including, but not limited to, business, professional or governmental offices). Prospective Subscribers of the shares allocated to an office should consult their attorneys to determine whether the offices can be legally used for the uses they intend.

Internal Revenue Service Private Letter Ruling

Sponsor's counsel has obtained a private letter ruling from the Internal Revenue Service that the allocation of shares of the Apartment Corporation to such offices will not prevent the Apartment Corporation from meeting the requirements of Section 216(b)(1)(B) of the Internal Revenue Code. The letter ruling is set forth in its entirety in Part II of the Plan as Exhibit I.

Conversion of Offices to Residential Apartments

The Proprietary Lease will permit a Tenant-Shareholder of an office to convert his or her unit to residential use in whole or in part without the consent of the Apartment Corporation provided (i) such conversion is done at such Tenant Shareholder's sole cost and expense; (ii) such conversion is done in conformance with all rules, regulations and law of any governmental authority having jurisdiction; and (iii) all necessary permits are obtained and delivered to the Board of Directors prior to the commencement of any work and upon completion all necessary approvals and certificates of inspections (including a revised or amended Certificate of Occupancy) are obtained and delivered to the Board of Directors prior to residential occupancy. It is noted that the offices can presently be legally converted to residential use "as of right" and were in fact previously used for residential purposes. The Apartment Corporation shall execute any documents reasonably required in connection with such alterations and conversions.

Rights of Existing Office Tenants

The Sponsor does not expect to renew or extend the office leases currently in effect. Therefore, in the event an existing office tenant does not subscribe for the shares allocated to its office, the tenant may be expected to vacate the office upon the expiration of its current lease or in the event such tenant is at that time a month-to-month tenant, upon thirty (30) days prior written notice from the Sponsor.

The current uses of the offices include graphic design, home furnishings and general office use.

The purchase price for shares allocated to the offices are listed in Schedule A. Existing office tenants shall not have the rights of Tenants in Occupancy as explained in the section of the Plan entitled "Rights of Existing Tenants" including but not limited to the exclusive right to purchase the shares allocated to their offices during the "90 Day Exclusive Period" or any "30 Day Exclusive Period". The Sponsor shall be under no obligation to sell the shares allocated to an office to any person.

Subscribers of Occupied Offices

A Subscriber of an occupied office will acquire the shares allocated to the office subject to the rights of the existing tenant, including such tenant's right to possession of the office until the expiration of its current lease. No representation is made as to the length of time which may elapse before actual possession of an office (occupied by a tenant) may be obtained. The cost, if any, of obtaining possession shall be borne solely by such Subscriber.

Any person interested in purchasing shares of the Apartment Corporation allocated to an office occupied by a tenant is urged to examine the present lease pertaining to the apartment to which such shares are allocated, verifying not only the expiration date of the lease, but also the rent currently payable for the office (which may be more or less than the Maintenance Charges that will be payable to the Apartment Corporation after the closing under the Plan) and the obligations of the landlord thereunder.

Conversion of Offices by the Sponsor or Holders of Unsold Shares

The Sponsor or holders of Unsold Shares shall have the right to convert the offices from their existing legal use (Office-Use Group 6) to any legally permitted use without the consent of the Apartment Corporation provided same is done in accordance with the rules and regulations of all governmental authorities having jurisdiction thereto.

Services

The Apartment Corporation will provide the same level of services for office Tenant-Shareholders as for residential Tenant-Shareholders (including the services of the superintendent).

RIGHTS OF EXISTING TENANTS

The following discussion of the rights of existing tenants and Non-Purchasing Tenants which ends on page 46, applies only to the residential tenants (i.e. not the office tenants) in the Premises. The current office tenants shall not have an exclusive right to purchase the shares allocated to their offices and may not be offered a lease renewal or extension upon the expiration of their current lease. Non-purchasing commercial tenants may be required to vacate their offices upon the expiration of their current leases.

Exclusive Right to Purchase

Each bona fide Tenant in Occupancy will have an exclusive right, for a period of ninety (90) days from the Date of Presentation of the Plan (the "90 Day Exclusive Period"), to subscribe for the shares of the Apartment Corporation allocated to his apartment at a cash purchase price of $710.00 per share. Subscription Agreements will not be accepted from third party Subscribers for occupied apartments during the 90 Day Exclusive Period. At any time after, but in no event during the said 90 Day Exclusive Period, the Sponsor and the Apartment Corporation shall have the right to increase the total cash purchase price to Tenants in Occupancy shown on Schedule A, by duly filed amendment to the Plan.

Any bona fide Tenant in Occupancy with the right to renew a lease or the right to continued occupancy on the Filing Date of the Plan has the right to subscribe during the 90 Day Exclusive Period. For the purposes of determining who has the right to subscribe during the 90 Day Exclusive Period, a bona fide tenant of record with an unexpired lease on the Filing Date of the Plan shall be presumed to be a bona fide Tenant in Occupancy even though the tenant has sublet his or her dwelling unit or the dwelling unit is not the tenant's primary residence.

If this Plan is amended (prior to the transfer of title to the Apartment Corporation), and such amendment results in either: (a) a material reduction in the purchase price of the blocks of shares allocated to apartments; or (b) a material reduction in projected maintenance charges to Tenant-Shareholders; or (c) a material increase in the Reserve Fund to be retained by the Apartment Corporation, then, and only in the event of either (a), (b) or (c), Tenants in Occupancy shall have the exclusive right to subscribe for the shares allocated to their apartments for thirty (30) days from the date on which such amendments are presented to Tenants in Occupancy (the "30 Day Exclusive Period"). If such amendment is presented to Tenants in Occupancy before the 90 Day Exclusive Period has expired, this Thirty (30) Day Exclusive Period will run concurrently with all or a portion of the 90 Day Exclusive Period. In the event the 90 Day Exclusive Period has expired and Tenants in Occupancy are given a 30 Day Exclusive Period to purchase, it shall be at the purchase prices then in effect (currently $888.00 per share).

The Sponsor and the Apartment Corporation shall have the right at any time to increase the total cash purchase prices shown on Schedule A, by duly filed amendment. However, any such increase shall not affect any Subscription Agreements executed prior to the date on which the increase becomes effective. Such Subscription Agreements will be accepted on "first come, first served" basis, as Tenants in Occupancy will not have any exclusive right to purchase the shares allocated to any apartments other than in which they reside. Any exclusive right granted to tenants applies only to purchases by such Tenants in Occupancy of the apartment actually occupied by them. Neither the Apartment Corporation nor the Sponsor is under any obligation to accept Subscription Agreements from Tenants in Occupancy for shares allocated to vacant apartments.

Rights of Non-Purchasing Tenants

This is a "Non-Eviction" Plan. Therefore, the Sponsor will not avail itself of the option of filing to meet the applicable requirements of the Rent Stabilization Law and Code or the Rent Control Law. As a result, under existing law, Non-Purchasing Tenants will not be subject to eviction under the applicable provisions of such laws by Subscribers of the shares allocated to their apartments. Non-Purchasing Tenants' apartments will continue to be subject to the Rent Stabilization Law and Code or the Rent Control Law, whichever is applicable, after the Closing. Non-Purchasing Tenants will continue to have the right to possession of their apartments and will not be subject to eviction, except for the failure to pay rent or a default in their obligations as tenants which may permit a termination of their tenancy and eviction in accordance with applicable law.

In addition, the rent of such Non-Purchasing Tenants will not be increased, except as specified in their existing leases or pursuant to the rent regulations applicable to their apartment for increases in rent.

Pursuant to the provisions of Section 352-eeee of the General Business Law:

1. The Managing Agent shall provide to Non-Purchasing Tenants all services and facilities required by law on a non-discriminatory basis. Third party Subscribers must agree to designate the Managing Agent as their agent for such purposes. The Sponsor shall guaranty the obligation of the Managing Agent to provide all such services and facilities until such time as less than a majority of the Directors of the Apartment Corporation are persons elected by the Sponsor or by Individuals Produced By The Sponsor.

2. The owner of shares allocated to an apartment occupied by a Non-Purchasing Tenant may not commence an action to recover possession of the apartment from the Non-Purchasing Tenant on the grounds that he seeks the apartment for the use and occupancy of himself or his family.

3. If the rent laws governing an apartment occupied by a Non-Purchasing Tenant are eliminated or become inapplicable after the Plan has been accepted for filing, the rental of such Non-Purchasing Tenant shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period

of his occupancy. In determining comparability, consideration shall be given to such factors as building services, level of maintenance and operating expenses.

4. This Plan may not be amended at any time to provide that it shall be an "eviction" Plan.

5. The rights granted under the Plan to Subscribers and to Non-Purchasing Tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, §352-eeee.

6. The Sponsor shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth day after the Plan has been accepted for filing 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, (a) file with the Department of Law a written statement, under oath, setting forth the percentage of the 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 apartment when it becomes vacant as of the date of such statement and, (b) 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 Property.

7. 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 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 from proceeding with the Plan of conversion. The affected tenant shall not be precluded from applying on his own behalf for similar relief.

8. If, prior to the Effective Date of the Plan or the expiration of any exclusive period, whichever is later, the Sponsor amends the terms and conditions of the offering to be more favorable to tenant Subscribers, a tenant who was in occupancy on the Presentation Date and who executed and submitted a Subscription Agreement before the Sponsor amended the terms, may elect to benefit from the favorable terms and conditions.

Obligations of Subscribers of Occupied Apartments

If the shares allocated to an apartment are purchased by someone other than the tenant thereof, the tenant will become the Subscriber's tenant on the Closing Date and the Subscriber will become his landlord.

A Subscriber who acquires the shares allocated to an occupied apartment will be required to deposit with the Managing Agent, at Closing, a sum equal to not less than an amount equal to two (2) months Maintenance Charges to be used as working capital to furnish services required under the non-Purchasing Tenant's lease, and under applicable laws. This fund shall be replenished within sixty days

of the receipt of a notice from the Managing Agent that the fund has been diminished. In addition, such Subscriber shall be required to pay to the Apartment Corporation the regular Maintenance Charges for such apartment, whether the same are greater or less than the rent received from the non-purchasing Tenant in Occupancy. Subscribers of dwelling units occupied by non-purchasing Tenants in Occupancy will be obligated to register the dwelling unit with the New York State Division of Housing & Community Renewal and/or to register as owner of the shares allocated to such dwelling unit. Failure to register the apartment or adhere to the applicable rent regulatory requirements could result in a denial of future rent increases and/or fines by the appropriate regulatory agency. By reason of the terms of the Subscriber's Proprietary Lease, the Rent Stabilization Law, the Rent Control Law, and/or any other applicable laws, regulations and rules, the Subscriber will also be responsible for the due performance of all of the obligations of the landlord under the lease (if any) with the tenant, including obligations to maintain, repair and replace plumbing fixtures, refrigerator, range, lighting fixtures and other equipment in the apartment, and to paint the apartment. Such Subscribers will also be liable to the Apartment Corporation for the performance of all obligations under the Proprietary Lease for said apartment.

Further, such Subscribers may obtain increases in the Rent-Stabilized or the Rent Controlled rent, by filing with appropriate agencies, due to building-wide major capital improvements performed at the Premises, if any.

Some apartments, however, stabilized or controlled, are occupied by tenants who are exempt from rent increases by virtue of the Senior Citizen Rent Increase Exemption Program ("SCRIE;" section 467-b of the Real Property Tax Law of the State of New York and section Y51-5.0(n) or section YY51-4.1 of the Administrative Code of the City of New York). Pursuant to this program, owners of property are entitled to real estate tax abatement in the amount of exempt rent increases. Consequently, Subscribers and Holders of Unsold Shares whose shares are allocated to apartments occupied by tenants enjoying the benefits of this program will be unable to receive rent increases beyond the amount specified in the SCRIE order. Such Subscribers and Holders of Unsold Shares will, however, be entitled to a credit against their Maintenance Charges, as a result of the rent increase exemption, equal to the real estate tax abatement allocable to the apartment, which corresponds to their shares.

A Subscriber who acquires the shares allocated to an apartment occupied by a Non-Purchasing Tenant will also be required to designate the Managing Agent as his or her agent, in order to provide to such Non-Purchasing Tenant all services and facilities required by law on a non-discriminatory basis, as provided by §352-eeee of the General Business Law, and to agree to reimburse the Managing Agent for the cost of any such services and facilities, the provision of which is not customarily the obligation of a managing agent of a cooperative apartment building.

Any person interested in purchasing shares of the Apartment Corporation allocated to an apartment occupied by a Non-Purchasing Tenant is urged to examine the present lease pertaining to the apartment to which such shares are allocated, verifying not only the expiration date of the lease, and any renewal thereof, but also the

rent currently payable for the apartment (which may be more or less than the Maintenance Charges that will be payable to the Apartment Corporation after the closing under the Plan) and the obligations of the landlord thereunder.

As this is a "Non-Eviction" Plan, a Subscriber of shares allocated to a residential apartment occupied by a Non-Purchasing Tenant, will not be able to obtain possession of such apartment, except if the Non-Purchasing Tenant fails to pay rent, or defaults in his obligations as a tenant which may permit a termination of his tenancy in accordance with applicable law. Such a Subscriber will not have any rights to possession of the apartment on the grounds that he seeks the apartment for the use and occupancy of himself or his family.

Consequently, Subscribers of the shares allocated to such residential apartments will obtain the Proprietary Lease for the apartment subject to (a) the terms of the lease for the apartment then in effect (and any renewal of the terms thereof after the Date of Presentation of this Plan); (b) any existing occupancy of the apartment; (c) the right of any existing Non-Purchasing Tenant to remain in possession of the apartment in accordance with the applicable law, including the right to a renewal lease; and (d) all other rights of any existing Non-Purchasing Tenant under applicable laws as now promulgated and as amended prior to Closing.

No representation or warranty is made as to the length of time which may elapse before actual possession of an apartment occupied by a Non-Purchasing Tenant may be obtained, or that such possession may ever be obtained.

A Subscriber who acquires the shares allocated to an occupied apartment will be responsible for complying with the requirements of Section 7-103 of the General Obligations Law, concerning security deposits.

Security Deposits

Any residential or office tenant who purchases the shares allocated to his apartment and who has a sum of money deposited with the Sponsor as security for the payment of his rent and performance of his lease obligations and is not in default under the terms of his lease or his Subscription Agreement will be allowed a credit at the Closing, which will be deducted from the cash purchase price, equal to his security deposit, plus any interest accrued through said Closing, or will at Sponsor's option, instead be entitled to a refund either at the Closing or at the end of the calendar month in which the Closing occurs. In the event that the shares allocated to an apartment occupied by a Non-Purchasing Tenant are sold to a third party Subscriber, the unapplied portion of any rent security deposit of such Tenant held by the Sponsor will be assigned to the third party Subscriber at the Closing. Such deposits must be held by third party Subscribers in trust, in an interest bearing account in accordance with §7-103 of the New York General Obligations Law.

INTERIM LEASES

If requested by a Subscriber, the Sponsor shall have the right, but not the obligation to enter into a lease agreement (the "Lease") for a vacant residential apartment or office which Lease shall cover the apartment which the Subscriber has subscribed for, upon the following terms:

1. A security deposit equal to one month's rent shall be paid to the Sponsor upon execution of the Lease. The security deposit will be held by the Sponsor pursuant to the provisions of General Obligations Law §7-103.

2. The form of Lease will be available for inspection at the offices of the Selling Agent.

3. The Lease shall contain the following special terms and conditions:

a) The Subscriber shall pay to Sponsor a monthly rental in advance on the first day of each month of the lease term, in an amount not to exceed the maximum rental that may be legally collected.

b) The Lease shall be for a stated term of one year except that it shall terminate on the sooner of (i) the Closing Date, or (ii) the date on which the Subscriber elects to rescind its Subscription Agreement as a result of an amendment to the Plan, which allows Subscribers the opportunity to rescind their Subscription Agreements, or (iii) the date on which either the Sponsor or the Apartment Corporation has elected to cancel the Subscriber's Subscription Agreement because of a default thereunder.

c) Subscriber shall be required to vacate and surrender possession of the apartment, unless Subscriber has acquired the shares of stock allocated to Subscriber's apartment pursuant to the Subscription Agreement, within 30 days after the applicable date set forth in sub-paragraph (b) above.

d) ANY UNCURED DEFAULT UNDER THE PROVISIONS OF THE LEASE SHALL BE DEEMED TO BE A DEFAULT UNDER THE SUBSCRIPTION AGREEMENT AND ANY UNCURED DEFAULT UNDER THE PROVISIONS OF THE SUBSCRIPTION AGREEMENT SHALL BE DEEMED TO BE A DEFAULT UNDER THE LEASE.

e) In the event the Subscriber fails to vacate and surrender possession of the apartment or office within the time set forth, then the Sponsor shall retain in sub-paragraph (c) above, from the downpayment paid under the Subscription Agreement and/or the one month security deposit paid under the Interim Lease,

as liquidated damages, an amount equal to $500.00 for each day that the Subscriber remains in possession. In the event that the liquidated damages are less than the total downpayment, the balance will be refunded to the Subscriber within twenty (20) days of his vacating and surrendering possession of the apartment or office. Further, if the total downpayment has been retained by the Sponsor as liquidated damages and the Subscriber has still failed to vacate and surrender possession of the apartment or office, then the Subscriber shall become liable for any actual damages incurred by the Sponsor in excess of the liquidated damages, including, but not limited to any legal fees, lost rent, and the cost of restoring the apartment or office to its condition at the time of the commencement of the Interim Lease.

f) In the event that the Plan is abandoned, the Subscriber of a residential apartment shall have all of the rights and obligations of a rent stabilized tenant.

g) Should the Sponsor offer any Subscriber a right to rescind a Subscription Agreement, such right to rescind will be conditioned upon his or her surrendering possession of the apartment, leaving it broom clean and paying any rent due under the Interim Lease.

h) No part of any rent paid by a Subscriber under any Interim Lease will inure to the benefit of such Subscriber if he or she later subscribes for the shares allocated to the leased apartment or any other apartment in the Building. All rent paid under an Interim Lease will belong to the Sponsor as payment for the use and occupancy of the apartment prior to the Closing Date.

PROCEDURE TO PURCHASE

Subscription Agreement

A person desiring to subscribe for the shares allocated to an Apartment will be required to execute three (3) copies of the Subscription Agreement in the form set forth in Part II of this Plan and return them to the Selling Agent, together with his check for the required downpayment made payable to the order of "225 East 47th Street Special Account." The required downpayment for Tenants in Occupancy during the 90 Day Exclusive Period is $1,000 and for Tenants in Occupancy thereafter and for all other Subscribers at all times is ten (10%) percent of the purchase price.

A prospective Subscriber must have the Offering Plan and all filed amendments in his possession at least three (3) days prior to executing a Subscription Agreement. A prospective Subscriber's Subscription Agreement shall not be binding on any party until accepted by the Apartment Corporation, and a fully executed copy thereof has been mailed or delivered to the prospective Subscriber.

Within twenty (20) days after a prospective Subscriber has delivered to the Selling Agent an executed Subscription Agreement together with the required down payment and Purchase Application, the Apartment Corporation or the Sponsor must either accept the Subscription Agreement and return a fully executed counterpart, or reject the Subscription Agreement and refund the full downpayment previously tendered.

If not approved and accepted within twenty (20) days after delivery to the Selling Agent, the prospective Subscriber's Subscription Agreement shall be deemed to be rejected. In such event the downpayment previously tendered will be promptly refunded in its entirety. See "Rights of Existing Tenants" at page 44.

The terms of sale and other provisions of an actual Subscription Agreement entered into with any given Subscriber may vary from the provisions contained in the form of Subscription Agreement in Part II of this Plan, (provided such variations are mutually agreed upon by the Subscriber, the Apartment Corporation and the Sponsor), but such variations shall have no effect on the provisions of any other Subscription Agreement theretofore or thereafter entered into between the Sponsor and the Apartment Corporation and any other Subscriber. However, the Subscription Agreement to be used by Tenants in Occupancy who subscribe prior to the Effective Date may not be modified, except by duly filed amendment to the Plan.

In the event of any conflict between the provisions of the Plan and the Subscription Agreement, the provisions of the Plan will govern.

The Subscription Agreement is not assignable without the prior written consent of the Apartment Corporation.

Purchase Application

In addition, a person desiring to subscribe for shares of the Apartment Corporation will be required either prior to, or simul-

taneously with, the submission of a Subscription Agreement, to complete a Purchase Application in the form set forth in Part II of this Plan. The information furnished in the Purchase Application will be used to determine the applicant's qualifications (including credit-worthiness) for purchasing shares of the Apartment Corporation. The Apartment Corporation and the Sponsor will rely on the truth and accuracy of such information in the event that a Subscription Agreement is approved and accepted. The submission of a Purchase Application shall not constitute the reservation of any apartment in the Property and shall not create a binding obligation of any kind by either the applicant or the Sponsor. The Selling Agent may accept more than one application at a time regarding the same apartment.

New York State Gains Tax Forms

Simultaneously with the execution of a Subscription Agreement each Subscriber will be required to execute the Real Property Gains Tax Power of Attorney (in the form set forth as Exhibit A to the Subscription Agreement) and the Transferee Questionnaire (Form TP-581) if requested by the Selling Agent. Failure to return the forms properly completed, signed and notarized with fifteen (15) days of delivery to the Subscriber shall be an event of default under the Subscription Agreement. The Power of Attorney entitles the Sponsor on behalf of the Subscriber to do the following:

(i) execute the Transferee Questionnaire (Form TP 581) required by Section 1447.1(c) of the Tax Law;

(ii) receive the Statement of Tentative Assessment (Form TP 582.2) or Statement of No Tax Due (Form TP 585); and

(iii) receive the Release of Liability (Form TP 586) required by Section 1447.3(c) of the Tax Law.

At Closing or as soon thereafter as they are received by the Sponsor, Sponsor shall deliver to Subscriber copies of all the aforesaid forms. It will be the responsibility of Sponsor to pay the New York State Real Property Transfer Gains Tax in connection with the sale of each apartment.

Financing Condition

The Subscription Agreement may, at a Subscriber's option, contain a provision to the effect that a Subscriber of shares will be entitled to the return of his downpayment in the event that within 45 days after the acceptance of the Subscription Agreement, he forwards to the Selling Agent a notice of cancellation of the Subscription Agreement that truthfully states that he was unable to obtain an institutional lender to whom he applied for a cooperative apartment loan, in an amount and upon such terms no less favorable than the following: Principal Amount - 75% of the cash purchase

price; Interest Rate - highest prevailing variable or fixed rate of the particular bank is applied to at the time of the application for a loan; Term - 20 years.

The Subscriber shall be required to promptly advise the Sponsor as to the name and address of the lending institution to which a loan application has been made and the date on which it was submitted to the lending institution, as well as to provide the Sponsor with a copy of the application.

If a Subscriber's institutional loan commitment lapses or expires prior to the Closing Date, and he is unable to either extend said commitment or to obtain another commitment from an institutional lender after a good faith effort, the Subscriber may cancel his Subscription Agreement and be entitled to the return of his 10% downpayment. Such right of cancellation must be exercised within fifteen (15) days after the commitment has lapsed or expired, by written notice to the Selling Agent.

However, in the event that a Subscriber is unable to obtain such a commitment, or if his commitment lapses or expires, prior to the Closing Date as stated above, and he notifies the Selling Agent in writing, the Sponsor shall have the right, but not the obligation, within 10 days thereafter to commit to make a personal loan to be secured by the Subscriber's shares of stock and accompanying Proprietary Lease to such Subscriber in an amount and upon such terms as are no less favorable than those set forth above, in which case the Subscriber shall not be entitled to cancel his Subscription Agreement nor to the return of his downpayment.

If a Subscriber finances a portion of the cash purchase price, the Subscriber shall be required to execute any loan documents that its lending institution may require, and to pay all fees and expenses of such transaction in advance of the Closing and to authorize said lending institution to hold in escrow all documents, fees, expenses, and the loan proceeds until the Closing, at which time the lending institution shall be authorized to deliver the said loan proceeds to the Apartment Corporation or the Sponsor in exchange for the shares of stock allocated to Subscriber's apartment and the Proprietary Lease, as well as any other documents required by lender in order to effectuate the loan transaction.

Payment of Balance of Purchase Price and Pre-Closings

The Plan will be declared effective by written notice from the Selling Agent, the Sponsor or the Apartment Corporation to Subscribers. Within fifteen (15) days following the date of such notice, each Subscriber must pre-close. Each Subscriber must contact the Selling Agent and arrange for an appointment for a pre-closing that must take place at the offices of the Selling Agent within said fifteen (15) days. At the pre-closing, the Subscriber will execute and deliver duplicate copies of the Proprietary Lease. At or before the pre-closing, the Subscriber must deliver to the Selling Agent at its offices, his/her unendorsed personal certified check or an official cashier's check drawn to the order of "225 East

47th Street Special Account" in the amount of the cash balance of the purchase price payable under his/her Subscription Agreement and his/her check for $150 to the order of Leimas, Roth & Schein for the preparation and filing of the State Gains Tax forms, the coordination of the pre-closing and the preparation of the closing documents.

A Subscriber who intends to finance any portion of the purchase price with a loan from a bank, trust company or other lending institution will have the right to pay such portion of the purchase price on the Closing Date, provided that at or before the pre-closing such Subscriber will deliver to the Selling Agent at its offices (i) the portion of the balance of the purchase price not to be financed, (ii) a copy of a written commitment from a lending institution for a loan in an amount equal to the portion of the purchase price to be financed, and (iii) copies of all documents that the lending institution will require the Apartment Corporation to execute in connection with the loan. The Apartment Corporation will not be required to execute any such document if it does not conform to the terms of the Proprietary Lease.

Defaults

If a Subscriber fails to pay the balance of the purchase price when due, or fails to perform any other obligation under the Subscription Agreement, the Sponsor or the Apartment Corporation may elect to cancel the Subscription Agreement on thirty (30) days prior written notice. In such event, a Subscriber will have thirty (30) days to cure such default. Failure to cure such default within such thirty (30) day period will result in the cancellation and termination of the Subscription Agreement, and the Sponsor shall have the right to retain the downpayment as liquidated damages. NO EXTENSION OF THE TIME PERIOD DURING WHICH A DEFAULT MAY BE CURED WILL BE GRANTED.

Escrow

The Sponsor will hold all monies received by it, directly or through its agents, employees or escrow agent, in escrow, in a special segregated account entitled "225 East 47th Street Special Account", at Chemical Bank, at 633 Third Avenue, New York, New York, until the Closing, in accordance with the terms of the Subscription Agreement. If this Plan is abandoned for any reason, or if the Plan is not declared effective within 15 months from the Date of Presentation of the Plan, then such monies will be fully returned to all Purchasers, without interest (unless interest is earned). All monies paid by Purchasers will be handled in accordance with the provisions of Sections 352-e(2)(b) and 352-h of the New York General Business Law. The signature of a partner of the firm of Kassel, Neuwirth & Geiger of 845 Third Avenue, New York, New York will be required to release funds from the escrow account.

ASSIGNMENT OF SUBSCRIPTION AGREEMENTS

The Subscription Agreement is not assignable. If assignments are permitted in the future, by duly filed amendment to the Plan a fee may be charged by the Selling Agent for the processing of same, and in the case of an actual assignment occurring prior to the Effective Date of the Plan, the assignee will be required to execute and deliver to the Selling Agent an affidavit in the form required by applicable regulations stating that (a) the assignee was not procured by the Sponsor or the Selling Agent and (b) the assignee or a member of the assignee's family intends to occupy the Apartment appurtenant to the Shares covered by the Subscription Agreement when it becomes vacant.

EFFECTIVE DATE OF THE PLAN

The offer to sell the shares of the Apartment Corporation is contingent upon the Plan being declared effective.

The Plan will be declared effective, or will be abandoned, upon the following conditions:

1. The Plan may be abandoned at any time before Subscription Agreements for the blocks of shares allocated to eighty (80%) percent of the residential apartments have been executed and accepted, in which case the Plan must be declared effective. If the Plan is abandoned (i) all funds paid by Subscribers will be returned to them within 45 days and (ii) the Sponsor shall promptly file a notice of abandonment on Form RS-3 or such other form as may be required which notice shall explain the reason for abandonment and disclose the disposition of all funds received.

2. The Plan may not be abandoned after it has been declared effective, unless Sponsor and the Apartment Corporation elect to abandon the Plan because (i) there are defects in title or violations of record or work orders of a mortgagee which arose after the Presentation Date of the Plan and which can be cured or removed only by the payment of a sum of money in excess of $70,000.00, or by the institution of litigation; or (ii) all or a substantial portion of the Property is substantially damaged or destroyed by fire or other casualty and the net insurance proceeds exceed $70,000.00; or (iii) a material portion of the Property is taken by condemnation or eminent domain.

3. The Plan will be deemed abandoned, if it is not declared effective within fifteen (15) months from the date the Plan was accepted for filing. In the event of such abandonment, no new Plan for these Premises shall be submitted for filing for at least twelve (12) months after such abandonment.

4. The Plan may be declared effective if Subscription Agreements have been executed and delivered for the purchase of the blocks of shares allocated to at least fifteen (15%) percent of the residential apartments (i.e. not including the offices) by bona fide Tenants in Occupancy (as defined in the Plan) or by bona fide non-tenant Subscribers who represent that they or one or more members of their respective immediate families occupy the respective apartments when they become vacant. As to Tenants in Occupancy, Subscription Agreements shall be executed and delivered pursuant to an offering made without discriminatory repurchase agreements or other discriminatory inducements.

The Plan must be declared effective when Subscription Agreements for the blocks of shares allocated to eighty (80%) percent of the residential apartments have been executed and accepted.

5. The Plan will be declared effective by written notice to all Subscribers. Within five (5) days after the service of such notice, an amendment confirming that the Plan has been declared effective on a specified date, will be submitted for filing. The Closing will not occur until such amendment has been accepted for filing by the Department of Law.

6. Except as provided herein, the Plan will not be declared effective based on Subscription Agreements:

(i) Executed by Subscribers who have been granted a right of rescission that has not yet expired or been waived;

(ii) Assigned (Subscription Agreement are not presently assignable) or transferred without compliance with Section 18.3(q) of the Regulations promulgated by the Department of Law;

(iii) Conditioned upon an amendment to the Plan that:

(a) has not been filed, and

(b) presented in compliance with Section 18.3(p)(9) of Part 18 of the Regulations promulgated by the Department of Law; or

(iv) Executed by a Subscriber (unless such Subscriber may be included as provided by applicable law, decisional law or regulations of the Department of Law) who is:

(a) a principal of the Sponsor or the Selling Agent; or

(b) related by blood, marriage or adoption to the Sponsor or the Selling Agent or to a principal of the Sponsor or the Selling Agent; or

(c) a business associate, employee, shareholder or limited partner of the Sponsor, the Selling Agent or any principal of the Sponsor or the Selling Agent; or

(d) a non-individual entity such as a corporation, joint venture, partnership, company, trust or association.

Such a Subscriber, other than a principal of the Sponsor may be counted towards the minimum percentage of sales necessary in order to declare the Plan effective if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Subscriber is either a bona fide Tenant or a bona fide Subscriber who represents that he or she or one or more members of his or her immediate family intends to occupy the apartment when it becomes vacant.

CLOSING DATE

The Closing Date will be fixed by the Sponsor and the Apartment Corporation by written notice to all Subscribers. Such notice shall not be less than thirty (30) days nor more than one hundred eighty (180) days after the date on which the Plan is declared effective. In no event shall the Closing Date occur before the amendment which states that the Plan has been declared effective, has been accepted for filing. (See "Effective Date of Plan", page 56).

The Sponsor and the Apartment Corporation shall have the right to adjourn the Closing Date one or more times, for any reason, provided that the Closing shall not occur later than 180 days after the Plan has been declared effective (unless extended because of force majeure by an amendment to the Plan).

On the Closing Date, the Property will be transferred to the Apartment Corporation and Subscribers of shares of the Apartment Corporation will thereupon become obligated for the payment of Maintenance Charges under Proprietary Leases whether or not they have taken possession of the apartments. Certificates for the shares of the Apartment Corporation and the accompanying Proprietary Leases will be delivered promptly thereafter to each Purchaser who has paid the cash purchase price and who has complied with all other obligations under the Subscription Agreement.

On the Closing Date, the Apartment Corporation shall be represented by an attorney selected by the Sponsor, but not associated with Sponsor's counsel, Leimas, Roth & Schein. The fees of such attorney shall be paid by the Sponsor. The scope of responsibility of the attorney representing the Apartment Corporation shall be limited to reviewing the state of title of the Premises and determining whether the conveyance of title is in conformity with the provisions of the Plan. Such representation of the Apartment Corporation shall not include counseling or representing individual Subscribers of shares of the Apartment Corporation.

TERMS OF MORTGAGE

At Closing, the Apartment Corporation shall execute and deliver to the Sponsor a note secured by a first mortgage, in the principal amount of $1,175,000. The mortgage will mature five years after the Closing Date at which time the total unpaid principal balance of $1,175,000 will be due. The mortgage will be repayable in constant monthly payments of $12,729.17 which shall be applied to the payment of interest only at the rate of thirteen (13%) percent per annum.

When the mortgage matures five (5) years from the Closing Date, the Apartment Corporation will have the responsibility of either arranging for an extension or refinancing of the mortgage or of paying the then total unpaid balance of approximately $1,175,000. The ability of the Apartment Corporation to refinance the mortgage on the same, or more favorable terms, and the cost of such refinancing will depend on market conditions at that time. If the annual payments should be increased on any such refinancing, then it may be necessary at that time to increase the monthly Maintenance Charges to cover the increased payments. If no extension or refinancing is obtained at or prior to the maturity date and the mortgagee insists on payment of the mortgage on the maturity date, Tenant-Shareholders may be required to contribute their pro-rata share of the then total unpaid principal balance, which will amount to approximately $81.773 per share.

Some of the events of default which may result in the acceleration of the indebtedness secured by the mortgage include:

(1) default in the payment of any installment under the note for more than fifteen (15) days or in the payment of real estate taxes, assessments, water charges or sewer rent for more than thirty (30) days;

(2) failure to maintain the Premises in reasonably good repair or failure to comply with any order or requirement of any department or bureau of any federal, state, county or municipal government or authority within thirty (30) days;

(3) actual or threatened material structural alteration without the written consent of the mortgagee;

(4) failure to insure the building against loss by fire or other casualties; or

(5) placement of other mortgages on the premises without the prior written consent of the mortgagee.

Before the mortgagee can accelerate the indebtedness secured by the mortgage, by reason of a default, written notice of the default must be given to the Apartment Corporation and the Apartment Corporation shall have ten (10) days thereafter in which to cure the default.

In the event that any payment due to the mortgagee shall become overdue for a period in excess of fifteen (15) days, a late charge equal to 6% of the delinquent amount may be charged by the mortgagee.

The mortgage may be prepaid at any time in full upon not less than thirty (30) days prior written notice to the mortgagee and upon the payment of an additional sum equal to five (5%) percent of the amount prepaid.

The Sponsor reserves the right prior to the Closing to substitute one or more mortgages for the mortgage referred to above, provided that (i) the combined total amount of mortgage indebtedness on the Property at the time of Closing shall not exceed $1,175,000; (ii) the monthly debt service of such indebtedness shall not exceed $12,729.17; (iii) the interest rate shall not exceed 13% per annum; (iv) the term shall not expire sooner than five (5) years from the Closing Date; (v) the prepayment provisions shall not be any more onerous than set forth above; and (vi) the Plan is amended, at that time, in order to reflect any such substitution.

The Apartment Corporation shall execute any and all documents which may be required by any mortgagee(s) or title company insuring such mortgage(s) in order to effectuate the foregoing purposes. At the Closing, each of the officers of the Sponsor shall be irrevocably appointed as attorney-in-fact of the Apartment Corporation for the purpose of executing such documents.

Tenant-Shareholders will not be personally obligated to any mortgagee to pay the mortgage indebtedness, except to the extent that the debt service obligation for the mortgage is included in Maintenance Charges.

Any other mortgages affecting the Property will be released on, or prior to, the Closing Date.

The mortgage does not contain a "due on sale" clause. The insurance coverage reflected in Schedule B is currently sufficient to satisfy the requirement of the Sponsor as mortgagee.

The mortgage prohibits the placement of other mortgages on the premises without the prior written consent of the mortgagee. In the event the Apartment Corporation wishes to borrow money for capital improvements or for other purposes and the mortgagee refuses to consent to the placement of a subordinate mortgage against the premises, then the Apartment Corporation may have to raise such funds by means of an unsecured loan or by an increase of Maintenance Charges or by a special assessment.

SUMMARY OF PROPRIETARY LEASE

The form of the Proprietary Lease referred to herein appears in Part II of the Plan. All Proprietary Leases to be entered into between the Apartment Corporation and its Tenant-Shareholders will commence on the Closing Date and will be for a term expiring on July 1, 2084, but such term may be extended by action of the Board of Directors or by the vote of Tenant-Shareholders. The following is a summary of certain provisions of the Proprietary Lease.

Rent - Paragraph 1

The annual Maintenance Charges payable by each Tenant-Shareholder will be fixed by the Board of Directors of the Apartment Corporation. Unless otherwise determined by the Board of Directors, the Maintenance Charges will be payable in equal monthly installments, in advance, on the first day of each month. Each Tenant-Shareholder will be required to pay Maintenance Charges equal to his proportionate share of (i) the cash requirements for the operation and maintenance of the Property, and (ii) such reserves for contingencies as may be provided for by the Apartment Corporation's Board of Directors. A Tenant-Shareholder's proportionate share of such amounts is based on the ratio of the number of shares allocated to his apartment to the total number of issued and outstanding shares of the Apartment Corporation.

Changes in Terms of Proprietary Leases - Paragraph 6

The provisions of all Proprietary Leases, including those already in effect, may be changed upon the consent of holders of at least 75% of outstanding shares of the Apartment Corporation. Such changes shall be binding upon all Tenant-Shareholders, including those who may not have voted for such changes. However, the proportionate share of Maintenance Charges or Assessments of a Tenant-Shareholder may not be increased, nor can his right to cancel under Paragraph 35 (discussed below), or his rights as an "Original Subscriber" under Paragraph 16 (discussed below), be eliminated or impaired, without his express written consent.

House Rules - Paragraph 13

Tenant-Shareholders are required to abide by the House Rules adopted and amended from time to time by the Board of Directors. Violation of a house rule constitutes a default under the Proprietary Lease.

Use - Paragraph 14

Residential apartments may be used only for residential purposes and for home occupation uses permitted under applicable zoning law, building code and other rules and regulations of governmental authorities having jurisdiction, unless the written consent of the Apartment Corporation is obtained for any other use or occupancy. Offices may currently be used for office uses listed under Use Group 6 of the Zoning Resolution of the City of New York. Tenant-Shareholders of offices will be permitted to convert their offices to residential use without the consent of the Apartment Corporation as

provided in paragraph 21 (discussed below). Holders of Unsold Shares may also use their apartments as models and offices in connection with the offering of such apartments for sale or rent. Holders of Unsold Shares allocated to offices may also convert such offices to any other use permitted under applicable zoning law, building code and other rules and regulations without the consent of the Apartment Corporation as provided in Paragraph 38 (discussed below).

Assignment and Subletting - Paragraphs 15 and 16

A Tenant-Shareholder (other than the holder of Unsold Shares) may not sublet his apartment or renew any previously authorized sublease, except with the consent of 75% of the Board of Directors or of the holders of at least 75% of the outstanding shares of the Apartment Corporation. In addition, no Tenant-Shareholder (other than a holder of Unsold Shares) may sublet his apartment, or renew any previously authorized sublease, without first obtaining the written consent of the secured party, if any, having a security interest in said Tenant-Shareholder's Proprietary Lease and/or the shares of stock allocated to his or her apartment. This requirement shall apply notwithstanding the consent to a subletting, or renewal of a previously authorized sublease by the Board of Directors or the holders of at least 75% of the outstanding shares of the Apartment Corporation. A Tenant-Shareholder will have the right to sell his shares and assign his Proprietary Lease, at any time, in compliance with the provisions of the Proprietary Lease and the Apartment Corporation's By-Laws, which require, among other things, that consent thereto to be authorized by resolution of the Board of Directors or given in writing by a majority of the Directors or by written consent or vote of shareholders owning at least 51% of the Apartment Corporation's outstanding shares. This restriction will not apply to holders of Unsold Shares (or to any designee or assignee of a holder of Unsold Shares) or to a pledgee if the pledgee is the Sponsor, the holder of Unsold Shares or the designee or assignee of such parties.

Further, any Tenant-Shareholder who was an "Original Subscriber" (which term includes purchasers (individuals or non individuals) from holders of Unsold Shares if the shares allocated to one or more apartments regardless of when such Subscriber acquired the shares) may sell his or her shares and assign his or her Proprietary Lease, without obtaining the foregoing consent but upon the payment of any transfer fee to the Apartment Corporation, provided that he or she has notified the Apartment Corporation as to such proposed assignment at least thirty (30) days prior to its occurrence.

Pledging of Shares - Paragraph 17

A Tenant-Shareholder may pledge his Proprietary Lease and the shares appurtenant thereto and/or create a security interest in his Proprietary Lease and the shares appurtenant thereto without consent and without being in violation of the Proprietary Lease.

Special Rights of Secured Parties - Paragraph 17

Secured Parties have certain special rights designed to permit them to protect their collateral, to regain possession of an apartment after a default by its Tenant-Shareholder under a loan agreement and to permit a

designee who acquires collateral after default to cancel the Proprietary Lease. Further, if the Secured Party is (i) the Sponsor, (ii) the holder of Unsold Shares or (iii) their assignees or designees, then such Secured Party will have the right after default to sell or assign the shares allocated to the apartment or to sublet the apartment as provided in the Proprietary Lease without obtaining consent from the Apartment Corporation and without the payment of any assignment or sublet fee.

At the request of a Tenant-Shareholder, the Apartment Corporation will enter into an agreement with a Secured Party, commonly known as a Recognition Agreement. The Recognition Agreement usually will require the Apartment Corporation to notify the Secured Party of a default by the Tenant-Shareholder under the Proprietary Lease.

Maintenance, Repairs - Paragraph 18

Each Tenant-Shareholder is responsible for (i) keeping the interior of his apartment in good repair, including, without limitation, all lighting and electrical fixtures and equipment, (ii) painting and decorating his apartment, and (iii) maintaining, repairing and replacing the appliances in his apartment.

Alterations - Paragraph 21

A Tenant-Shareholder may not make any alteration or other improvement to, or install any equipment or fixtures in his apartment without first obtaining the written consent of the Apartment Corporation. Notwithstanding the foregoing, Tenant-Shareholders of Apartments 1A, 1B, 1C, 1D, 1G and 1K may convert their offices to residential use in whole or in part without the consent of the Apartment Corporation provided (i) such conversion is done at such Tenant-Shareholder's sole cost and expense; (ii) such conversion is done in conformity with all rules and regulations of any governmental authority having jurisdiction; and (iii) all necessary permits are obtained and delivered to the Board of Directors prior to the commencement of any work and upon completion all necessary approvals and certificate of inspections (including a revised or amended Certificate of Occupancy) are obtained and delivered to the Board of Directors prior to residential occupancy. All alterations must be made in accordance with all applicable rules and regulations of the Apartment Corporation and any governmental authority having jurisdiction. The Apartment Corporation shall execute any documents reasonably required in connection with such alterations and conversion.

Subordination - Paragraph 22

The Proprietary Lease is subject and subordinate to (a) all mortgages now or hereafter liens upon the Property, (b) any and all mortgages constituting liens on any such Lease and any amendments, extensions, replacements thereof, and (c) all security agreements and chattel mortgages on personal property and covered by any such Lease.

Right of Entry - Paragraph 25

Tenant-Shareholders are required to provide the Apartment Corporation and its agents with access to their apartments to make repairs

to any part of the Property and to cure any defaults by Tenant-Shareholders. Accordingly, each Tenant-Shareholder is required to furnish the Apartment Corporation with a key to his apartment.

Termination of Lease and Rights After Default - Paragraphs 31 and 32

If a Tenant-Shareholder defaults in the performance of any of his obligations under the Proprietary Lease, the Apartment Corporation will have the right to terminate his Proprietary Lease on not less than five (5) days prior written notice, in which event he must surrender his shares to the Apartment Corporation and also vacate the apartment. The shares and accompanying Proprietary Lease may be sold by the Apartment Corporation to satisfy any indebtedness of the Tenant-Shareholder to the Apartment Corporation. The proceeds of sale of the shares after payment of all expenses of sale and the Tenant-Shareholder's indebtedness will belong to the Tenant-Shareholder, who will remain personally liable for any deficiency if the sales proceeds are insufficient to pay the indebtedness.

Among the events of default for which a Proprietary Lease may be terminated by the Apartment Corporation are: (a) Default in Maintenance Charges or any other sum owed to the Apartment Corporation for one month and the failure to cure the default within ten (10) days after written notice; (b) Default in the performance of any covenant or provision, other than non-payment of Maintenance Charges, and the failure to cure the default within thirty (30) days after written notice; (c) Assignment of the shares and Proprietary Lease or subletting of the apartment without the required consent; (d) Bankruptcy or insolvency of the Tenant-Shareholder; (e) Default under any loan agreement pursuant to which the shares and accompanying Proprietary Lease were pledged as security; (f) Determination upon the affirmative vote of two-thirds of the Board of Directors at a meeting duly called for that purpose that the Tenant-Shareholder's tenancy is undesirable because of objectionable conduct on his part or on the part of a person dwelling or visiting in the apartment, which is repeated after written notice from the Apartment Corporation.

Cancellation - Paragraph 35

Tenant-Shareholders may cancel their Proprietary Leases and surrender their shares to the Apartment Corporation on any September 30th after the third anniversary of the lease date. A Tenant-Shareholder who cancels his Proprietary Lease and surrenders his shares will not be liable for any payment of Maintenance Charges from and after the effective date of cancellation and surrender.

If Tenant-Shareholders owning at least 80% of the issued and outstanding shares of the Apartment Corporation exercise their right to cancel their Proprietary Leases in the same year, and surrender their shares, all Proprietary Leases will terminate as though every Tenant-Shareholder had exercised such right, but in such event the Tenant-Shareholders will not surrender their shares.

Special Rights of Holder of Unsold Shares - Paragraph 38

Unsold Shares may be either transferred and the accompanying Proprietary Lease assigned, or the apartment to which they are allocated may be subleased by the holders thereof, without the consent of the Board of Directors or the Tenant-Shareholders of the Apartment Corporation and without the payment of any transfer or other fees in connection therewith.

Holders of Unsold Shares may also use their apartments as models and offices in connection with the offering of such apartments for sale or rent.

A Holder of Unsold Shares may alter or combine any residential apartments or convert any office space from its existing use to any other legally permitted use, to which such shares are allocated, without the consent of the Apartment Corporation, so long as such alteration is performed in accordance with the rules and regulations of all governmental authorities having jurisdiction thereto.

Rights of Non-Purchasing Tenants - Paragraph 46

The obligatons of owners of shares allocated to apartments occupied by Non-Purchasing Tenants, and the rights of such Non-Purchasing Tenants, are included in the Proprietary Lease.

THE FOREGOING SUMMARY OF CERTAIN PROVISIONS OF THE PROPRIETARY LEASE IS NOT A COMPLETE STATEMENT OR SUMMARY OF THE PROVISIONS THEREOF. PROSPECTIVE SUBSCRIBERS ARE URGED TO READ THE ENTIRE PROPRIETARY LEASE CAREFULLY.

APARTMENT CORPORATION

The Apartment Corporation was organized on October 30, 1984 under the Business Corporation Law of the State of New York. It has an authorized capital of 20,000 shares of $1.00 par value each. Of these, 14,369 shares have been allocated to apartments and will be issued on the Closing Date under the Plan, and the remaining 5,631 shares will remain authorized but unissued.

All expenses of the Apartment Corporation accruing up to and including the Closing Date, including commissions paid to the Selling Agent, will be either paid by the Sponsor or will be paid by the Apartment Corporation from the proceeds of this offering.

The Apartment Corporation will cooperate and join in any application requested by any Tenant-Shareholder (including the Sponsor or other holders of Unsold Shares) made to the New York State Division of Housing and Community Renewal or any successor agency for the purposes of adjusting the legal rent of any apartment occupied by any Non-Purchasing Tenant for major capital improvements or for any other reason.

The Apartment Corporation may not discriminate against any person for a reason proscribed by civil rights laws.

The Board of Directors of the Apartment Corporation will have the primary responsbility of conducting the affairs of the Apartment Corporation and supervising the operation of the Property. The powers and duties of the Board of Directors will include:

(a) Determining the cash requirements of the Apartment Corporation and fixing the Maintenance Charges payable annually by the Tenant-Shareholders to meet the cash requirements.

(b) Establishing any needed reserve for capital purposes, including, without limitation, reserves for capital improvements, capital repairs or alterations, or modifications to the structure and components of the Property.

(c) Maintaining casualty and liability insurance for the protection of the Apartment Corporation.

(d) Maintaining and repairing the public portion of the Property including any repairs or restoration required after fire or other casualty.

(e) Furnishing annual financial reports to Tenant-Shareholders and arranging for an annual meeting of Tenant-Shareholders for the purposes of electing the members of the Board of Directors.

(f) Acting upon the requests of Tenant-Shareholders to assign their Proprietary Leases and accompanying shares of stock and to sublet their apartments. (The Board of Directors may grant or withhold such consent for any reason or for no reason provided that there is no violation of any law prohibiting discrimination). The Board of Directors may also impose a charge or fee payable to the Apartment Corporation as a condition of granting such consent (if consent is required).

The Board of Directors will elect a President, Vice-President, Secretary and Treasurer and such additional officers as they may deem appropriate, all of whom shall serve at the pleasure of the Board and shall perform those duties prescribed by the By-Laws.

The Apartment Corporation's insurance policy for the first year of cooperative operation will include officers and directors liability coverage in an amount of at least $500,000. In addition, the By-Laws provide that the Apartment Corporation shall, to the extent allowed by law, indemnify any officer or director for those actions taken on behalf of the Apartment Corporation, provided such actions do not constitute a breach of such officer or director's duty as defined in Section 717 of the Business Corporation Law.

In the event that the building is substantially damaged, or totally destroyed the Board of Directors and Tenant-Shareholders may decide not to rebuild the damaged building in which event the affected Proprietary Leases would be terminated and the Apartment Corporation would be either partially or completely liquidated.

Notwithstanding the above, insurance awards may be applied to reduce the outstanding principal balance of the Mortgage, rather than to make the repairs to the damaged apartments or buildings, in such event, the repairs if made would have to be paid for by an assessment levied against Tenant-Shareholders.

The By-Laws of the Apartment Corporation are reproduced in Part II of this Plan. A summary of certain pertinent provisions is set forth below.

Election of Board of Directors - Article III, Sections 1 and 2
The By-Laws provide that the Tenant-Shareholders are entitled to elect a Board of Directors consisting of not more than seven (7) and not less than three (3) Directors. Directors need not be Tenant-Shareholders. The present Directors and officers of the Apartment Corporation have been designated by the Sponsor and will resign in favor of Directors and officers to be elected by the Tenant-Shareholders and Directors at meetings to be held within thirty (30) days after the Closing Date. The number of Directors to be elected at the first shareholders meeting shall be five (5), for which seconds to nominations shall not be required.

The present Directors and Officers are:

Alexander Garvin	-	Director, President
Robert Haskell	-	Director, Vice-President
Alvin Schein	-	Director, Secretary/Treasurer

Alexander Garvin, Robert Haskell and Alvin Schein are all principals of the Sponsor. In addition, Mr. Schein is a partner in the law firm of Leimas, Roth, & Schein, counsel to the Sponsor.

The Certificate of Incorporation and By-Laws of the Apartment Corporation provides that at all elections of Directors, each Tenant-Shareholder shall be entitled to one vote for each share of stock owned by said Tenant-Shareholder, multiplied by the number of Directors to be elected, and he or she may cast all of such votes for a single director or distribute them among the number to be voted for, or any two or more of them, as he or she may see fit. This type of voting is known as "cumulative voting".

So long as the Sponsor or Individuals Produced by the Sponsor own Unsold Shares in the Apartment Corporation, they will have the option of either voting for Directors or designating two (2) Directors. However, in no event shall the Sponsor or Holders of Unsold Shares elect a majority of the Directors after the fifth anniversary of the Closing Date or after more than fifty (50%) percent of the outstanding shares have been acquired by bona fide Purchasers, whichever is earlier.

Removal of Directors - Article III, Section 6

Any Director may be removed from office without cause by Tenant-Shareholders at a meeting duly called for that purpose. However, Directors elected by the Holders of Unsold Shares can be removed only for cause, by vote of a majority of the Tenant-Shareholders or without cause by determination of the Holders of Unsold Shares.

Annual Cash Requirements - Article III, Section 7

The By-Laws further provide that so long as the Unsold Shares constitute 25% or more of the outstanding shares of the Apartment Corporation, unless five (5) years or more have elapsed from the Closing Date, the Board of Directors shall not take any of the following actions, if such actions result in an increase or decrease in the Maintenance Charges unless all of the Holders of Unsold Shares unanimously approve same in writing or by vote, in person or by proxy, at a duly constituted meeting called for such purpose: including, the following:

(i) provide for reduced services or new or additional services from those described in Schedule B, except as required by applicable law or regulations;

(ii) make new mortgages;

(iii) provide for any special reserves that are not reflected in Schedule B, except that any surplus in the annual budget may be applied to future years;

(iv) undertake any capital or major improvements or additions, excepting only capital repairs or other expenses required to comply with applicable laws or regulations.

The foregoing restrictions shall not apply to the expenses described in Schedule B or to expenses required to: (i) comply with applicable laws or regulations; or (ii) remedy any notice of violation; or (iii) remedy and work order by a mortgagee or an insurer; or (iv) remedy a notice of default from a mortgagee.

Salaries of Directors or Officers - Article XII
All officers and Directors will serve without compensation, unless compensation is authorized by a vote of Tenant-Shareholders owning at least a majority of the then outstanding shares.

Amendments - Article XII, Section 1
So long as there are any Unsold Shares outstanding, the By-Laws may not be altered, amended, repealed or added to without the unanimous consent of all holders of Unsold Shares.

Corporation's Lien - Article VI, Section 6
The Apartment Corporation shall have a lien on each Tenant-Shareholder's shares to secure the payment of Maintenance Charges. If a Tenant-Shareholder fails to pay his Maintenance Charges or Assessments within ten (10) days after written notice the Apartment Corporation will have the right to terminate his Proprietary Lease on five (5) days written notice. The Apartment Corporation may thereafter enforce and satisfy its lien by selling the shares allocated to the defaulting Tenant-Shareholders apartment and by issuing a new Proprietary Lease.. (See discussion of "Termination of Lease and Rights After Default" in the Section of the Plan entitled "Summary of Proprietary Lease").

Ownership of Shares by Entities Other Than Individuals - Article VI, Section 9
Up to 15% of the shares of the Apartment Corporation may be held by other than natural persons, not including the Unsold Shares held by the Sponsor. If §216 of the Internal Revenue Code shall be modified so as to increase the 80% gross income requirement for the Apartment Corporation to qualify as a "cooperative housing corporation" under said §216, then the 15% limitation shall be correspondingly increased or decreased. Absent a change of law, more than 15% of the shares of the Apartment Corporation may be held by such entities provided that a private letter ruling has then been obtained from the Internal Revenue Service to the effect that the Apartment Corporation will still qualify as a "cooperative housing corporation" under Section 216 of the Internal Revenue Code notwithstanding such ownership.

THE FOREGOING SUMMARY OF CERTAIN PROVISIONS OF THE BY-LAWS OF THE APARTMENT CORPORATION IS NOT A COMPLETE STATEMENT OR SUMMARY OF THE PROVISIONS THEREOF. THE BY-LAWS ARE REPRODUCED IN THEIR ENTIRETY IN PART II OF THIS PLAN.

UNSOLD SHARES

If any shares of the Apartment Corporation have not been sold and have not been fully paid for by Subscribers (the "Unsold Shares") as of the Closing Date, the Sponsor shall elect, at its sole discretion, either of the following options:

(a) The Sponsor will produce financially responsible individuals (the "Individuals Produced By The Sponsor") to whom the Apartment Corporation will issue such Unsold Shares and with whom the Apartment Corporation will enter into Proprietary Leases for the apartments to which such shares are allocated; or

(b) The Apartment Corporation shall issue such Unsold Shares to the Sponsor and will enter into Proprietary Leases with the Sponsor for the apartments to which such shares are allocated.

If the Sponsor elects option (b) above and does not sell all such shares of stock with accompanying Proprietary Leases to Purchasers within three (3) years of the Closing Date, (unless Section 216 of the Internal Revenue Code is amended or the Sponsor obtains a private letter ruling from the Internal Revenue Service, to provide that the Sponsor can hold Unsold Shares for a longer period), the Sponsor will produce financially responsible individuals ("Individuals Produced By The Sponsor"), to whom Sponsor will assign its shares of stock and Proprietary Leases to which apartments such shares are allocated, to the extent necessary to enable the Apartment Corporation to qualify as a "cooperative housing corporation" pursuant to said Section 216.

If applicable, the consideration for the Unsold Shares at Closing will meet the reasonable relationship standard of Section 216.

The Individuals Produced By The Sponsor will hold the Unsold Shares for their own account and not as nominees for, or for the benefit of, any other individual or any corporation, partnership, joint venture or other entity, or as participants in any tenancy-in-common or joint tenancy. Individuals Produced By The Sponsor will not pool profits or losses with other Individuals Produced By The Sponsor.

If any such Individuals Produced By The Sponsor (who do not purchase for occupancy) fail to fulfill their obligations under their Proprietary Lease, including their obligation to pay all Maintenance Charges thereunder, the Sponsor will become liable for such obligations. The Apartment Corporation also will have a lien upon the shares to secure the performance of all obligations of the Sponsor and of Individuals Produced By The Sponsor.

The Sponsor represents that it has financial resources to enable it to meet its obligations with respect to such Unsold Shares and with respect to the Individuals Produced By The Sponsor. No bond or other security has been furnished by the Sponsor, the Sponsor's ability to perform said obligations will depend solely upon its financial condition if and when called upon to perform. Moreover, the Sponsor's liability for its obligations with respect to said Unsold Shares and with respect to the Individuals Produced By The Sponsor under a Proprietary Lease will terminate if the Sponsor or the Individual Produced By The Sponsor either (i) sells his shares of stock and assigns his Proprietary Lease, to a bona fide Subscriber for occupancy, or if a person related by blood or marriage to the holder of such shares takes occupancy as a bona fide resident; (ii) cancels his Proprietary Lease and surrenders his shares of stock pursuant to the provisions of Paragraphs 35 or 38(e) of the Proprietary Lease.

However, Paragraph 38(e) of the Proprietary Lease provides that Holders of Unsold Shares may only exercise their right to cancel their Proprietary Leases when (i) Tenant-Shareholders owning a majority of the Apartment Corporation's outstanding shares (other than Unsold Shares) shall have given notice of intention to cancel pursuant to Paragraphs 35 or 36, or (ii) the Unsold Shares constitute 15% or less of the Apartment Corporation's outstanding shares, at least five (5) years have elapsed from the Closing Date, and on the effective date of cancellation they shall pay to the Apartment Corporation a sum equal to twice the then current annual Maintenance Charges.

Holders of Unsold Shares have certain special rights under the provisions of the Proprietary Lease and the By-Laws of the Apartment Corporation. See "Summary of Proprietary Lease" at pages 61 to 65 and "Apartment Corporation" at pages 66 to 69.

The Sponsor has the right to liquidate and distribute its assets after the Closing Date, but the principals of the Sponsor will remain liable for the satisfaction of liabilities of the Sponsor to the Apartment Corporation pursuant to the Plan.

A Holder of Unsold Shares must comply with the trust fund and escrow provisions of G.B.L. Sections 352-h and 352-e(2). A Holder of Unsold Shares must register as a Broker-dealer pursuant to G.B.L. Section 359-e, unless he or she is already registered as a principal of the Sponsor or otherwise.

PURCHASERS FOR INVESTMENT OR RESALE

Pursuant to applicable regulations, a Purchaser For Investment or Resale is a Purchaser who subscribes for shares allocated to three (3) or more apartments in the Premises, which apartments are not for occupancy by such Purchaser or by persons related by blood, marriage or adoption to such Purchaser. In connection with the sale of such apartments by a Purchaser For Investment or Resale:

1. A Purchaser For Investment or Resale must register as a broker-dealer pursuant to General Business Law 359-e.

2. A Purchaser For Investment or Resale must comply with the trust fund provisions of General Business Law Section 352-h.

3. A Purchaser For Investment or Resale must provide the following documents to a prospective purchaser at no cost to the purchaser, at least three (3) business days before entering into a purchase agreement:

   (a) A copy of the most recent financial statement of the Apartment Corporation, if any;

   (b) A copy of the most recent notice from the Apartment Corporation regarding 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 apartment, the seller's capacity to perform all of its obligations under the purchase agreement or the rights of an existing tenant of the apartment, if any;

   (e) If the apartment is occupied, copy of the tenant's lease and a representation of the tenant's status under any applicable rent law and status as a senior citizen or eligible handicapped person or eligible senior citizen or eligible disabled person; (However, the latter status is inapplicable to a "Non-Eviction" Plan);

   (f) Copies of the By-Laws and Proprietary Lease of the Apartment Corporation, with any amendments thereto; and

   (g) A copy of any notice of uncured violations of record in the apartment that are the responsibility of the Tenant-Shareholder to cure.

RESERVE FUND

On the Closing Date, the Apartment Corporation will retain a Reserve Fund established pursuant to the provisions of Title YYYY of Chapter 51 of the Administrative Code of the City of New York (the "Three Percent Reserve Fund Law") which will be used by the Board of Directors for capital repairs, improvements and replacements.

However, no representation can be made that this Reserve Fund will be sufficient to pay for the replacement of capital items likely to be needed, as disclosed in the Description of the Property and Building Condition, or as may arise in the future. If additional funds are required, it may be necessary for the Apartment Corporation to increase Maintenance Charges payable by Tenant-Shareholders.

The Property is being offered in its current "as-is" condition. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Reserve Fund.

This Reserve Fund may not be used to reduce the projected Maintenance Charges stated in the Plan.

Closing adjustments and closing costs, if any, which the Apartment Corporation will be required to make, will not be deducted from the Reserve Fund. Any such adjustments or closing costs will be deferred and paid to Sponsor, without interest, in twelve (12) monthly installments commencing one month after the Closing Date. The total amount of such adjustments will be disclosed in a duly filed amendment to the Plan after the Closing.

The Plan does not provide for a working capital fund.

The Three Percent Reserve Fund Law requires the Reserve Fund to be established in an amount equal to either:

(a) Three percent of the "total price" (which is defined as being the number of all shares in the offering, multiplied by the last price per share that was offered to Tenants in Occupancy prior to the effective date of the Plan, regardless of the number of shares actually sold); or

(b) (i) Three percent of the actual sales price of all shares sold to Purchasers at the time the Plan is declared effective, but not less than one percent of the "total price" (as defined above); plus

(ii) Supplemental contributions to be made by the Sponsor at a rate of three percent of the actual sales price of shares held by the Sponsor and sold to bona fide Purchasers subsequent to the effective date of the Plan and within five (5) years of the Closing, pursuant to the Plan, notwithstanding that the total amount contributed may exceed three percent of the "total price". If five (5) years from thirty (30) days after the Closing, the total contributions by the Sponsor to the fund are less than three percent of the "total price",

the Sponsor shall pay the difference between the amount contributed and three percent of the "total price". The supplemental contribution shall be made within 30 days of each sale.

The Three Percent Reserve Fund Law further provides that the Sponsor may claim and receive credit against the initial Reserve Fund for the actual cost of capital replacements (as defined) which it has commenced after the Plan has been submitted for filing and before the Plan is declared effective, provided that (a) any such replacements must be set forth in the Plan together with their actual or estimated costs and (b) such credit shall not exceed the lesser of the actual cost of the capital replacements or one percent of the "total price".

The Apartment Corporation shall be required, pursuant to the Three Percent Reserve Fund Law, to report to Tenant-Shareholders on a semi-annual basis with respect to all deposits into and withdrawals from the Reserve Fund.

The Three Percent Reserve Fund Law also provides that the Sponsor shall post in the Building, no later than the thirtieth (30th) day after the filing of the Plan and shall maintain until the Closing Date, a listing of all violations of record against the Building issued by the New York City Departments of Buildings and of Housing Preservation and Development. In lieu of this posting requirement the Sponsor may designate an agent on the premises with whom such listing shall be made available for inspection by tenants. Therefore, such listing shall be made available for inspection at the on-site sales office of the Selling Agent.

Assuming that the last price offered to Tenants in Occupancy prior to the effective date of the Plan is $710.00 per share (which is the cash purchase price offered to Tenants in Occupancy during the 90 Day Exclusive Period), then the Reserve Fund to be established under this Plan would be:

(a) $102,020.00 less

(b) The actual cost of any capital replacement begun by Sponsor-Seller after the Plan was submitted for filing and before this Plan is declared effective (provided that such credit may not exceed 1% of the "total price" as defined above); plus

(c) Supplemental contributions to be made by the Sponsor at the rate of 3% of the actual sales price of shares held by the Sponsor and sold to bona fide Purchasers subsequent to the Plan's effective date and within five (5) years of the Closing Date; plus

(d) A final contribution to be made by Sponsor five (5) years and thirty (30) days after the Closing Date in a sum equal to the remainder (if any) of 3% of the "total price" (or $306,060 assuming $710.00 per share is the last price offered to Tenants in Occupancy prior to the Plan's effective date) less all sums previously contributed and credited to the Reserve Fund (including the initial Reserve Fund retained at Closing, all credits allowed against the initial Reserve Fund and all supplemental contributions made by Sponsor).

The Sponsor reserves the right to perform capital replacements and to claim and receive a credit against the initial Reserve Fund required by the Three Percent Fund Law to the extent permitted. In the event the Sponsor elects to perform such work it will file an amendment to the Plan disclosing such work and the estimated cost thereof.

The initial Reserve Fund will be established by the Apartment Corporation retaining the required minimum amount from the offering proceeds at the time of Closing. The supplemental contributions will be paid by Sponsor to the Apartment Corporation as a post closing adjustment to the cash paid to the Sponsor at Closing.

It is noted that the Internal Revenue Service may not regard the supplemental contributions as an adjustment to the cash paid to Sponsor-Seller at Closing, as purported, and may instead treat same as income derived from other than qualified tenant-stockholders. If the Internal Revenue Service takes this position and is upheld, and if the amount of such contributions in any fiscal year of the Apartment Corporation, when added to all other income derived from other than qualified tenant-stockholders, exceeds 20% of the Apartment Corporation's gross income, then Tenant-Shareholders would not be entitled to the tax benefits otherwise available under Section 216 of the Internal Revenue Code for that year.

CONTRACT OF EXCHANGE

By agreement, dated as of November 12, 1984 (hereinafter called the "Contract"), Sponsor has agreed to transfer title to the Property to the Apartment Corporation. The Agreement provides, among other things, as follows:

1. The Apartment Corporation will acquire the property free and clear of all liens and encumbrances subject, however, to the following:

(a) the terms and provisions of the Plan;

(b) the state of facts shown on a survey by J. George Hollerith dated March 9, 1940 and redated to April 16, 1975 by Peter C. Hansen and any additional state of facts that a current survey would show, provided that if such additional state of facts would render title technically unmarketable, the title insurance policy to be issued to the Apartment Corporation provides that the building may remain undisturbed as long as it stands;

(c) consents by any owner of the property for the erection of any structure or structures on, under or above abutting streets;

(d) zoning laws and ordinances which are not violated by the property or the use thereof;

(e) the lien of any unpaid real estate taxes, water charges, or sewer rents (to be apportioned);

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

(g) the mortgages stated in the Plan and any U.C.C. financing statements filed in conjunction therewith;

(h) any Certificates of Occupancy that may be in effect on the Closing Date (or no Certificate of Occupancy);

(i) encroachments of stoops, areas, cellar steps, trim, cornices, projecting air-conditioning units or equipment, if any, upon any abutting streets, highways or the adjoining sidewalks;

(j) easements and/or other rights of public utilities to install, replace, repair and maintain lines, pipes and equipment;

(k) the lien of any unpaid franchise or corporate taxes with respect to any corporation in the chain of title and mechanics liens, provided that a title insurance company which is a member of The New York Board of Title Underwriters agrees to insure the Apartment Corporation against the collection thereof out of the Property;

(l) all residential and office leases which may be in effect on the Closing Date, and the rights of Non-Purchasing Tenants and office tenants;

(m) covenants and restrictions (which do not prohibit the continued use of the Property for primarily residential purposes);

(n) any variation between the description of the property in the deed and the description contained on tax maps for tax purposes;

(o) a certain Agreement of Covenants and Restrictions dated November 13, 1984 and recorded in the Office of the City Register, New York County in Reel 848 page 1288 and Declaration of Single Zoning Lot dated November 13, 1984 and recorded in said Register's Office in Reel 848 page 1262 and any other related documents. (See page 83 of the Plan for a discussion of the foregoing.)

2. The Sponsor will exchange the Property with the Apartment Corporation. Accordingly, the Apartment Corporation shall:

(a) deliver and pay over to the Sponsor the aggregate proceeds obtained by the Apartment Corporation for or on account of the sale of its shares under the Plan, less (i) the amount of the reserve fund, and (ii) the expenses described in paragraph 3 below;

(b) issue and deliver the "Unsold Shares" to the Sponsor;

(c) accept title to the Premises subject to the Mortgages stated in the Plan.

3. The exchange price may be reduced by, and from the cash portion of the aforementioned consideration the Sponsor may deduct, an amount equal to the sums of (i) the excess of all closing expenses (not including the items of adjustment set forth in paragraph 11 hereof), including, without limitation, the cost of title insurance, mortgage and transfer taxes and recording charges, (ii) all expenses incurred by it in connection with the preparation and presentation of the Plan, including without limitation, attorneys' fees, architects' fees, accountants' fees and (iii) all sums paid to or at the direction of the Selling Agent pursuant to an agreement with it, in connection with the sale of the Apartment Corporation's shares over the aggregate of all amount forfeited by subscribers under their Subscription Agreements. The Apartment Corporation will cause a forfeiture of the downpayment made by a defaulting Subscriber unless such forfeiture is waived by the Sponsor.

4. The Apartment Corporation will accept the Property, the improvements and all fixtures and other articles of personal property covered by this Agreement in their "as is" condition on the Closing Date, provided however, that the Sponsor will maintain the Property until that time substantially in the same condition and manner as on the Date of Presentation of the Plan.

5. In the event that all or any substantial portion of the Property is damaged or destroyed by fire or other casualty prior

to the Closing Date, the Sponsor may elect to terminate the Contract. If the Sponsor does not so elect, or if less than a substantial portion of the Property is damaged or destroyed, the Contract will automatically terminate, unless, within one hundred eighty (180) days of such damage or destruction, the Sponsor causes the Property to be repaired or restored substantially to its prior condition to the reasonable satisfaction of the Selling Agent or agrees to provide the Apartment Corporation with funds sufficient, in the opinion of the Selling Agent, to so repair or restore such damage and provide such funds on the Closing Date.

6. In the event of condemnation, the provisions of Section 5-1311 of the General Obligations Law of the State of New York shall apply.

7. Subject to the limitations set forth in the Section of the Plan entitled "Effective Date", the Sponsor will, without expense to the Apartment Corporation, cure or cause to be cured any violations of record against the Property on the Closing Date, except as otherwise stated in the Plan, and all work orders of insurance carriers made on or prior to such date. In the event Sponsor fails to cure all of said violations or perform said work orders prior to the Closing Date, Sponsor will at the Closing agree to cure said uncured violations or perform said work orders within six (6) months of the Closing Date.

8. If the mortgage(s) stated in the Plan have been in existence longer than six (6) months before Closing, the Sponsor will furnish the Apartment Corporation with a letter from the holder(s) of the said mortgage(s) stating the unpaid principal balance of said mortgage(s).

9. The Sponsor will deliver a Bargain and Sale Deed (with covenants against Grantor's Acts) in statutory form which will contain the covenant provided for in Section 13, Subsection 5 of the Lien Law of the State of New York so as to transfer to the Apartment Corporation all of the Sponsor's interest in and to the Property, free of all encumbrances, except as stated in the Contract.

10. The sale will include the fixtures, furniture, air-conditioning units and articles of personal property attached or appurtenant to or used in connection with the Property, if any, on the Closing Date and which are owned by the Sponsor.

11. The following items will be apportioned between the Sponsor and the Apartment Corporation as of midnight on the date preceding the Closing Date:

(a) insurance premiums on transferable policies;

(b) real estate and vault taxes;
(c) water charges and sewer rents;
(d) permit and license fees for assignable permits and licenses;
(e) employees' wages, vacation and severance pay, pension and welfare benefits and any other obligations payable to employees;
(f) Rent Stabilization Association dues;
(g) Deposits with utility companies;
(h) Deposits held by the first mortgagee for taxes, insurance, etc.;
(i) service contract expenses.

12. If the net closing adjustments are in favor of the Sponsor, payment of such amount will be deferred, and paid to the Sponsor, without interest, in twelve (12) equal monthly installments commencing one (1) month after the Closing Date, in accordance with an unsecured promissory note of the Apartment Corporation to be executed and delivered to the Sponsor on the Closing Date.

13. The Apartment Corporation will assume the obligations of the Sponsor, from and after the Closing Date, for all charges under union and service contracts as may be in force on the Closing Date, and will execute an agreement to this effect at the Closing.

14. The Sponsor and the Apartment Corporation each agrees to comply with all obligations on its part to be complied with as provided in this Plan. In the case of conflict between the terms and provisions of the Contract and those of this Plan, the terms and provisions of this Plan shall prevail. The Sponsor's obligations under the Plan and the General Business Law, which are to be performed subsequent to the Closing, will survive delivery of the deed.

15. On the Closing Date, the Apartment Corporation will purchase title insurance from a title company designated by the Sponsor in its sole discretion and authorized to do business in New York State, which will insure its fee title to the Property in an amount equal to the net transfer price of the Property. The cost of such title insurance will be deducted from the cash portion of the purchase price to be paid to the Sponsor.

16. On the Closing Date, the Sponsor will comply with its obligations in respect of the Unsold Shares as described in the Plan. If the Sponsor or Individuals Produced by the Sponsor acquire the Unsold Shares, the Sponsor will deliver to the Apartment Corporation an agreement by the Sponsor or by each such individual, as the case may be, that such party will hold (i) any proceeds of

Subscription Agreements made under this Plan by persons who have not paid all sums due thereunder and by persons to whom shares and appurtenant proprietary leases have not been issued, (ii) the shares allocated to the apartments referred to in such Subscription Agreements, and (iii) all accompanying Proprietary Leases, subject to the rights, if any, of such persons.

17. In the event that (a) the Plan is abandoned or for any reason is not declared effective within fifteen (15) months from the date of the letter of the Attorney General (Department of Law of the State of New York) stating that the Plan has been filed, or (b) title does not close in accordance with the terms of the Contract because the Sponsor is unable to convey title to the Property in accordance with the terms of the Contract, the Sponsor will comply with its obligations under this Plan relating to the refund of payments made by persons who have executed Subscription Agreements (without interest unless interest is earned), the Contract will be deemed cancelled and of no further force and effect and neither party will have any rights, claims or demands against the other except that the Sponsor will be obligated to pay any and all expenses incurred by the Apartment Corporation up to the date of such cancellation.

18. If proceedings are pending for the reduction of the assessed valuation of the property for the tax year in which Closing occurs, the Apartment Corporation will continue such proceedings with the attorney previously employed by the Sponsor, and if the taxes are reduced, the cost of such proceedings, and any refund, shall be apportioned. This provision shall survive the Closing.

19. The Closing Date will be not less than thirty (30) days nor more than one hundred eighty (180) days after the Plan has been declared effective. The Sponsor is entitled to one (1) or more adjournments of the Closing for any reason, provided that the Closing shall not occur later than 180 days after the Plan has been declared effective (unless extended because of force majeure by an amendment to the Plan).

SPECIAL TAX CONSEQUENCES OF CONTRACT OF EXCHANGE

The basis for depreciation of property to an owner is generally the purchase price of the property paid by such owner. However, under the terms of the Plan, the Sponsor will transfer the Property to the Apartment Corporation in exchange for the Unsold Shares, the assumption of the mortgage indebtedness and the Net Cash proceeds realized by the Apartment Corporation from other Subscribers to its shares. If the Sponsor receives more than a nominal number of shares of the Apartment Corporation in the exchange, the Sponsor is taking the position that its transfer of the Property to the Apartment Corporation when considered together with the contemporaneous contributions by other Subscribers of the purchase price for their shares constitutes a tax free exchange under Section 351 of the Internal Revenue Code (the "Code"). In the Sponsor's view, Section 351 of the Internal Revenue Code applies because the transfers by the Sponsor and other Subscribers are being made pursuant to the same plan, the transfers are being made in exchange for shares of the Apartment Corporation, and, after the transfers, the transferors, taken as a whole, will own more than 80% of the stock of the Apartment Corporation (thus satisfying the control requirement of Section 368(c) of the Code).

No representation is being made as to whether the transfer of the Property does qualify as a Section 351 exchange. However, if the transfer does constitute a Section 351 exchange, then under Section 362 of the Code, the Apartment Corporation's basis for the Property would equal the Sponsor's basis for the Property plus any gain recognized by the Sponsor in the transaction.

Realized gain is recognized in a Section 351 exchange only to the extent that property (including cash) other than stock and securities is received in the exchange.

The exact amount of the tax basis of the Apartment Corporation is subject to the effect of certain factual and legal determinations which cannot be made at this time, including the amount of cash received by the Sponsor from the Apartment Corporation on the Closing Date. Therefore, the Sponsor will submit an amendment for filing within ninety days after the Closing Date, which will include a more accurate assessment of the Apartment Corporation's tax basis in the Property.

Assuming a sale of fifty (50%) percent of the shares of the Apartment Corporation to Subscribers at the discounted price of $710 per share on the Closing Date (i.e. approximately $5,100,000) and assuming that the Sponsor's basis on the Closing Date is approximately $3,000,000, then the Apartment Corporation's basis will be approximately $9,275,000 (including the $1,175,000 mortgage).

Depending on how many apartments in the Building are transferred to Subscribers other than the Sponsor at the time the Sponsor transfers the Property to the Apartment Corporation (and, hence, how much Net Cash Proceeds the Sponsor receives in the transaction), the basis of the Property to the hands of the Apartment Corporation may be less than it would be if the Property were transferred to the Apartment Corporation in a fully taxable exchange (in which case the basis would be the purchase price to the Apartment Corporation). As a result, the Apartment Corporation may have less available depreciation and, subject to the exception described below, a potentially greater tax liability in the event the Property is ever disposed of (either voluntarily or involuntarily) in a taxable transaction.

Such sale or disposition may occur in the event of a fire or other casualty causing a total destruction of the Property, or destruction to the extent that demolition is either appropriate or required by a mortgagee or governmental agency. Involuntarily disposition may occur for a number of reasons, including foreclosure by a mortgagee or condemnation by a governmental authority. In the event of a foreclosure, the principal balance of the mortgage could conceivably exceed the Apartment Corporation's basis in the Property.

In addition, any Tenant-Shareholder who purchases shares from the Apartment Corporation under the Plan and who uses his apartment in his trade or business or for the production of income may have lower depreciation deductions under Section 216(c). However, this difference in basis will not affect:

(a) the deductions available to a Tenant-Shareholder who uses his apartment solely as a residence (since such a Tenant-Shareholder is not entitled to depreciation under Section 216(c) in any event),

(b) the depreciation deduction of a Tenant-Shareholder who acquires shares from another stockholder (rather than from the Apartment Corporation) and who uses the apartment in a trade or business or for the production of income, or

(c) the individual tax basis of each Tenant-Shareholder in the shares purchased by such Tenant-Shareholder.

There are two exceptions to the conclusion that Section 351 characterization of the Sponsor's transfer of the Property to the Apartment Corporation may result in a higher tax to the Apartment Corporation on any future sales of the Property, that is:

(a) in cases of certain involuntary sales, no tax will be due in the event the proceeds realized from the involuntary sale are immediately reinvested in property similar or related in service or use, and

(b) if the sale takes place after the Apartment Corporation has adopted a plan of liquidation, the Apartment Corporation completes the liquation within twelve months from the adoption of the plan, and the Apartment Corporation complies with the other requirements of Section 337 of the Code, then:

(i) the Apartment Corporation will not recognize gain on the sale, but rather

(ii) each shareholder will recognize gain on the liquidation equal to the difference between the liquidation distribution received by the shareholder (from corporate sales proceeds and other corporate assets) over the shareholder's adjusted basis for the shares of the Apartment Corporation, and the amount of this gain is unaffected by whether the Sponsor's transfer of the Property to the Apartment Corporation was characterized as a sale or Section 351 exchange.

The Apartment Corporation's basis in the Property (whether determined under the sale rules or the Section 351/362 rules) will be reduced to the extent of the depreciation taken each year. It is likely that the amount of depreciation will exceed the amortization of the mortgage indebtedness. The amount by which the unpaid principal balance of the mortgage indebtedness exceeds the Apartment Corporation's basis (the "excess mortgage") would be of no consequence to the Apartment Corporation or its Tenant-Shareholders unless the Property is sold (whether voluntarily or involuntarily). Under present tax laws, upon a sale of the Property by the Apartment Corporation, the Apartment Corporation would recognize gain at least to the extent of the "excess mortgage" irrespective of whether any cash is received on the sale. Since this gain does not represent cash from the sale, the gain would always be greater than the net proceeds, if any, realized on the sale, after paying off the outstanding principal of the mortgage indebtedness. Subject to the two exceptions mentioned above, the Apartment Corporation would be required to pay corporate income taxes on such gain, which would reduce the net proceeds available for distribution to its Tenant-Shareholders. However, the Tenant-Shareholder would have no personal liability to pay such taxes.

MANAGEMENT AGREEMENT, CONTRACTS, LEASES AND AGREEMENTS

Management Agreement:

Oktagon Corporation of 71 Murray Street, New York, New York, will manage the Property for three (3) years after the Closing. The fee for the first year will be $15,000 (payable in equal monthly installments of $1,250) and shall be increased to $18,000 (payable in equal monthly installments of $1,500) and to $21,000 (payable in equal monthly installments of $1,750) for the third year. The agreement may not be assigned, but may be cancelled by the Managing Agent, upon sixty (60) days prior written notice to the Apartment Corporation and by the Apartment Corporation for cause. The management services will not include the supervision of any repairs or alterations, nor the preparation of the Apartment Corporation's annual certified financial statement. Such statement will be prepared by an independent certified public accountant employed by the Apartment Corporation at its own expense, the cost of which has been provided for in the estimate of the Apartment Corporation expenses for the first year of cooperative operation. (See Schedule B). The management agreement will essentially provide for the following services:

1. Receipt of monthly Maintenance Charges from Tenant-Shareholders.

2. Payments of the obligations of the Apartment Corporation, to the extent that funds are available in the Apartment Corporation's account, as authorized by the Board of Directors.

3. Maintenance of books and records with respect to the Premises, (not including filing of forms with any governmental agencies).

4. Processing applications for the sale of shares allocated to apartments and accompanying Proprietary Leases, at an additional fee of $450.00 per transaction, to be paid by the seller of such shares and Proprietary Lease.

5. Supervising building employee(s).

The Apartment Corporation will be obligated to reimburse the Managing Agent for any expenses incurred by it in connection with its duties and to indemnify the Managing Agent against liability for acts properly performed by it pursuant to the management agreement.

There is a substantial identity of interest between the Sponsor and the Managing Agent.

Pursuant to Section 352-eeee(5) of the General Business Law, the Managing Agent shall provide to Non-Purchasing Tenants all services and facilities required by law on a non-discriminatory basis. The Sponsor shall guarantee the obligation of the Managing Agent to provide all such services and facilities until such time as less than a majority of the Directors of the Apartment Corporation are persons elected by the Sponsor or by Individuals Produced By The Sponsor.

A Subscriber who acquires the shares allocated to an apartment occupied by a Non-Purchasing Tenant will be required to designate the Managing Agent as his or her agent in order to provide such Non-Purchasing Tenant all services and facilities required by law on a non-discriminatory basis, pursuant to §352-eeee(5) of the General Business Law, and to agree to reimburse the Managing Agent for the cost of any such services and facilities, the provision of which is not customarily the obligation of the managing agent of a cooperative apartment building.

Service Contracts:

At the date of this Plan, the following service contracts were either in effect or expected to be renewed and it is expected that, the Apartment Corporation will take title to the Property subject to these contracts as same may be extended, modified or replaced. Moreover, the Sponsor reserves the right to enter into contracts for services prior to the Closing Date on such terms as it deems appropriate. Any additional service contract made by the Sponsor in excess of three (3) years or at a cost exceeding $5,000 per annum will be disclosed in a duly filed amendment to the Plan:

Company	Nature of Service	Annual Cost	Date of Expiration
Republic Elevator Company	Elevator Service	$1,500	Month-to-Month
Pest Pro	Extermination Services	$1,660	Month-to-Month

Agreement of Covenants and Restrictions:

The Property is subject to a certain agreement (the "Agreement") dated as of November 13, 1984 among the Sponsor, the former "legal" owner of the Property (Duit Realty Corp.) and the current owner of the parcel directly east of the Property (Tower Plaza Associates, referred to herein as the "Tower Owner") known as Dag Hammarskjold Plaza (the "Adjacent Property"). The Tower Owner was also the former "beneficial" owner of the Property. The Agreement, in part, brought the earlier transfer of development rights to the Adjacent Property in 1971 in conformity with the present requirements of the Zoning Resolution of the City of New York (the "Zoning Resolution"). The Sponsor received no consideration upon its execution of the Agreement other than the Property.

The building located on the Property has a height of 100.58 feet (as defined therein as the "Horizontal Plane") and a floor area of 45,350 square feet (as such term is presently defined in the Zoning Resolution - the "Property's Floor Area"). There is an alley way between the Property and the Adjacent Property at the northeast corner of the Property (the "Side Yard").

The Agreement provides for: (i) the retention of all unused development rights in excess of the Property's Floor Area by the Tower Owner; (ii) the granting of a perpetual easement for light and air above the Horizontal Plane to the Tower Owner; however, the owner of the Property can maintain, repair, replace and erect existing or new structures above said plane not exceeding 15.35 feet in height and provided same do not increase the Property's Floor Area; (iii) the granting of a general perpetual easement in the Property to the Tower Owner for the purpose of maintaining, repair or altering the Adjacent Property; (iv) the granting of a perpetual easement to the Tower Owner for the use of the easterly wall (the "Easterly Wall") of the Property extending from approximately 30 feet from East 47th Street towards the center line of the block for a sign with respect to the Adjacent Property or its garage; (v) the right of either party to resurface, paint or finish the Easterly Wall at the sole expense of the party exercising such right; however, the owner of the Property can only exercise such right with the prior written consent of the Tower Owner (not to be unreasonably withheld); (vi) the agreement by the owner of the Property not to erect any structure of any kind in the Side Yard nor to place any signs on the Easterly Wall without the prior written consent of the Tower Owner (which consents can be withheld for any reason); (vii) that in the event that all or substantially all of the Property is destroyed or demolished and a replacement structure erected then the floor area of the replacement structure shall not exceed the Property's Floor Area; and (viii) the agreement by the owner of the Property to cooperate with the Tower Owner in all reasonable respects in the future development of the Adjacent Property so that the excess floor area of the Property can be used in connection with such developments.

As a result of the Agreement, the Apartment Corporation will be unable to sell, use or otherwise utilize the Property's unused development rights, if any.

IDENTITY OF PARTIES

Sponsor: Dash Associates is a New York limited partnership with offices at 71 Murray Street, New York, New York. The general partner of the Sponsor is Opus Company, a New York limited partnership having an office at the aforesaid address. The principals of Opus Company are Irwin Leimas, Fredric Jay Roth, Robert Haskell, Alvin Schein and Alexander Garvin.

Messrs. Haskell, Leimas and Roth were principals of the Sponsors who converted to cooperative ownership premises at 200 Mercer Street (1979), 133 West 17th Street (1979), 166 Bank Street (1980), 377 West 11th Street (1981), 214 West 17th Street (1981), and 247 West 12th Street (1983). Mr. Schein was also a principal of the Sponsor entity regarding 247 West 12th Street.

Mr. Haskell was also a principal of the Sponsor of a cooperative Offering Plan for premises at 329 West 21st Street, New York, New York (1983) and 354-356 West 23rd Street, New York, New York (1984).

Mr. Garvin was also a principal of the Sponsor of a cooperative Offering Plan for premises at 52-02 39th Avenue, Queens, New York (1984).

Messrs. Haskell, Leimas, Roth, Schein and Garvin are also principals of the Offering Plans to convert premises at 114 Christopher Street and 301 East 64th Street to cooperative ownership.

Mr. Haskell is a builder and developer of residential properties. Mr. Garvin is an architect and a university professor. Messrs. Leimas, Roth & Schein are partners in the law firm of Leimas, Roth & Schein, which firm represents the Sponsor herein.

Selling Agent: The Oxbridge Realty Corporation, located at 71 Murray Street, New York, New York is a New York corporation. There is an identity of interest among the principals of the Selling Agent and certain principals of the Sponsor.

Managing Agent: Oktagon Corporation located at 71 Murray Street, New York, New York, is a New York corporation. There is an identity of interest among the principals of the Managing Agent and certain principals of the Sponsor. Oktagon Corporation has limited management experience but certain principals of the Sponsor have been involved in

the management of numerous residential properties in New York City including the aforesaid cooperative projects.

Attorneys for Sponsor: Leimas, Roth & Schein, of 71 Murray Street, New York, New York, prepared this Plan, the Proprietary Lease, the Contract, and certain other documents to which references are made in the Plan.

Architects: Proposition: Architecture P.C., of 235 Park Avenue South, New York, New York, a licensed architectural firm, consulted with the Sponsor with respect to the Description of the Building and the General Physical Condition.

Escrow Agent: The signature of a partner in the firm of Kassel, Neuwirth & Geiger, 845 Third Avenue, New York, New York will be required in order to make any withdrawals from the escrow account.

SPONSOR'S PROFIT

The Sponsor acquired the Property on January 16, 1985.

The purchase price for the Property was $3,000,000 including a $1,000,000 purchase money mortgage.

The Sponsor incurred expenses upon the acquisition of the property for legal fees, title insurance, mortgage brokerage commissions, points and mortgage recording tax totalling approximately $282,000.

The Sponsor estimates that as of the Closing Date it will incur expenses in connection with this conversion to cooperative ownership, in the approximate amount of $3,210,560.

Based on these costs, both actual and estimated, and on the original purchase price paid by the Sponsor, and assuming a sale of all of the shares allocated to apartments in the building at the purchase prices set forth in Schedule A to Tenants in Occupancy without Sponsor financing and within 24 months from the Date of Presentation of the Plan, the Sponsor can expect a profit of approximately $4,884,000 including the mortgage indebtedness ($1,175,000), prior to the payment of federal, state and city income taxes.

The exact profit to be realized cannot now be determined and may increase or decrease depending upon such variable factors as future market conditions, Sponsor's responsiblity for payment of Maintenance Charges for the Unsold Shares, the length of time required to sell all the Unsold Shares, losses, disbursements, or expenses incurred by the Sponsor under the Plan, and other unforeseen liabilities.

REPORTS TO SHAREHOLDERS

Each shareholder of the Apartment Corporation will be entitled to receive, annually, from the Apartment Corporation and at its expense, copies of the following:

A. An income tax deduction statement prepared by an independent certified public accountant within two months after the close of the Apartment Corporation's fiscal year (but in no event later than March 15 of each year);

B. An annual report of corporate affairs, including a balance sheet and operating statement prepared and certified by an independent certified public accountant, to be received by the end of the second month following the close of the Apartment Corporation's fiscal year, (but in no event later than March 15 of each year); and

C. Prior notice of the holding of an annual shareholders' meeting for the purpose of electing a Board of Directors.

DOCUMENTS ON FILE

In accordance with Section 352-e (9) of the New York General Business Law, copies of this Offering Plan and all documents referred to herein including Parts A, B and C of the Exhibits shall be available for inspection by any person who shall have purchased shares offered by this Plan or shall have participated in the offering of such shares without charge and for photocopying at a reasonable charge at the office of the Sponsor and shall remain available for such inspection and copying for a period of six (6) years from the Closing Date.

GENERAL

1. This Plan does not knowingly omit any material facts or contain any untrue statement of any material facts. To the best of Sponsor's knowledge, the Property has not been the subject of any prior public offerings. Exact copies of the By-Laws, Proprietary Lease, House Rules and Subscription Agreement are contained in Part II hereof.

2. There are no lawsuits or other proceedings now pending or any judgments outstanding, either against the Sponsor or the Apartment Corporation, which might become a lien against the Property or which, will materially or adversely affect this offering.

3. This offering is made only within the State of New York to individuals over the age of eighteen (18) years, except that up to 15% of the shares of the Apartment Corporation may be offered and sold to corporations, partnerships, trusts, estates and other entities (in addition to the Unsold Shares which may be issued to the Sponsor). More than 15% of the shares of the Apartment Corporation may be sold to such entities either prior to, or after the Closing Date, provided that a private letter ruling has then been obtained from the Internal Revenue Service stating that the Apartment Corporation will still qualify as a "cooperative housing corporation" under Section 216 of the Internal Revenue Code notwithstanding the occurence of such sales.

4. The Sponsor represents that neither the Sponsor, the Selling Agent will discriminate against any person because of race, color, creed, religion, national origin, sex, or other basis prohibited by law, with respect to the sale of shares offered under this Plan.

5. As of the Date of Presentation of this Plan, neither the Sponsor, nor the Selling Agent, nor any representative or agent of either thereof has raised funds or made any preliminary offering or binding agreement to any prospective Subscribers with respect to shares of the Apartment Corporation allocated to apartments in the Property.

6. No person has been authorized to make any representation which is not expressly contained herein. Subscribers should not, therefore, rely upon any representations, statements, or warranties, written or oral, as to any matter or estimate, that are not set forth herein. The Plan may not be changed or modified orally.

7. The Plan may be amended at any time and from time to time provided that, if the amendment is a material and substantial modification of the Plan which adversely affects Subscribers of shares, then anyone who has theretofore executed a Subscription Agreement prior to the Closing Date shall be given not less than

twenty (20) days, after a copy of the duly filed amendment has been mailed to him or her, in which to elect by written notice to the Selling Agent to cancel the Subscription Agreement and to obtain a refund, in full, of the downpayment made therewith.

8. The principal purpose of this offering is the sale of cooperative apartments for use as homes by Subscribers. This offering is not intended to lead Subscribers to expect any profits resulting from resale or because of any other reason.

9. The Sponsor agrees to pay such interest on deposits as a court may consider just and proper as part of an order granted pursuant to Section 354 of the General Business Law.

10. Except for Subscription Agreements executed by residential Tenants in Occupancy during the 90 Day Exclusive Period, neither the Apartment Corporation nor the Sponsor, is obligated to offer or sell any block of shares allocated to any apartment and may withhold one or more apartments for future sale. No such binding obligation shall arise unless and until a Subscription Agreement is executed by all parties. The Apartment Corporation or the Sponsor has the right to reject any prospective Subscriber without cause or explanation, provided such rejection is not based on sex, creed, color, national origin or ancestry or other ground proscribed by law.

225 East 47th St. Apartment Corp.
(Apartment Corporation)

Dash Associates
(Sponsor)

Dated: July 1, 1985
New York, New York

OFFERING PLAN

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225 East 47th Street
New York, New York

PART II

EXHIBIT A

SUBSCRIPTION AGREEMENT

SUBSCRIPTION AGREEMENT

Premises: 225 East 47th Street, New York, New York

Apartment Number: _____ Number of Shares: _____

Sponsor: Dash Associates

Apartment Corporation: 225 East 47th St. Apartment Corp.

Subscriber(s):_____

Subscriber(s) Present Address:_____

Subscriber(s) Social Security Number(s): _____

Purchase Price:_____ Down Payment: _____

Balance Due: _____

Complete Applicable Sections

( ) Subscriber is a bona fide tenant of record of the Apartment.

Rent under Existing Lease: $_____ (monthly)

Security Deposit under Existing Lease: $_____

Existing Lease Expires: _____

( ) Subscriber is subscribing for the shares allocated to an office.

( ) Subscriber is a subtenant of the Apartment by consent of the Sponsor and has obtained written permission of the bona fide tenant of record to purchase the Shares.

( ) Subscriber is a subtenant of the Apartment by consent of the Sponsor pursuant to a sublease from the non-bona fide tenant of record.

( ) Subscriber is not an occupant of the Apartment but the Sponsor has agreed to give the Subscriber possession of the vacant Apartment prior to the Closing Date upon the execution by the Subscriber of an Interim Lease on the terms and conditions set forth in the Plan.

( ) Subscriber is not an occupant of the Apartment and will take possession of the vacant Apartment on the Closing Date.

( ) Subscriber is subscribing for the shares allocated to an Apartment subject to the right of the present tenant thereof.

Rent under Existing Lease: $_____

Existing Lease Expires: _____

OFFERING PLAN:

1. Subscriber hereby acknowledges having received and read the Cooperative Offering Plan (the "Plan") with respect to the above described Premises, which is made part hereof, at least three (3) days prior to the signing of this Subscription Agreement (the "Agreement").

SHARES AND PROPRIETARY LEASE:

2. Subscriber hereby offers to become the Proprietary Lessee of the above described apartment (the "Apartment") in said Premises, and to purchase the above stated number of shares of the Apartment Corporation (the "Shares"), allocated to said Apartment, for the purchase price stated above (the "Purchase Price"). This offer is made pursuant to the Plan and shall be revocable until approved and accepted as provided in paragraph 15 hereof.

PURCHASE PRICE:

3. The Purchase Price for the Shares is $_____, payable as follows:

(i) $_____ by check made payable to the order of "225 East 47th Street Special Account", for the above stated down payment which is ten (10%) percent of the Purchase Price, unless I am a Tenant in Occupancy purchasing during the 90 Day Exclusive Period, in which case the down payment is $1,000 (the "Down Payment"), receipt of which, by check subject to collection, is hereby acknowledged;

(ii) $_____, constituting the balance of the Purchase Price, within fifteen (15) days (the "Payment Period") after notice and demand (the "Pre-Closing Notice") by the Selling Agent or the Apartment Corporation (which notice shall state that the Closing Date has occurred or has been scheduled to occur not later than sixty (60) days thereafter), such payment to be by personal certified check or official check drawn on a New York Bank to the order of "225 East 47th Street Special Account".

If any portion of the Purchase Price is to be financed by a bank, trust company or other lending institution, such portion may be paid at the closing in respect of the Shares; provided, however, that the Apartment Corporation shall have been furnished, within the Payment Period, with a copy of a written commitment (in form and substance satisfactory to the Apartment Corporation) from such lending institution for the portion of the Purchase Price being so financed and copies of all documents which the lending institution will require the Apartment Corporation to execute in connection therewith. The Apartment Corporation shall not be obligated to execute any such document if it does not conform to the provisions of the Proprietary Lease.

FINANCING (*delete subparagraph A or B if inapplicable):

4. *A. Subscriber represents that he/she intends to apply for a loan from an institutional lender in an amount that will enable him/her to finance the purchase of the Shares. Subscriber shall:

(i) apply for such instituional financing within seven (7) days of the acceptance of this Subscription Agreement; (ii) deliver a copy of the loan application(s) to the Selling Agent within five (5) days of its submission; and (iii) notify the Selling Agent if such loan application is rejected within five (5) days of such rejection and deliver to the Selling Agent a copy of such rejection notice. The Subscriber shall have the right in the event that he/she is rejected for an institutional loan to cancel this Agreement, in which event the Escrow Agent shall refund to the Subscriber his/her downpayment without interest as provided herein unless interest is earned. This right, however, shall be subject to the provisions of the rider annexed hereto.

*B. Subscriber intends to pay cash for the Shares and does not intend to seek financing from any source.

PRE-CLOSING:

5. Pursuant to the Pre-Closing Notice, Subscriber shall pre-close within fifteen (15) days following the date of same at the offices of the Selling Agent. At the preclosing, Subscriber shall execute and deliver to the Selling Agent (i) the Proprietary Lease, in duplicate; (ii) the New York State Gains Tax forms (if not previously executed); (iii) copy of the written loan commitment from a lending institution for a loan in an amount equal to the portion of the purchase price to be financed; (iv) copies of all documents that the lending institution will require the Apartment Corporation or the Sponsor to execute in connection with the loan; and (v) Subscriber's personal check for $150 to the order of Leimas, Roth & Schein. Notwithstanding anything to the contrary contained herein, if this Agreement is executed by Subscriber after the Plan has been declared effective and the Closing Date has been fixed, Subscriber shall pay the balance of the Purchase Price and execute the Proprietary Leases and the New York State Gains Tax forms and deliver the aforesaid bank papers and check to Leimas, Roth & Schein on _____. In the event Sponsor's attorneys are requested to attend a closing outside of their offices, Subscriber shall pay said attorneys an attendance fee of $250.

PROPRIETARY LEASE:

6. The date of the commencement of the term of the Proprietary Lease in respect of the Apartment, and the date of issuance of the Certificate for the Shares, which may be inserted by either the Selling Agent or the Apartment Corporation, shall be the Closing Date (the date the Apartment Corporation acquires title to the Property). Provided that Subscriber shall have paid the full Purchase Price, as provided for herein, and shall not be in default hereunder, Subscriber shall receive the Certificate for the Shares, together with an executed copy of said Proprietary Lease, promptly after the Closing Date. If Subscriber shall have accepted from the Sponsor or an institutional lender a loan to be secured by the Shares and the Proprietary Lease, Subscriber shall receive only copies of such documents subsequent to the Closing Date and the Apartment Corporation shall deliver the originals thereof to the lender. If Subscriber shall be the tenant of the Apartment as of the Closing Date, Subscriber agrees that his/her then lease (if any) or monthly tenancy of the Apartment shall be deemed terminated and cancelled as of the Closing Date, and rent due thereunder shall be

apportioned as of the date thereof. If Subscriber shall not be the tenant of the Apartment on the Closing Date, Subscriber will accept the Shares and the Proprietary Lease subject to the existing tenant's lease and tenancy of the Apartment (if any).

ESCROW:

7. In accordance with the requirements of Sections 352-e(2)(6) and 352-h of the New York General Business Law, all moneys received by the Apartment Corporation, the Sponsor, or their agents or employees pursuant to the provisions of this Agreement will be held in trust until the Closing Date or until the Plan is abandoned. All such moneys will be deposited by the Selling Agent with Chemical Bank (the "Escrow Agent"), at its branch at 633 Third Avenue, New York, New York, or with such successor escrow agent, and will be held in an interest bearing trust account, under the name of "225 East 47th Street Special Account" (the "Escrow Account") until used in connection with the consummation of the Plan, except as otherwise provided herein. The signature of a member of the law firm of Kassel, Neuwirth & Geiger shall be required for the release of any funds deposited in the Escrow Account. Notwithstanding the foregoing, funds may be released from the Escrow Account prior to the Closing if the Sponsor posts a bond or other insurance of the escrowed funds satisfactory to the Department of Law of the State of New York.

CONDITION OF APARTMENT AND PREMISES:

8. The execution of this Agreement shall constitute Subscriber's acknowledgement that he/she has inspected the Apartment and the Property prior hereto and his/her agreement to accept the Apartment in the condition in which it shall be at the time of closing, including the existing kitchen, bathroom and other appliances, fixtures, equipment, air conditioning units and installations, if any, which are owned by the Sponsor at the date hereof. Notwithstanding the foregoing, if at the aforesaid time of closing the Apartment shall be damaged so as to be uninhabitable by reason of fire or a cause other than Subscriber's negligence, then Subscriber shall be entitled to cancel this Agreement upon five (5) days' prior notice to the Apartment Corporation and the Sponsor. In the event of such cancellation of this Agreement, any down payment hereunder shall be promptly refunded to Subscriber, and no party hereto shall have any further rights or obligations hereunder. If Subscriber elects not to exercise said right of cancellation, Sponsor shall repair the damage, unless the Apartment Corporation has, pursuant to the terms of the Plan, received a credit on account of the damage against the sales or exchange price of the Property, in which event the Apartment Corporation shall repair the damage.

CONTINGENCIES FOR CLOSING:

9A. This Agreement is contingent upon the Plan being declared effective. The Plan will be declared effective only in accordance with the procedure set forth in the Plan.

9B. The Plan may be abandoned at any time prior to its becoming or being declared effective, and shall be abandoned and deemed aban-

doned if it has not been declared effective with the time prescribed by law.

9C. If the Plan is abandoned, or if it shall not become effective within fifteen (15) months from the Date of Presentation of the Plan, or shall not be consummated as provided therein, then, not later than ten (10) days thereafter all moneys received for the Shares purchased will be fully returned, without interest as provided herein, to each Subscriber who shall not be in default under his Agreement, as herein provided, and upon such repayment no party herein shall have any claim against any other.

TRANSFER OF TITLE OF PREMISES:

10. Title shall be transferred to the Apartment Corporation not earlier than thirty (30) days, nor later than one hundred eighty (180) days after the Plan has been declared effective. The Closing Date may be adjourned for any reason by the Sponsor and the Apartment Corporation provided that it shall occur not later than one hundred eighty (180) days after the Plan has been declared effective, unless extended because of force majeure by an amendment to the Plan. If the Closing Date is adjourned, neither the Sponsor nor the Apartment Corporation shall have any liability whatsoever to the Subscriber for any claim or loss Subscriber may incur or suffer as a result of such adjournment.

EVENTS OF DEFAULT:

11. Subscriber agrees that (i) if he/she shall fail to pay any portion of the balance of the Purchase Price as and when due, as herein provided, (ii) if he/she shall fail to arrange for an appearance at a pre-closing and to sign, acknowledge and return the Proprietary Leases and gains tax forms when due, as herein provided, (iii) if he/she is or shall become an Interim Tenant of the Apartment and shall fail to comply with his/her lease or tenancy obligations as therein provided, including (without limitation) payment of rent and all other charges, (iv) if he/she is a Tenant in Occupancy of the Apartment on the date of execution of this Agreement and shall fail to comply with his/her lease obligations regarding the payment of rent; (v) if he/she defaults under a Subscription Agreement for the shares allocated to another Apartment in the Premises; or (vi) if he/she shall fail to perform any other obligation(s) hereunder, the Apartment Corporation may elect to cancel this Agreement by notice setting forth the applicable default, by registered or certified mail, and at the expiration of thirty (30) days after the date thereof (unless Subscriber shall have cured the default specified in said notice within said thirty (30) day period) said notice shall be effective and this Agreement shall be deemed of no further force and effect, and neither party thereto shall have any further rights or obligations hereunder, except that the Apartment Corporation shall be entitled to retain and/or recover an amount not to exceed ten (10%) percent of the Purchase Price (or twenty (20%) percent in the event Subscriber is an Interim Tenant), as liquidated damages. Time shall be of the essence with respect to

Subscriber's curing of any default as of expiration of said thirty (30) day period, i.e., SUBSCRIBER SHALL NOT BE ENTITLED TO ANY EXTENSION OF SUCH TIME PERIOD AND THE NOTICE OF DEFAULT SHALL TAKE EFFECT AUTOMATICALLY UPON SUCH EXPIRATION. In the event of such cancellation, the Apartment Corporation shall have the right to sell the Shares and the Proprietary Lease as though this Agreement had never been made.

RIGHT TO CHANGE PRICES:

12. The Apartment Corporation prior to the Closing Date, and the Sponsor thereafter, each reserve the right at any time during this offering to change the cash Purchae Price for and/or the number of, shares allocated to some or all of the apartments shown on Schedule A, by duly filed amendment to the Plan. Notwithstanding the foregoing, an isolated price reduction to a non-tenant Subscriber which does not affect a line or other category of apartments may be made without amendment. No such change, however, will be made in respect of any block of shares that is subject to an accepted Subscription Agreement or which will vary the total number of authorized shares. In addition, the cash Purchase Prices to Tenants in Occupancy (as defined in the Plan) for the shares allocated to their apartments shall not be increased for a period of ninety (90) days from the Date of Presentation. If a change in the cash requirement for, and/or the number of shares allocated to an apartment is made, a Subscriber of the affected shares may pay more or less than another Subscriber of shares allocated to a similar apartment, but this will not affect any prior or later sale of shares allocated to such similar (or any other) apartment.

ENTIRE AGREEMENT:

13. The entire agreement between the parties hereto is set forth in this Agreement and in the Plan. The only representations made are those expressly contained herein and in the Plan. The Subscriber has not relied upon any representations, statements or warranties, written or oral, as to any matter or estimate, that are not set forth herein and in the Plan; and acknowledges that he/she has had full opportunity to examine all documents and investigate all facts referred to and stated herein. This Agreement may not be changed orally.

AGREEMENT NOT ASSIGNABLE:

14. This Agreement is not assignable.

CONDITIONS FOR BINDING AGREEMENT:

15. This Agreement shall not be binding on the Subscriber, the Apartment Corporation or the Sponsor until the Subscriber, shall be approved by endorsement hereon by the Sponsor, and this Agreement shall be accepted by endorsement hereon in behalf of the Apartment

less than the Maintenance Charges due under the Proprietary Lease. Subscriber further understands that this Agreement may be subject to the exclusive right of the Tenant in Occupancy to purchase the shares allocated to the Apartment, as stated in the Plan and that such exclusive right to purchase may be extended from time to time by amendment to the Plan. In the event that such Tenant in Occupancy exercises such exclusive right to purchase, then this Agreement shall be deemed cancelled and Subscriber shall be entitled to a refund of the Down Payment made hereunder within twenty (20) days.

In addition, the Subscriber shall (a) as of the Closing Date, appoint the Managing Agent as his/her agent with respect to performance of all obligations of the landlord under the occupancy lease of the Non-Purchasing Tenant and under all applicable laws and regulations, including, without limitation, interior repairs and painting of the Apartment, but excluding those obligations that are to be performed by the Apartment Corporation under the Proprietary Lease, (b) on or prior to the Closing Date, deposit with the Managing Agent a sum equal to two (2) months' Maintenance Charges with respect to the Apartment, such sum to be held in trust by the Managing Agent and be used only as working capital with respect to performance of Subscriber's obligations as specified in the above subparagraph (a), and (c) within sixty (60) days following receipt of notice from the Managing Agent that the sum deposited under the above subparagraph (b) has been properly diminished, replenish same to bring it to its original amount.

REAL PROPERTY TRANSFER GAINS TAX POWER OF ATTORNEY:

18. Subscriber shall simultaneously with the execution of this Agreement, execute and have notarized the "Power of Attorney" in the form set forth as Exhibit 1 hereto, and the Transferee Questionnaire (if requested), which Power of Attorney will empower the Sponsor to:

(i) executed on Subscriber's behalf the Transferee Questionnaire (Form TP 581) required by Section 1447.1 of the Tax Law;

(ii) receive on Subscriber's behalf, the Statement of Tentative Assessment (Form TP 582.2) or Statement of No Tax Due (Form TP 585) required by Section 1447.2 of the Tax Law; and

(iii) receive on Subscriber's behalf the Release of Liability (Form TP 586) required by Section 1447.3(c) of the Tax Law.

Sponsor shall deliver to Subscriber copies of all the aforesaid forms promptly after receipt from the New York State Commission. The Sponsor shall be responsible for the payment of New York State Real Property Gains Tax in connection with the sale of the Apartment. The provisions of this paragraph shall survive the closing.

Corporation, and a fully signed copy thereof shall have been delivered to the Subscriber. Unless Subscriber is a residential Tenant in Occupancy submitting this Subscription Agreement for the apartment which he/she presently occupies during the 90 Day Exclusive Period or any extension therof, the Apartment Corporation and/or the Sponsor has the right to reject this Subscription Agreement without cause or explanation, provided such rejection is not based on sex, race, creed, color, national origin or ancestry or other grounds proscribed by law. If this offer shall not be accepted within twenty (20) days of the date hereof by the delivery to the Subscriber of such endorsed and fully signed copy, then this Agreement shall be deemed to be rejected and cancelled and the Escrow Agent shall immediately refund to the Subscriber the full amount of said down payment, within twenty (20) days.

SUBSCRIBER'S IDENTITY AND CERTIFICATION:

16. Subscriber represents that he/she is a person over 18 years of age and that the Subscriber is purchasing for his/her own account. The term "he/she" shall be read as "they" and "Subscriber" shall be read as "Subscribers" if more than one person are subscribers, in which case their obligations shall be deemed joint and several.

If Subscriber is a Tenant in Occupancy purchasing prior to the Plan being declared effective, he/she certifies that he/she has agreed in good faith to purchase the Shares allocated to the Apartment with no discriminatory repurchase agreement or other discriminatory inducement.

If the Subscriber is not a Tenant in Occupancy, he/she certifies that he/she, or a memeber of his/her immediate family, intends to occupy the Apartment when it becomes vacant and has executed the Statement of Purchase attached hereto as Exhibit 2 simultaneously herewith.

The representations contained in this paragraph shall survive the Closing.

OBLIGATIONS OF SUBSCRIBERS OF OCCUPIED RESIDENTIAL APARTMENTS:

17. If the Apartment is occupied by a residential Non-Purchasing Tenant, the Subscriber shall accept the Apartment at Closing subject to the rights of the existing tenant. Subscriber understands that this is a "Non-Eviction" Plan, so that under existing law, the Tenant in Occupancy is not subject to eviction by reason of his/her purchase hereunder. Subscriber further understands that he/she will, after the Closing Date, be assuming the Sponsor'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 such rent payable under the existing lease and tenancy whether the same is greater or

NOTICES:
19. All notices, consents, approvals and elections which any party hereto shall be required or shall elect to give or make hereunder shall be effective only if in writing and sent by certified or registered mail as follows: to Subscriber, at the address set forth at the beginning of this Agreement, and to the Selling Agent, the Sponsor and the Apartment Corporation, at the office of the Selling Agent, and a copy thereof sent simultaneously to Sponsor's attorneys, Leimas, Roth & Schein, or to such other address as either party hereto shall designate by like notice to the other.

NO OTHER AGENTS OR BROKERS:
20. Subscriber represents that the Selling Agent named in the Plan is the only sales agent or broker with whom he/she has dealt in connection with this transaction. Subscriber agrees to indemnify and hold harmless the Sponsor, the Selling Agent and the Apartment Corporation from any and all liabilities arising from claims made against them for commissions by any other broker, on account of his/her acts or the acts of his/her representatives. The provisions of this paragraph shall survive the Closing.

MISCELLANEOUS:
21. Paragraph headings included herein are intended only for convenience in finding subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement or of any of its provisions.

The failure of the Sponsor or the Apartment Corporation to insist upon a strict performance of any of the terms or conditions herein shall not be deemed a waiver of any subsequent breach or default in the terms and conditions herein contained. This Agreement shall be governed by the laws of the State of New York.

Conflicts between the Agreement and the Plan shall be resolved in favor of the Plan.

_____ Dated: _____
SUBSCRIBER(S)

_____ Dated: _____
SUBSCRIBERS(S)

Approved and Accepted:
225 EAST 47TH ST. APARTMENT CORP.

_____ Dated: _____
By

DASH ASSOCIATES
By: The Oxbridge Realty Corporation

_____ Dated: _____
By

IF MORE THAN ONE SUBSCRIBER IS NAMED HEREIN OWNERSHIP OF SHARES OF THE APARTMENT CORPORATION WILL BE AS JOINT TENANTS WITH THE RIGHT-OF-SURVIVORSHIP, UNLESS NOTICE TO THE CONTRARY IS GIVEN TO THE APARTMENT CORPORATION PRIOR TO THE CLOSING.

FINANCING CONDITION RIDER

The Subscriber shall be entitled to the return of its downpayment in the event that within forty-five (45) days after acceptance of this Agreement, the Subscriber is unable to obtain a commitment from a savings bank, commercial bank or savings and loan association for a cooperative apartment loan in an amount and upon such terms as are no less favorable than the following: Principal Amount - 75% of the cash purchase price; Interest at the highest prevailing rate for variable or fixed rate cooperative apartment loans, as determined by the lending institution to which an application has been made; Term - up to twenty (20) years. The Subscriber's failure to forward a notice of cancellation to the Sponsor within such forty-five (45) day period shall be deemed to be a self-operative waiver of this condition, and the Subscriber shall then not be entitled to the return of the downpayment.

Notwithstanding the foregoing, in the event that the Subscriber is unable to obtain such a commitment within forty-five (45) days after acceptance of this Agreement, the Sponsor shall have the right, but not the obligation, within ten (10) days after notification of such fact in writing to the Sponsor, to commit to make a loan to Subscriber in an amount and upon such terms as are no less favorable than as set forth above, in which case Subscriber shall not be entitled to the return of its downpayment. The Sponsor and Subscriber shall, however, each have the right to substitute a savings bank, commercial bank or savings and loan association commitment for the Sponsor's commitment at any time prior to the Closing.

The Subscriber shall apply for the loan to an institutional lender within seven (7) days after acceptance of this Agreement; shall furnish to the institutional lender accurate and complete information as required, and shall advise Sponsor of the name and address of the institution to which such application has been made and the date upon which it was made as well as a copy of each such application. In the event that Subscriber does not furnish the Sponsor with the foregoing information within seven (7) days of this Agreement, the Sponsor may elect to cancel this Agreement without prior notice, upon the return of the Down Payment. The Subscriber shall accept any commitment letter complying with the terms hereof, if issued, and shall pay any application, appraisal, commitment, origination or other fees in respect of the loan, and shall comply with the requirements of the commitment letter, and shall furnish to the Sponsor a copy of any commitment letter or rejection letter promptly after receipt thereof.

The Subscriber shall cooperate with Sponsor and/or any such lending institution in supplying information and executing those documents which may be necessary in order to effectuate the foregoing purposes. In addition, the Subscriber shall execute any loan documents which such lending institution may require, and pay all fees and expenses of such transaction in advance of the Closing, and shall authorize said lending institutions to hold, in escrow, all documents, fees, expenses, and the loan proceeds until the Closing.

Failure by the Subscriber to comply with the terms of this Financing Condition Rider shall be deemed to constitute an event of default under the Subscription Agreement.

_____ Dated: _____
SUBSCRIBER(S)

_____ Dated: _____
SUBSCRIBERS(S)

ACCEPTED: 225 East 47th St. Apartment Corp.

_____ Dated: _____
By:

APPROVED: Dash Associates

By: The Oxbridge Realty Corporation

_____ Dated: _____
By:

EXHIBIT 1

TP 587 (6 83)

New York State Department of TAXATION and FINANCE

Real Property Transfer Gains Tax

POWER OF ATTORNEY (INDIVIDUAL)

Transferee's Name and Address	Appointed Agent's Name and Address

KNOW ALL MEN BY THESE PRESENTS that I, the transferee named above, appoint the person named above as my true and lawful agent, to appear and represent me before the Department of Taxation and Finance in connection with the tax on gains derived from certain real property transfers imposed by Article 31-B of the Tax Law, with regard to the transfer of the following property:

Cooperative or Condominium Name and Address	Unit or Apartment Number(s)

with full powers to act in my name, place and stead in any way which I myself could do, if I were personally present with respect to such matter including, but not limited to, the following matters:

1. To execute on my behalf, the Transferee Questionnaire (Form TP-581) required by section 1447.1(c) of the Tax Law.
2. To receive on my behalf the Statement of Tentative Assessment (Form TP-582.2) or Statement of No Tax Due (Form TP-585) required by section 1447.2 of the Tax Law.
3. To receive on my behalf the Release of Liability (Form TP-586) required by section 1447.3(c) of the Tax Law.

I know that the above named individual is also acting for other transferees of units in the above-named condominium or cooperative and that by reason of our joint appointment of such agent, information with regard to my transfer filed on the Transferee Questionnaire may be disclosed to such other transferees by the Statement of Tentative Assessment, Statement of No Tax Due, or Release of Liability issued to such agent on our behalf. I consent to such disclosure.

The agency created by this instrument will continue until a written instrument is filed with the Department of Taxation and Finance revoking such agency.

Transferee's Signature — Date

ACKNOWLEDGEMENT

State of }
County of } SS

On this day of , 19 , before me personally came to me known to be the person(s) described in the foregoing Power of Attorney, and he acknowledged that he executed the same.

Notary Public's Signature — Date

NOTICE OF APPEARANCE

I agree to represent the above-named transferee in accordance with the above Power of Attorney. I realize that by consenting to act pursuant to this Power of Attorney that I will be responsible for the Questionnaire and any other reports made by me pursuant to this transfer and will incur liability for the penalties provided for filing erroneous, false or fraudulent information. All notices, decisions and other documents are to be sent to me at the address shown below.

Appointed Agent's Signature — Address — Date

ACKNOWLEDGEMENT

State of }
County of } SS

On this day of , 19 , before me personally came to me known to be the person(s) described in the foregoing Notice of Appearance, and he acknowledged that he executed the same.

Notary Public's Signature — Date

EXHIBIT 2

NON-TENANT SUBSCRIBER

STATEMENT OF PURCHASE

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

I(we), the undersigned Subscriber(s) of the Shares allocated to Apartment ____ at 225 East 47th Street, New York, New York hereby represents that I(we) or one or more members of my(our) immediate family intend to occupy said apartment when it becomes vacant.

_____
SUBSCRIBER(S)

_____
SUBSCRIBER(S)

Sworn to before me this
____ day of _____, 198_

_____
NOTARY PUBLIC

EXHIBIT B

PURCHASE APPLICATION

PURCHASE APPLICATION

225 East 47th Street
New York, New York

THE APPLICANT UNDERSTANDS THAT THE INFORMATION FURNISHED IN THIS APPLICATION IS ESSENTIAL IN DETERMINING APPLICANT'S QUALIFICATIONS FOR PURCHASING AN APARTMENT IN THE PREMISES AND THAT THE APARTMENT CORPORATION AND THE SPONSOR WILL BE RELYING UPON THE TRUTH AND ACCURACY OF SUCH INFORMATION IN THE EVENT A SUBSCRIPTION AGREEMENT IS APPROVED AND ACCEPTED. ALL SUCH INFORMATION SHALL BE KEPT CONFIDENTIAL.

1. Applicant's name:_____Soc. Sec. #_____

   Home address:_____Tel. #_____

   Date of Birth:_____

2. Co-Applicant's name:_____Soc. Sec. #_____

   Home address:_____Tel. #_____

   Date of Birth:_____

3. Applicant's business:_____Position:_____

   Address:_____No. of Years:_____

   Supervisor's name:_____Tel. #_____

4. Co-Applicant's business:_____Position:_____

   Address:_____No. of Years:_____

   Supervisor's name:_____Tel. #_____

5. Applicant's attorney:_____

   Address:_____Tel. #_____

6. Applicant's choice of apartments: (1st)_____
   (2nd)_____

7. Cash available for purchase: $_____Source:_____

8. Applicant's annual salary: $_____Co-Applicants's Salary: $_____
   Other Income: $_____; Total annual income: $_____
   Describe source of other income:_____

9. Names of all persons who will reside in the apartment other than the applicant (indicate the age of each child):

   _____ _____

REFERENCES

10. Name, telephone number and address of present landlord or Agent:

_____

_____

11. Length of occupancy:_____ Monthly Rent: $_____

12. Names, telephone numbers and addresses of three financial references:

(a) Bank: _____ Tel. #:_____
Account #:_____ Present Balance: $_____

(b) Bank: _____ Tel. #:_____
Account #:_____ Present Balance: $_____

(c) Stock broker, C.P.A., or other financial reference:

_____

13. Names, telephone numbers and addresses of three personal references:

(a) _____

(b) _____

(c) _____

THE APPLICANT CERTIFIES THAT ALL INFORMATION GIVEN IN THIS APPLICATION IS TRUE AND COMPLETE TO THE BEST OF APPLICANT'S KNOWLEDGE. FOR THE PURPOSES OF CONSIDERING THIS APPLICATION, THE APPLICANT AUTHORIZES THE SELLING AGENT TO CONTACT THE ABOVE LISTED REFERENCES FOR THE PURPOSE OF OBTAINING CREDIT INFORMATION, AS WELL AS TO OBTAIN A REPORT FROM OUTSIDE CREDIT REPORTING AGENCIES. IF REQUESTED BY THE APPLICANT, THE SELLING AGENT WILL INFORM THE APPLICANT OF WHETHER OR NOT THE SELLING AGENT HAS ASKED FOR SUCH A REPORT, AND IF IT HAS, THE NAME AND ADDRESS OF THE AGENCY OR AGENCIES. THE APPLICANT ACKNOWLEDGES NOTICE OF THIS DISCLOSURE UNDER ARTICLE 25 OF THE NEW YORK STATE GENERAL BUSINESS LAW.

THIS APPLICATION DOES NOT CONSTITUTE A RESERVATION OF ANY APARTMENT IN THE PREMISES OR CREATE A BINDING OBLIGATION OF ANY KIND BY EITHER THE APPLICANT, THE APARTMENT CORPORATION OR THE SPONSOR. THE APARTMENT CORPORATION AND THE SPONSOR RESERVE THE RIGHT TO ACCEPT MORE THAN ONE APPLICATION AT A TIME FROM PERSONS DESIRING THE SAME APARTMENT. IT IS UNDERSTOOD THAT THIS IS AN APPLICATION AND NOT A SUBSCRIPTION AGREEMENT WHICH MUST BE APPROVED AND ACCEPTED BY BOTH THE APARTMENT CORPORATION AND THE SPONSOR IN ORDER TO CREATE ANY OBLIGATION.

_____
APPLICANT

Date: _____

_____
CO-APPLICANT

EXHIBIT C

DESCRIPTION OF THE BUILDING AND GENERAL PHYSICAL CONDITION

SPONSOR'S STATEMENT OF BUILDING CONDITION

1. The Sponsor hereby adopts the Description of Property and Building Condition set forth herein. The Sponsor has no knowledge of any material defects or need for major repairs to the Property except as set forth in the Description of Property and Building Condition.

2. The Property is offered in "as is" condition as of the Date of Presentation of the Plan, subject to: (a) the Sponsor's obligation to maintain the Property until the Closing in substantially the same condition and manner as on the Date of Presentation; (b) reasonable wear and tear; (c) Sponsor's obligation described below to cause violations of record to be cured; and (d) Sponsor's obligation to perform any repairs or replacements set forth in the section of the Plan entitled "Reserve Fund".

3. Prior to Closing or within a reasonable period of time thereafter, Sponsor will cause to be cured all violations of record as of the Closing Date (except violations caused by acts or omissions of Tenants in Occupancy in their own apartments) and will eliminate all dangerous or hazardous conditions that Sponsor has notice of and comply with all work orders from mortgagees.

4. As stated in the Description of Property and Building Condition, the building has a Certificate of Occupancy (#71226) dated October 28, 1971. The number of units offered under this Plan (i.e. 60) is identical to the number of units indicated on the Certificate of Occupancy (i.e. 60) and the proposed uses of the units is the same as the uses indicated in the Certificate of Occupancy except that one of the offices has been converted to a residential apartment. Prior to the Closing Date, the Sponsor will file the necessary applications in order to obtain an amended or new Certificate of Occupancy to legally permit the use of said unit for residential purposes.

5. Prior to signing a Subscription Agreement, Propsective Subscribers are invited to inspect the Property, or any portion thereof, with an architect or engineer of their choice and with a representative of the Sponsor. Such inspection shall be subject to reasonable notice to the Sponsor and to the rights of existing tenants.

6. The Sponsor reserve the right to perform various items of work (capital replacements) and to claim and receive a credit against the mandatory initial contribution to the Reserve Fund required by the Three Percent Reserve Fund Law. In the event the Sponsor elects to perform any such work not disclosed in the Plan, it will file an amendment to the Plan disclosing such work and the estimated cost thereof.

7. Prior to Closing, the Sponsor will make application for the following inspection certificates or permits, if required by applicable law: (i) oil storage; (ii) elevator inspection; (iii) air resources certificate and (iv) safety inspection.

8. It has been brought to the Sponsor's attention that a storage room in the cellar has been occupied for a number of years, and is presently being occupied by an occupant without a lease for living purposes, in violation of the existing Certificate of Occupancy. The Sponsor has agreed to file the necessary applications with the appropriate municipal agencies and to use its best efforts in order to legalize the present occupancy of the storage room (including filing an application for a variance from the New York City Board of Standards and Appeals if necessary). No representations can be given as to the likelihood that the Sponsor will succeed in legalizing the present occupancy of the storage room, or as to the amount of time that will elapse before the Sponsor obtains a final administrative decision on the matter. If the storage room is permanently legalized for living purposes, the Sponsor shall have the right prior to, or after the Closing Date, to cause the Apartment Corporation to issue shares and a Proprietary Lease to said space to the Sponsor in which case the Sponsor may then offer same for sale, by duly filed amendment to the Plan.

15 August 1984

Architect's Report:
RE: Premises 225 East 47th Street, Manhattan, NYC

A. General:

225 East 47th Street is a six story plus cellar, non-fireproof, non-sprinklered building located on the north side of East 47th Street 234'-11" east of Third Avenue in the Borough of Manhattan. It is situated in an R-10 Zoning District on block 1321, Lot 11. The building was constructed under New Building Application 215/39 in 1939. The original Certificate of Occupancy on record at the NYC Department of Buildings is #26407 dated 1940. The current Certificate of Occupancy on record and is use is #71226, issued 1971.

B. Violations:

For a complete list of violations on record at the NYC Department of Buildings, see Table One. For a complete list of violations on record at the Office of Housing Preservation and Development see Table Two.

C. Alterations:

For a complete list of Alterations on record at the NYC Department of Buildings, see Table Three.

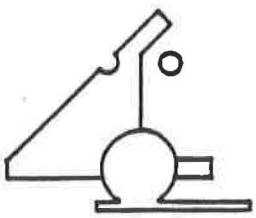
D. Site:

In total, the zoning lot equals 10,230 square feet or .242 acres. The 47th Street frontage measures 100'0" and extends 100'0" northward into the block.

The foundation appears to have evenly settled, with no cracking evident in cellar walls or floor. Upon inspection the cellar was dry and without sign of ground water infiltration.

The concrete sidewalk adjacent to the building's south boundary slopes to the street and drains into the public sewer via a catch basin located at the northeast corner of 47th Street and Third Avenue. In general, the sidewalk is in good condition.

One New York City fire hydrant serves the zoning lot and is located on the north side of 47th Street, 15 feet west of the east lot line. Two sodium vapor street lights illuminate the area.



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One is located on the north side of 47th Street, while the other is 40 feet west of the west lot line on the north side of the street. Parking regulations in front of the building are stated as follows: "No Standing Anytime" (north side) and "Tow Away Zone" (south side). Water supply, sanitary sewer and storm sewer lines are provided by the City of New York. Gas and Electric service is provided by Consolidated Edison Co. Telephone Service is provided by the New York Telephone Company. All utilities enter the building at the cellar level from 47th Street along the south boundary of the building.

The subject building is comprised of a cellar, six enclosed floors and a roof level with two bulkheads. The boiler and oil tank room are set a half level below the cellar floor. Each of the six floors has a stepped section to accomodate various floor level changes within the units (see plans for exact locations). One roof bulkhead encloses the stair, while the other, whose interior floor is 5 feet above the roof level and accessible by attached metal stair, houses the elevator switching and raising machinery.

The cellar houses all utility meters as well as the laundry and trash compactor equipment. The height of the building from sidewalk to front parapet wall is 61'8" feet, with the top of the parapet being on the average 3'4" above roof level.

The landscaping on the site consists of two 15'-0" high trees set into the sidewalk near the curb in front of the building, and six 10'-15'-0" high saplings in the rear yard.

The site is bounded by a 24 story office building with setbacks to the west, three brownstones and a six story apartment building to the north, a parking lot entry ramp and garage to the east, and East 47th Street to the south. The office building to the east is built up to its lot line but does not share a common wall with the subject building. Its height along this lot line are seven, nine, fourteen and sixteen stories. At street level its garage entry abuts the west wall of the subject building. To the north, lots 140 and 40 (three stories), lot 38 (six stories) and lot 137 (three stories) all have yards which abut the rear yard of the subject property.

E. Yards and Courts:

The building has one L-shaped rear yard abutting onto the north and part of the east lot lines. There is also one interior courtyard located along the west lot line, surrounded by the building to the north east and south, and facing the adjacent buildings lot line wall to the west. The courtyard and rear yard are accessible from the cellar as well as from an open air fire passageway, along the west lot line. The area of the rear yard is 2207 square feet, while the courtyard is 383 square feet.
The courtyard is surfaces entirely with concrete, as is the section of the rear yard (herein called the "sideyard") running along a portion of the east lot line. The rear yard is partially paved with concrete, although there are areas along the rear of the yard where the soil is exposed.

F. Occupancy:

Certificate of Occupancy #71226 (issued 10/28/71) is on file at the NYC Department of Buildings. The building is currently occupied with 55 residential apartments (including the superintendent's apartment) and six (6) office units. As the Certificate of Occupancy identifies seven (7) offices, it would appear that one (1) of the offices has been reconverted to residential use and such use is currently non-conforming. This condition can be resolved by filing an amendment with the New York City Department of Buildings.

G. Structural System:

The structure of the building is load bearing masonry with wood joist roof and floor framing. The foundation walls are of 16" masonry. They have been damproofed and show no signs of leakage. The cellar and first floors are constructed of reinforce concrete. Upper exterior walls are 12" masonry while stairways and shafts are 8" masonry. Typical floor to ceiling dimension at each floor is 8'9". Exceptions occur at the cellar (typical 9'0") and lobby (11'-0"). Typical floor thickness is 9". Fireproofing where it exists is 2" p.c. concrete for columns, girders and beams. The structural frame of the building and its foundation appear to be in good condition.

H. Building Exterior:

Exterior walls are constructed of bonded brick and are in good condition. Except for the east lot line. these do not appear to require repointing. There is a glazed terra cotta facia with pediment around the entry on the ground level which is in fair condition.

Wood windows are inset on the north, south and

H. Building Exterior (con't):

east walls of the building as well as the north south and east walls of the courtyard. All exterior windows on the building are wood except at the stairwell and one at the east wall of the cellar which are operable metal casement. The working condition of the windows varies with some windows requiring significant repair and others less so. However, cleaning, scraping and repainting is required throughout. For a precise description of window size location and type, refer to Table Four of this report.

There are no balconies or terraces attached to or set in the building. The exterior face of the east lot line wall is currently brick exposed by earlier demolition of the neighboring building, and is poor condition.

The boiler is masonry and located approximately in the center of the building. The flue rises straight to the roof with its cap 10'-0" above the roof level. The chimney has recently been recapped.

There are no fireplace units within the building.

I. Roof and Roof Structures:

The main roof of the building is comprised of layered tarred and sealed asphalt roofing. It pitches toward two interior roof drains located midway between the building's north and south facades, one on each side of the elevator bulkhead. Along parapet walls and up against the roof structures flashing is achieved by turning up the roofing beneath copper flashing and sealing the joints with tar. Presently there is no reported leaking evidence of disrepair. Central sections of the roof were resurfaced during the last two years.

The parapet wall is 3'-4" high, made of brick with a ceramic arched cap coping. An ornamental iron railing at separate locations along the south elevation replaces the parapet wall in two lengths of 18'-0". There are four 2'-0" openings in the parapet wall to provide access to fire escapes. Two of these openings are

I. Roof and Roof Structures (con't)

located along the north facade, one to the side and one the court. In general, the parapet walls, coping, flashing and railing are in good condition. The interior stairway extends up to the roof in an enclosed bulkhead.

A steel frame skylight located above the stairwell in the ceiling is 4'-0" x 6'-0" with a wire mesh safety net installed above and beneath the glazing. There are no signs of leakage at or around the stair bulkhead and its skylight.

The elevator shaft has its own bulkhead structure separate from the stair, which houses the pulleys, motor, and switching gear. Its floor level is 5'-0" above the roof level with a metal stair leading up to the doorway. There is no skylight atop the elevator bulkhead, but there are two 3'-0" x 2'-0" metal casement windows which qualify as code equvilants.

J. Building Entrance:

The building's entrance is situated at the center of the south facade of the building and is secured by two 2'-10" x 7'-5" wood frame doors. The entrance off 47th Street leads into a vestibule where the security system controls a second set of wood frame doors. A buzzer security system with an intercom controls the doorway from within each apartment. Unit controls for each apartment appear to be in working order.

The vestibule and main lobby have terrazzo flooring and painted plaster walls and ceilings. Lighting fixtures are located on the exterior on each side of the entry. One incandescent fixture illuminates the vestibule and there are four flourescent fixtues in the main lobby area. Heat is provided by 3 steam radiators: one in the vestibule and two in the main lobby. The lobby has direct access to the elevator and leads up 4 steps to the interior stairwell. This stairwell is accessible from the lobby and is not an enclosed stair. The flooring is in good condition, the walls are in fair condition and the elevator is fully operable.

K. Fire Stairs, Interior Stairs and Fire Escapes:

There are no enclosed fire stairs in the existing building. One interior open stairway is located centrally to the north of the

K. Fire Stairs, Interior Stairs and Fire Escapes (con't):

lobby. This interior stair leads from the ground floor directly up to the roof level. The stairway is illuminated by a floor and ceiling casement window at each landing level and by hallway fluorescent fixtures on each floor. There is a 4'-0" x 6'-0" skylight directly above the stairway at the bulkhead level. The stair dimensions are 3'-0" wide with a rise of 7" and a run of 10". Its construction is metal frame with stone treads inset and is in fair condition throughout. The handrails are metal balusters and frame with a painted wood rail secured along the top. There is one stair per floor from ground to roof. There is no required corridor of stair hall doors. The door to the roof is metal fireproof mounted on a metal frame with spring hinges, locking hardware and a single metal latchbolt. The stairway is not sprinklered.

Access to the cellar is provided by elevator and through the couryard. The courtyard is accessible from the street by a 10 step run of concrete stairs leading through an open air passageway beneath the ground level which opens into the court. A wire mesh gate secures access through the passageway. The condition of the gate, concrete stairs and passageway is good. There is one door in the courtyard opening into the cellar.

There are six exterior fire escapes: two on the south facade extending up to the sixth floor, and two on the north facade extending to the roof, one along the northern section of the eastern wall and one within the courtyard, each extending up to the roof. Each apartment has direct access to a fire escape through a window. All fire escapes have a straight ladder extension to the ground level. All fire escapes are made of steel and appear to be in good working order. Each is of the single run type. The stairs width is 22" with a 7" rise and 8" run.

L. Elevator:

There is one automatic passenger elevator serving the premises. It is manufactured by the Otis Elevator Co., model 6098, and operates on a 208, 3 phase AC current. It's registration number is 20588. It has capacity of 1200 lbs.

L. Elevator (con't):

and was last inspected on May 2, 1984. The elevator serves the cellar through sixth floor inclusive, with the machine room located in the separate roof bulkhead.

The cab is also manufactured by Otis. It's floor is vinyl tile, walls and ceiling painted wood and metal, and is lit by two fluorescent fixtures. The cab is equipped with an alarm bell activated from the panel.

M. Heating System:

Steam heat is provided by a Pacific Steel Boiler which was installed at the time the building was erected, and is located in the south central area of the cellar. It has a combination gas/oil burner; it is fueled by gas when the exterior temperature is above 20°F. It burns #4 oil, which is stored in a 4000 gallon tank adjacent to the boiler room immediately to the west. The boiler is fully automatic and has a low water shut off valve, automatic water feed, outdoor thermostat and a heat timer. The control system is Honeywell. The boiler system was last inspected on 2/8/83 and is rated for 15PSA steam pressure.

Steam is distributed via a one pipe system to cast iron radiators located on each floor.

In general the boiler system and heat distribution are in fair condition.

N. Plumbing & Drainage:

The building is supplied with water by the City of New York on a frontage basis, with the main line entering off the street through the south cellar wall. As pressure is provided by the city system, there are no water tanks or storage systems on the roof or within the building. Four inch waste, 2" vent, and 1" hot and cold water stacks rise up within the building. Domestic hot water is provided through the boiler system. There is a sump pump located at the boiler room floor level.
Sewage disposal piping ties into the existing line on East 47th Street through the house drain at cellar level.

O. Ventilation:

There is no required system of mechanical ventilation in the building. Legal and natural ventilation occurs on each level including the cellar, by means of windows on the north, south and east facades and in the courtyard. Refer to Table .

O. Ventilation (cont.): Four for precise location of windows.

P. Gas Supply: Gas service is provided by Consolidated Edison through a 3" main entering in the southwest area of the cellar. The gas is individually metered and distributed through 1" risers serving each meter. The meters are located in the following four areas of the cellar: B line: six meters on the east face of the east wall of the boiler room (not in the boiler rooms); K and A lines: east area; F,G, H and J lines northeast area; C,D and E lines southeast area.

Q. Air Conditioning: The building has no central system of air conditioning. However, some tenants have installed window mounted electric units.

R. Electrical: The building is currently served with 208V 3 phase 400 AMP service. The main switches, as well as the unit meters, are located in the southwest room in the cellar. The average unit is serviced at 120V with two twenty AMP circuits. The following units have, it appears, increased their power on an individual basis:

Unit	Current Status
1A	208V 400 AMP
1B	208V 400 AMP
1D	208V 40 AMP
1E	208V 40 AMP
2D	208V 60 AMP
3K	208V 100 AMP
5F	208V 50 AMP
5K	208V 60 AMP
6A	208V 40 AMP
6B	208V 40 AMP

There are no transformers presently installed in the building.

There is a separate meterbox for the elevator and another for the common element equipment.

The present service is adaquate for basic appliances. If occupants elect to introduce additional equipment, such as air conditioners, additional service may be required.

This adjustment would necessitate purchasing additional power from Con.Edison, with a building upgrade to 208V 800 AMP service suggusted.

R. Electrical (con't):

The intercom system is not the original one, and appears to be in full working order.

S. Laundry and Refuse:

There are presently two dryers and three washing machines, all coin operated, located at the cellar level in the north west most room. The dryers are gas fired with separate ducting venting both of them outdoors through a window. Two operable double hung windows serve to ventilate the room.

There is a compactor in its own room located centrally in the cellar. It is served by a chute extending straight up to the sixth floor with openings on each floor into a closet accessible from the hallway. The inside of the compactor is served by an automatic sprinkler.

T. Pest Control:

There is a regular program of pest control. An exterminator visits the premises every two weeks.

U. Conversion:

Given that a Certificate of Occupancy exists for mixed residential and limited office use, the filing of an Offering Plan for Cooperative Ownership does not in and of itself require that an Alteration Application be filed with the NYC Department of Buildings.

In the event that a prospective owner elects to: 1) occupy his space for use contrary to the C of O, 2) enlarge his unit, 3) connect two units, 4) add space on the roof or 5) create a duplex unit, he must first file an Alteration Application and procure a work permit, both from the NYC Department of Buildings prior to commencement of any construction.

V. Certification:



Proposition:Architecture, P.C. having examined the building's records at the NYC Department of Buildings and having inspected the premises, considers this report to contain an accurate description of the condition of its various elements. Except where noted elsewhere in this report, no representation is made concerning the legality or condition of the building or its subsystem.

TABLE ONE: Violations on File at the NYC Deparmtent of Buildings:

V120677D123OF2 - 3/31/83
VO92475E141-7518-75 - 6/8/76

TABLE TWO: Violations on File at Office of Housing Preservation & Development

Multiple Dwelling Law Violations:
309 MDL - Fence blocking drop ladder at front east fire ladder.
309 MDL - Remove dog "excreta" at east court & rear yard.

Administrative Code Violations:

8/30/81	R851	Referred to rent control - including all existing items.
7/10/81	58552B	D26-11.01, 11.03, 11.05 ADM Code remove refuse/ rubbish in cellar boiler room.
7/10/81	59506B	D26-10.01 ADM Code: replace missing light bulb passageway at rear east.
7/17/81	71501A	D26-10.01 ADM Code: repair window sashes in bathroom - Apt. 5C
8;25/83	89700A	D26-20.08 ADM Code: post smoke detector requirements at mailbox
8/25/83	90722A	D26-22.03 ADM Code: post name, address and apt. # of superintendent.
9/1/83	93658A	D26-10.01 ADM Code: repair paving in east court.
9/1/83	95556A	D26-12.01 ADM Code: paint with light color walls & ceiling - Apt. 2F Bathroom.
10/23/83	97667C	D26-17.05 ADM Code: File inspection report for central heating and hot water system.
3/12/84	98509B	D26-10.01 ADM Code: secure loose marble treads in bulkhead stair to roof 2-7th from top platform.
3/12/84	99510B	D26-10.01 ADM Code: 309 MDL abate nuisance consisting of fence blocking drop ladder front east fire escape.
3/12/84	101530B	D26-10.01, 10.5 ADM Code: install self-closing doors at bulkhead.
3/12/84	102512B	D26-10.01 ADM Code: fire escape defective. Replace bottom guide step, front east fire escape.
3/12/84	103509A	D26-10.01 ADM Code: secure loose marble tread at first story public hall at rear mailboxes.
3/12/84	104510A	D26-10.01 ADM Code & 309 MDL: remove dog "excreta" at east court and rear yard.
3/12/84	105552B	D26011.01, 11.03, 11.05 ADM Code: Clear west fire passageway at front and rear west court.
3/12/84	106529	D26-10.01 ADM Code: refit entrance door to compactor room at cellar.
3/12/84	107552B	D26-11.01, 11.03, 11.05 ADM Code: clear west passageway at cellar.

TABLE TWO (Con't):

Violations on File at Office of Housing Preservation & Development

3/12/84	108552B -	D26-11.01,11.03, 11.05 ADM Code: clear east court passageway.
3/12/84	109674C -	D26-17.03B ADM Code: Thermostate at central heating system shuts off at 55°F day, 40°F night.
3/19/84	110529A -	D26-10.01 ADM Code: refit entrance door on second story, NW Apt. 2F

TABLE THREE:	List of Applications on File at NYC Department of Buildings:
NB 216/39:	61'-0" Class A Multiple Dwelling; 61 apts. CO #26407 of 1940
ALT 51/52P	
ALT 1969/54:	Convert one apartment on first floor to doctor's office; new partiions and plumbing; CO #50092
ALT 1512/59P:	Restore SE doctors office into 3 room apartment with office. CO 54239 - first floor: 8 apts., 1 apt. w/ office, 1 doctors office.
ALT 34/69P:	Convert existing doctors office, apt. with office and 8 apartments on 1st floro to 6 offices and 4 apartments. Amended CO #71226.
ALT. 981/70P:	Convert incinerator to garbage conpactor equipment.
BN 2020/73:	Construct partitions hung in sub-cellar storage area.

TABLE FOUR

Window Specifications for Exterior Walls:

Location	Floor (s)	Size	Type
South	1	6 @ 2'-10" x 5'-8"	Six over six; wood double hung.
		4 @ 2'-0" x 5'-0"	Four over four, wood double hung.
		2 @ 6'-0" x 6'-2"	Six over six side by side; wood double hung.
	2-6	Same as Floor 1	One with addition of: six over six center, four over four each side; wood double hung.
East (Setback from lot line)	Cellar	1 @ 1'-6" x 2'-6"	Operable metal casement.
		7 @ 2'-10" x 5'-8"	Six over six; wood double hung.
		2 @ 2'-0" x 4'-7"	One over one; wood double hung.
		2 @ 6'-0" x 6'-2"	Six by six, side by side; wood double hung.
	1-6	4 @ 2'-10" x 5'-8"	Six over six; wood double hung.
		5 @ 2'-0" x 4'-7"	One over one; wood double hung.
		1 @ 6'-10" x 5'-8"	Six over six center, four over four each side; wood double hung.
		1 @ 6'-0" x 6'-2"	Six over six, side by side; wood double hung
North	Cellar	7 @ 2'10" x 5'-8"	Six over six; wood double hung.
		1 @ 2'-10" x 4'-7"	Six over six double hung
		1 @ 6'-0" x 6'-2"	Six over six, side by side; wood double hung.
	1-6	1 @ 2'-0" x 4'-7"	One over one; wood double hung.
		1 @ 2'-2" x 5'-8"	Four over four; wood double hung.
		5 @ 2'-10" x 5'-8"	Six over six; wood double hung.
		2 @ 6'-0" x 6'-2"	Six over six, side by side; wood double hung.
		1 @ 3'-8" x 8'-6"	Operable metal casement.
West (lot line wall)	NO WINDOWS		
Courtyard (Facing West Lot Line Wall)			
North Wall	Cellar	1 @ 2'-0" x 4'-7"	One over one; wood double hung.
	1-6	1 @ 2'-0" x 4'-7"	One over one; wood double hung.
		1 @ 2'-2" x 5'-8"	Four over four; wood double hung.
		1 @ 2'-10" x 5'-8"	Six over six; wood double hung.
East Wall	Cellar	1 @ 1'-6" x 2'-6"	Operable metal casement

TABLE FOUR

Window Specifications for Exterior Walls:

Location	Floor (s)	Size	Type
East Wall	1-6	1 @ 2'-0" x 4'-7"	One over one.
		1 @ 2'-2" x 5'-8"	Four over four.
		1 @ 6'-0" x 6'-2"	Six over six, side by side; Wood double hung.
South Wall	Cellar	1 @ 1'-6" x 2'-6"	Operable metal casement
	1-6	1 @ 2'-0" x 4'-7"	One over one; wood double hung.
		1 @ 2'-2" x 5'-8"	Four over four; wood double hung.
		1 @ 2'-10" x 5'-8"	Six over six; wood double hung.

TABLE FIVE:
FINISH SCHEDULE OF SPACES OTHER THAN UNITS

Room	Floor	Walls	Ceiling	Remarks
Cellar	Concrete	Masonry w/ plaster finish	reinforced concrete	insufficent lighting from existing fixtures.
Ground Floor: Lobby:	Terrazzo	Plaster	Plaster	Four fluorescent wall hung light fixtures.
Corridors	Tile	Plaster	Plaster	Fluorescent fixtures at ceiling
Upper Floors Corridors	Tile	Plaster	Plaster	5 fluorescent fixtures per floor

Doors and jambs to units are painted metal. There is a trash compactor closet with access to the dump chute at each floor.

3 June 1985

Mr. Alvin Schein
Leimas, Roth & Schein
217 Broadway
Ste. 712
New York, New York 10007

RE: 225 EAST 47TH STREET, Manhattan, NYC
Addendum to Architect's Report

Dear Alvin:

In response to requested clarifications requested by the Office of the Attorney General of the State of New York dated 10 April 1985 concerning the Architect's Report prepared for 225 East 47th Street, the following information, obtained during a 30 May 1985 reinspection of the premises, is repectfully submitted:

a) The chimney is brick. It rises to a height of 10'-0" above the existing roof. Steel rungs, set into the eastern face of the chimney, provide access to the flue opening. Brick, mortar, and steel rungs are in good condition. The chimney cap is new.

b) Appoximately 70% of the windows on the eastern and northern building faces are in poor to hazardous condition. 30 % of those in the western light well are also in poor to hazardous condition. The wood framing members of these windows, most notably the trimmers and center posts, have been seriously damaged by rot and have begun to separate from their adjoining members. The exterior window frames must be replaced.

The remaining windows in these areas are in fair to poor condition. Wood framing members appear solid, but require scraping and repainting.

Windows at the southern building face are in good condition.

c) All units are equipped with battery powered smoke detectors.

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d) The exposed brick wall at the building's eastern lot line is structurally sound, but in need of repointing. Contracts have been signed to resurface the entire wall.

Should further questions arise, please feel free to contact me.

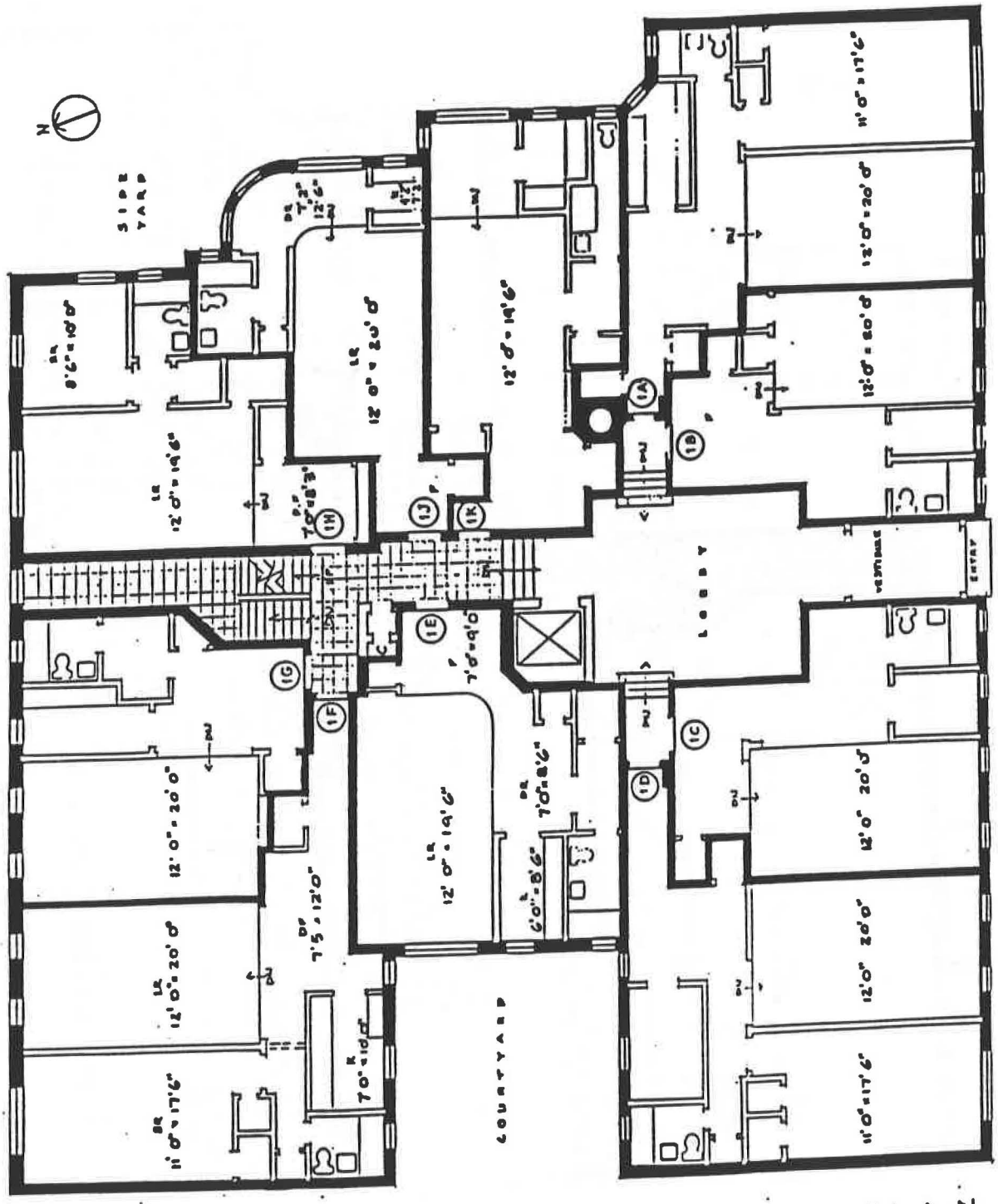
Sincerely
Proposition:Architecture, P.C.

Anthony Caine
Registered Architect

/rmh

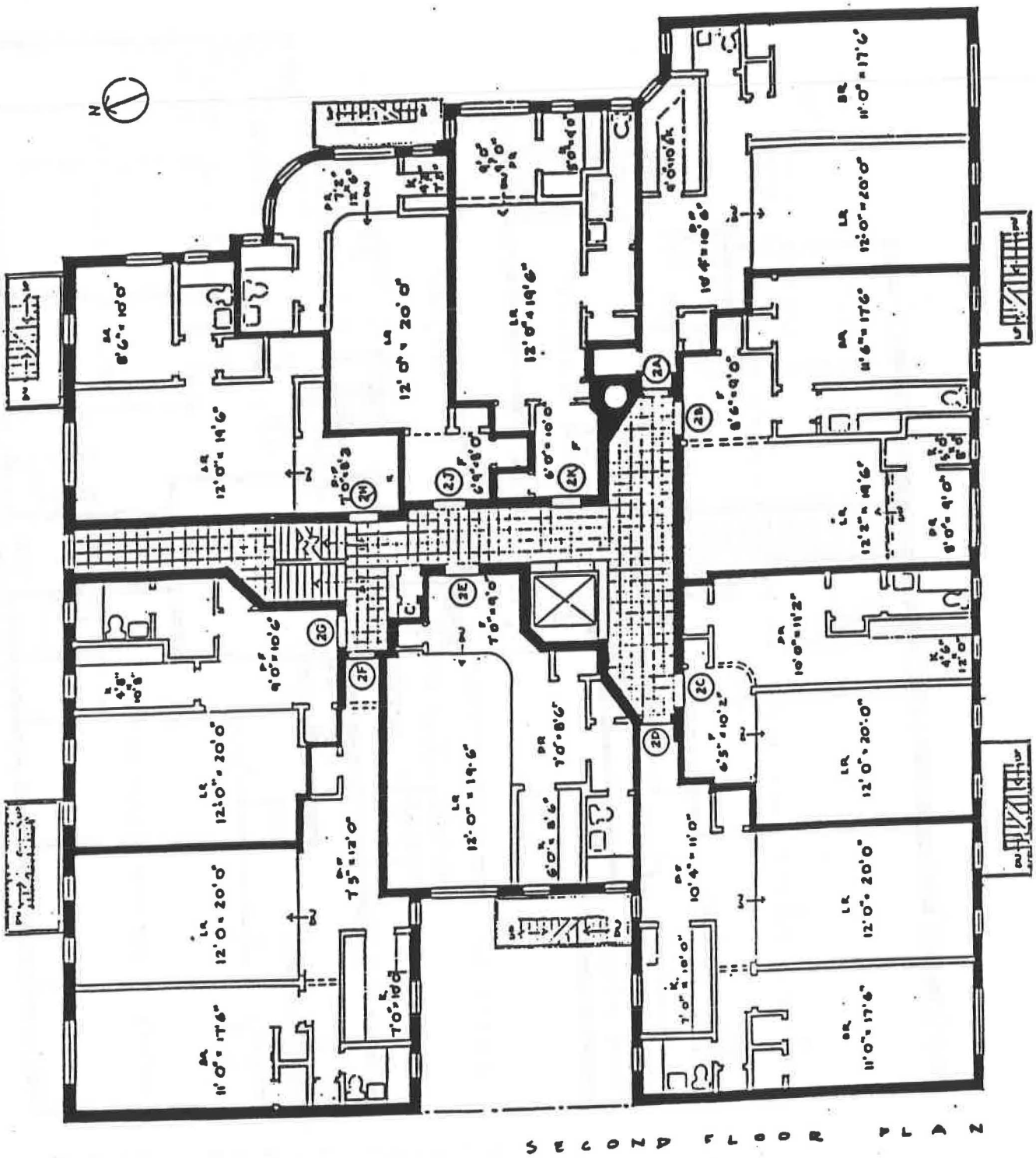
FLOOR PLANS

Floor Plans of typical apartments in the Property are hereinafter set forth. They are intended to be used only as a guide. They are not intended to represent the exact size and configuration of the apartments. Each prospective Subscriber should make an on-site inspection to determine the exact square footage, dimensions and condition of any apartment in which he or she may be interested.



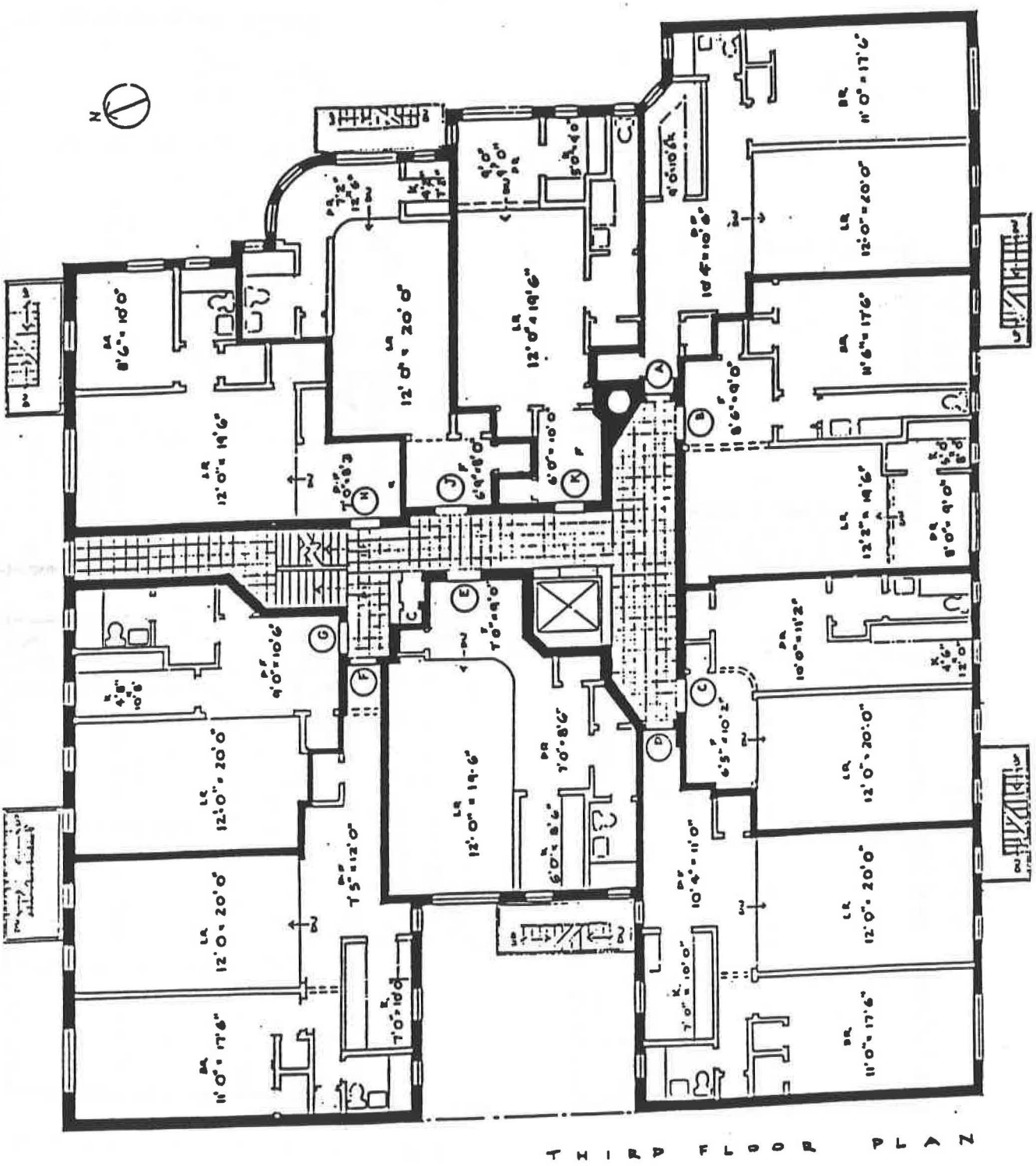
GROUND FLOOR PLAN

225 East 47th Street

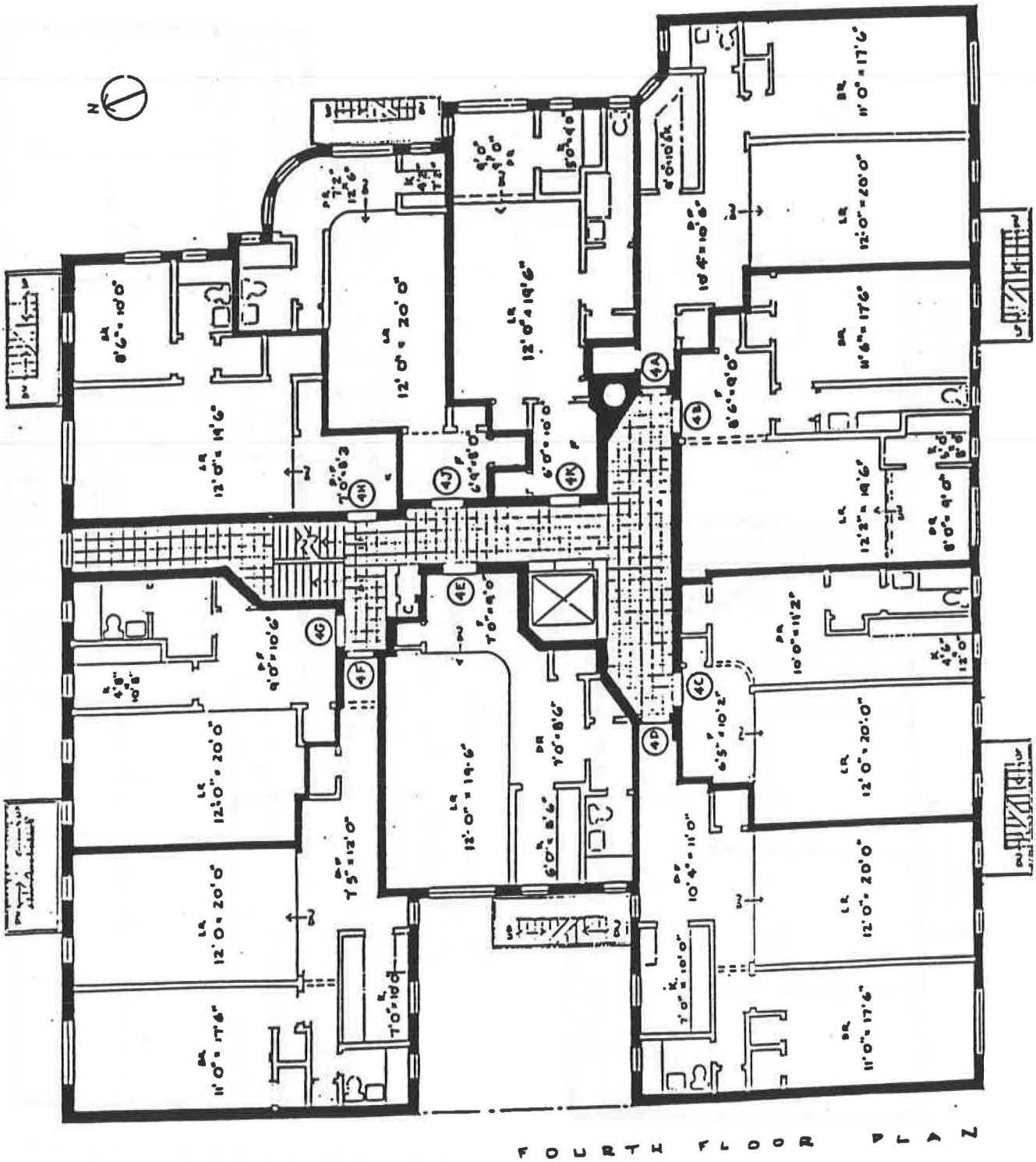


225 East 47th Street

PROPOSITION·ARCHITECTURE, PC



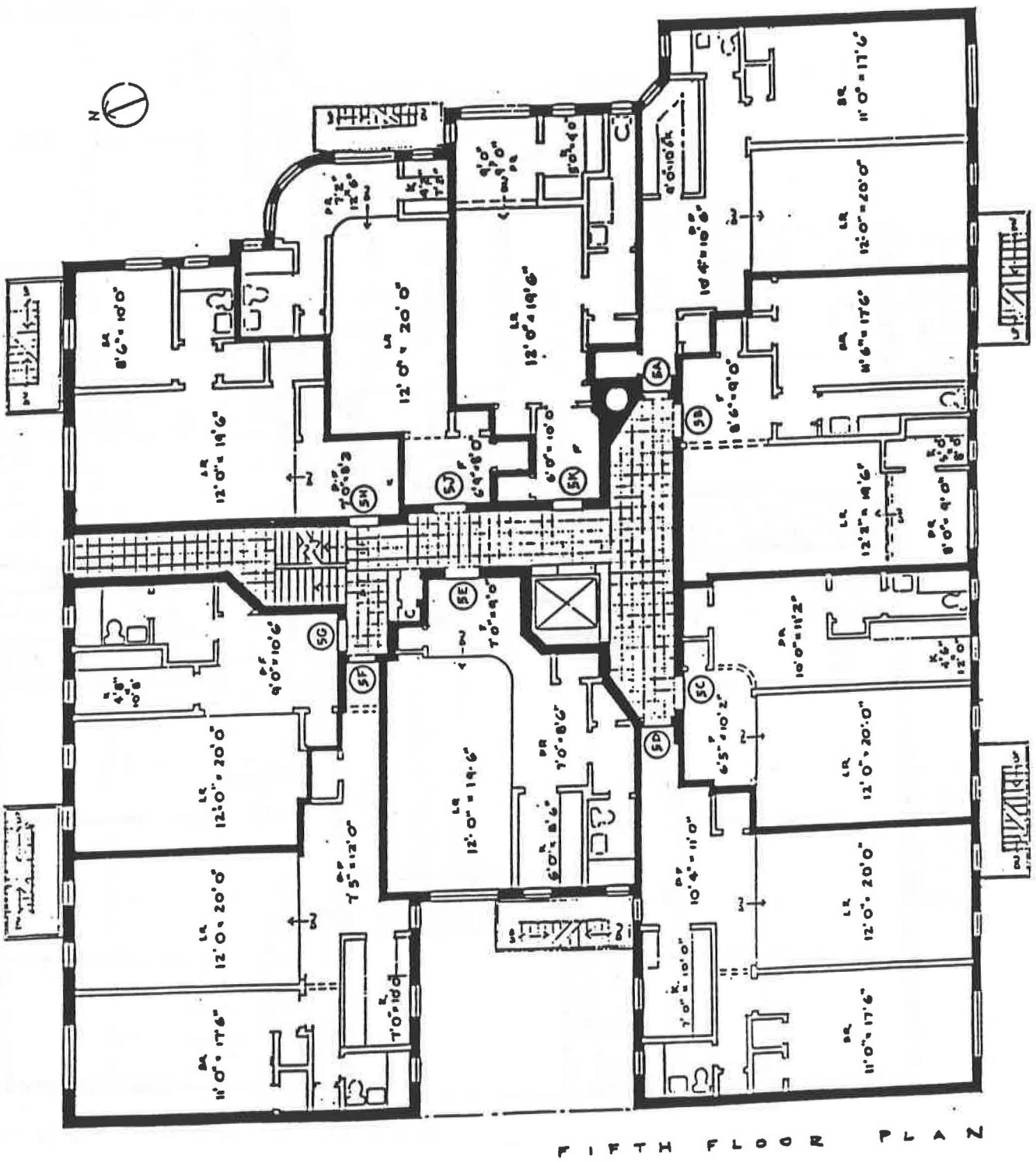
225 East 47th Street



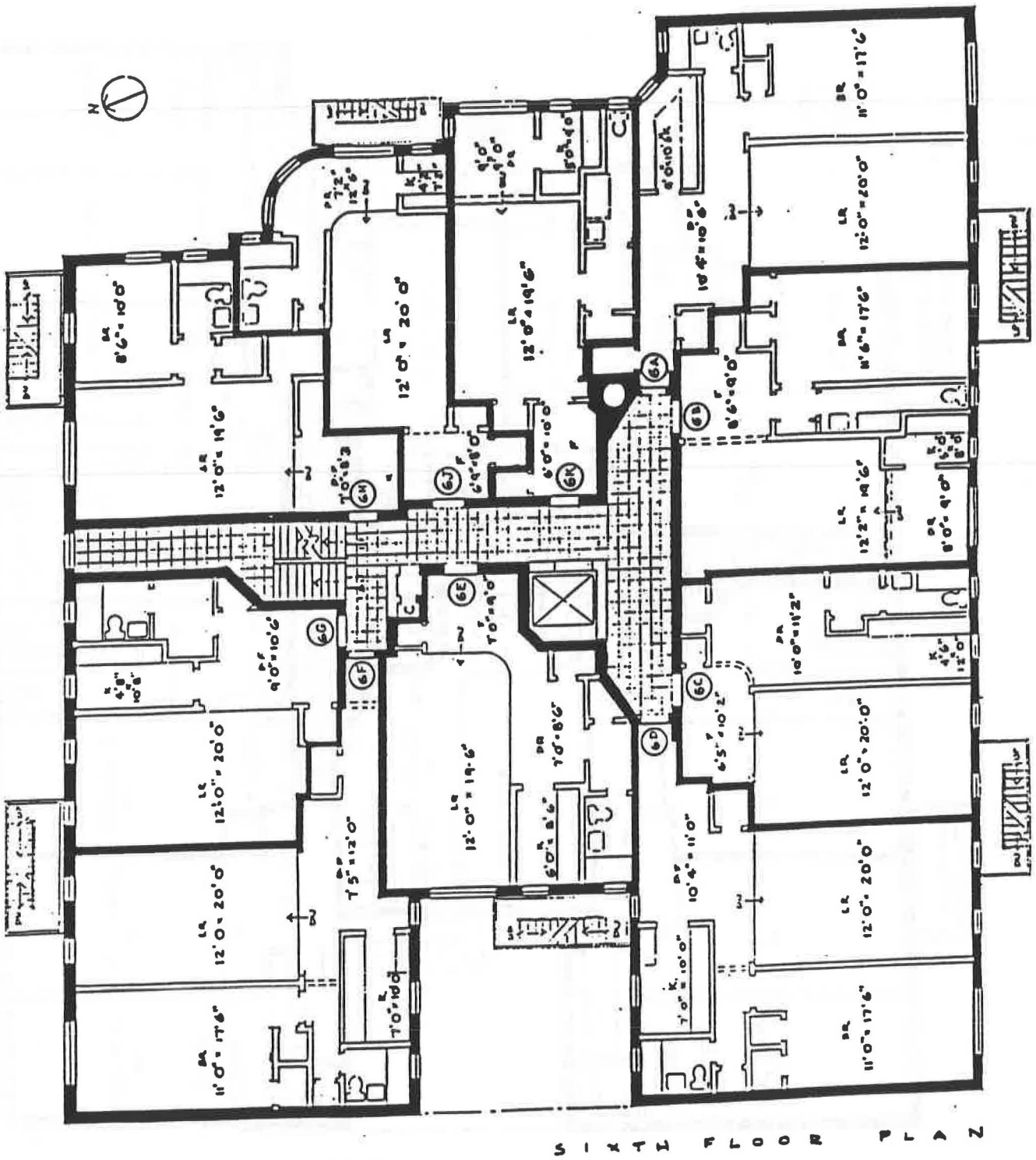
225 East 47th Street

915

PROPOSITION·ARCHITECTURE, PC



225 East 47th Street



225 East 47th Street

PROPOSITION ARCHITECTURE, PC

EXHIBIT D

PROPRIETARY LEASE
(AND HOUSE RULES)

225 EAST 47TH ST. APARTMENT CORP., Lessor

with

_____

_____, Lessee

Dated: _____, 198_
Affecting Apartment No.____
Premises at 225 East 47th Street,
New York, New York

PROPRIETARY LEASE

Prepared by:
Leimas, Roth & Schein
71 Murray Street
New York, New York 10007

PROPRIETARY LEASE

PROPRIETARY LEASE, made as of _____, 198_, by and between 225 East 47th St. Apartment Corp., a New York corporation, having an office at 225 East 47th Street, New York, New York, hereinafter called the Lessor, and _____ _____, hereinafter called the Lessee.

WHEREAS, the Lessor is the owner of the land and the buildings erected thereon in the Borough of Manhattan, City, County and State of New York, known as and by the street number 225 East 47th Street, 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 No.____ in the building (hereinafter referred to as the apartment);

Demised Premises Term

NOW, THEREFORE, in consideration of the premises, the Lessor hereby leases to the Lessee, and the Lessee hires from the Lessor, subject to the terms and conditions hereof, the apartment for a term from _____, 198_, until July 1, 2084, (unless sooner terminated as hereinafter provided). As used herein "the apartment" means the rooms in the building as partitoned 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, or balconies, roof or portion thereof outside of said partitioned rooms, if any, which are allocated exclusively to the occupant of the apartment.

Rent (Maintenance)

1. (a) The rent (sometimes called maintenance) payable by the Lessee for each year, or portion 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 additonal rent as may be provided for herein when due. If the apartment is subject to a Senior Citizen Rent Increase Exemption order pursuant to §467-b of the Real Property Tax Law of the State of New York, and §YY51-4.1 or §Y51-5.0(n) of the Administrative Code of the City of New York, the Lessee shall be entitled to a credit against his maintenance equal to the tax abatement attributable to the apartment.

Accompanying Shares

(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

(c) "Cash requirements" whenever used herein shall mean the estimated amount in cash which the Directors shall from time to time in its judgment determine to be necessary or proper for (1) the operation, maintenance, care, alteration and improvement of the corporate property during the year or portion of the year for which such determination is made; (2) the creation of such reserve for contingencies as it may deem proper; and (3) the payment of any obligations, liablities 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 determination of cash requirements shall be conclusive as to all lessees.

Authority Limited

(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.

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 mortgage shall be credited to Paid-in-Surplus and shall be added to the cost basis of the stock in the Lessor held by the Lessee.

Failure To Fix

(g) The ommission 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.

Service by Lessor

3. The Lessor shall maintain and manage the building as a first class apartment building, and shall keep the elevators, if any, and the public halls, cellars and stairways clean and properly lighted and heated, and shall provide the number of attendants requisite, in the judgement of the Directors, for the proper care and service of the building, and shall provide the apartment with proper and sufficient supply of hot and cold water and of heat, air conditioning, if any, when deemed appropriate by the Directors. 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 other cause covered by multi-peril policies commonly carried by cooperative corporations in New York City (any other damage to be repaired by Lessor or Lessee pursuant to Paragraphs 2 and 18, as the case may be), the Lessor shall at its own cost and expense, with reasonable dispatch after receipt of notice of said damage, repair or replace or cause to be repaired or replaced, with materials of a kind and quality then customary in buildings of the type of the building, the building, the apartment, and the

means of access thereto, including the walls, floors, ceilings, pipes, wiring and conduits in the apartment. Anything in this Paragraph or Paragraph 2 to the contrary, Lessor shall not be required to repair or replace, or cause to be replaced, equipment, fixtures, furnitures, furnishings or decorations installed by the Lessee or any of his predecessors in interest nor shall the Lessor be obligated to repaint or replace wallpaper or other decorations in 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 untenantable, or if the means of access thereto shall be destroyed the rent hereunder shall proportionately abate until the apartment shall again be rendered wholly tenantable 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

(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. The Lessee hereby waives any and all rights under Section 227 of the Real Property Law and in no event shall the Lessee have any option or right to terminate this Lease.

Waiver of Subrogation

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

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

Annual Report

Lessor shall deliver to the Lessee by April 1st of each fiscal year an annual report of corporation financial affairs, including a balance sheet and a statement of income and expenses, certified by an independent certified public accountant.

Changes in Terms of 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 75% 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 or his rights (if he is an "Original Subscriber") under Paragraph 16, 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.

Terraces and Balconies

7. If the apartment includes a terrace, balcony, or a portion of the roof adjoining an apartment, the Lessee shall have and enjoy the exclusive use of the terrace or balcony or that portion of the roof appurtenant to the apartment, 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.

Roofs

8. The Lessor shall have the right to erect equipment on the roof, including radio and television aerials and antennas, for its use and the use of the lessees in the building.

Regulations

9. The Lessee shall keep the terrace, balcony, or portion of the roof appurtenant to his apartment clean and free from snow, ice, leaves and other debris. No planting, fences, structures or lattices shall be erected or installed on the terraces, balconies, or roof of the build-

ing without the prior written approval of the Lessor. No cooking shall be permitted on any terraces, balconies, or the roof of the building, nor shall the walls thereof be painted by the Lessee without the prior written approval of the Lessor.

Quiet Enjoyment

10. The Lessee, upon paying the rent and performing the covenants and complying with the conditions on the part of the Lessee to be performed as herein set forth, shall, at all times during the term hereby granted, quietly have, hold and enjoy the apartment without any let, suit, trouble or hindrance from the Lessor, subject, however, to the rights of present tenants or occupants of the apartment, if any, 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, 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, and such interest shall be deemed additional rent hereunder.

House Rules

13. The Lessor has adopted House Rules which are appended hereto, and the Directors may alter, amend or repeal such House Rules and adopt new House Rules. 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. The Lessor shall not be responsible to the Lessee for the nonobservance or violation of House Rules by any other lessee or person.

Use of Premises

14. The Lessee shall not, without the written consent of the Lessor on such conditions as Lessor may prescribe, occupy or use the apartment or permit the same or any part thereof to be occupied or used for any purpose other than as a private dwelling for the Lessee and Lessee's spouse, their children, grandchildren, parents, grandparents, brother and sisters and domestic employees, and in no event shall more than one married couple occupy the apartment without the written consent of the Lessor. Notwithstanding the foregoing, the Lessee of an office (Apartment 1A, 1B, 1C, 1D, 1G or 1K) may use his apartment as an office

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. Notwithstanding the foregoing, (a) Lessee may use the apartment for any home occupation use permitted under applicable zoning law, building code or other rules and regulations of governmental authorities having jurisdiction and (b) the Lessee who is a holder of a block of Unsold Shares (defined in Paragraph 38 hereof) shall have the right to use the apartment as a model or an office (or both) in connection with the sale or rental of an apartment to which the Unsold Shares are allocated.

Subletting

15. Except as provided in Paragraphs 17 and 38 hereof, 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 given in writing by three fourths (3/4) of the Directors or, if the Directors shall have failed or refused to give such consent, then by lessees owning at least 75% of the then issued shares of the Lessor. In addition, Lessee (other than a holder of Unsold Shares) may not sublet his or her apartment, or renew any previously authorized sublease without first obtaining the written consent of the secured party, if any, having a security interest in said Lessee's Proprietary Lease and/or the shares of stock allocated to his or her apartment. This requirement shall apply notwithstanding the consent to a subletting or renewal of a previously authorized sublease by the requisite number of Directors or holders of at least 75% of the outstanding shares of the Lessor. Consent by lessees as provided for herein shall be evidenced by written consent or by affirmative vote taken at a meeting called for such purpose. Any consent to subletting may be subject to such conditions as the Directors or lessees, as the case may be, may impose (except that no fees may be charged to holders of Unsold Shares or to pledgees or their assignees or designees as provided for in Paragraph 17). 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, except as set forth herein.

Assignment

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

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

(ii) An agreement executed and acknowledged by the assignee in form approved by Lessor assuming and agreeing to be bound by all the covenants and conditions of this lease to be performed or complied with by the Lessee on and after the effective date of said assignment shall have been delivered

to the Lessor, or at the request of the Lessor, the assignee shall have surrendered the assigned lease and entered into a new lease, in the same form for the remainder of the term, in which case the Lessee's lease shall be deemed cancelled as of the effective date of said assignment; and

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

(iv) All sums due from the Lessee shall have been paid to the Lessor, together with a sum to be fixed by the Directors to cover reasonable legal and other expenses of the Lessor and its managing agent in connection with such assignment and transfer of shares; and

(vi) Except (i) for an assignment, transfer or bequest to the Lessee's spouse, of the shares and this lease, (ii) for an assignment by a Lessee who is an "Original Subscriber" of the shares of the Lessor to which this Lease is appurtenant (which term includes a a purchaser (individual or non-individual) from a holder of Unsold Shares as defined in Paragraph 38 of this lease, of the shares allocated to one or more apartments regardless as to when such subscriber acquires the shares) and (iii) as provided in Paragraphs 17 and 38 of this lease, consent to such assignment shall have been authorized by resolution of the Directors, or given in writing by a majority of the Directors; or, if the Directors shall have failed or refused to give such consent within thirty (30) days after submission of references to them or Lessor's agent, then by lessees owning of record at least 51% 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. Original Subscribers shall notify the Lessor of any proposed assignment at least thirty (30) days prior to its occurrence and shall provide the Lessor with any information as it may reasonably require therewith.

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).

Obligations to Consent

(c) There shall be no limitation, except as above specifically provided, on the right of 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 Subletting

(e) Regardless of any prior consent theretofore given,

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

Statement by Lessor

(f) If this lease is then in force and effect, Lessor, will, upon request of Lessee, deliver to the assignee a written 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 this lease.

Pledge of Shares

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

(b) Notwithstanding the provisions of subparagraph (a) the Lessee may pledge and assign this lease and the shares of the Lessor allocated to the apartment as security for a loan made to the Lessee by a lender ("the Lender") provided, however, that the certificate representing the shares allocated to the apartment and this lease may be assigned to the Lender only as security for repayment of the loan. In the event of a default by the Lessee in any of the terms, covenants, provisions or conditions of this lease, the Lessor will give written notice thereof to the Lender if written notice of the name and address of the Lender has been given by registered or certified mail to the Lessor prior to the date of any such default. If requested by the Lessee, the Lessor will enter into an agreement with the Lender, commonly referred to as a "Recognition Agreement", provided that the provisions of such Agreement do not materially vary from the provisions of this paragraph 17.

If the Lessee shall fail to cure said default within the time and in the manner provided for in this lease, then the Lender shall have an additional period of time equal to the time originally given to the Lessee to cure said default, and the Lessor will not act upon said default until the time of the Lender to cure said default has elapsed and the Lender has not cured said default.

In the event of a default by the Lessee in any of the terms, covenants, provisions or conditions of this lease, or in the payment to the Lender of any installment or principal or interest or in the performance of any other obligation of the Lessee to the Lender, the Lessor after written notice thereof from the Lender will exercise the right of termination of this lease granted to the Lessor pursuant to Paragraph 31 hereof (Right to Terminate Lease on Lessee's Defaults) and if the Lessee shall fail to vacate the apartment, will institute summary dispossess proceedings against the Lessee and take all steps and do all acts thereafter required in order to obtain possession of the apartment, all at the expense of the Lender, provided, however, that the Lender shall meanwhile pay all maintenance charges and other charges becoming due hereunder until this lease and the shares allocated to the apartment are acquired for personal occupancy.

If Lessor shall fail to exercise its right to terminate and/or to commence summary proceedings or to take all steps or do all acts required to be done pursuant thereto, then and in that event, Lessor shall execute and deliver to the Lender a power of attorney coupled with an interest to act in the name of the Lessor in any of the ways provided for herein at the Lender's sole expense, and if the Lessor shall fail to execute and deliver such power of attorney within five days after demand, such power of attorney may be executed by the Lender on behalf of any Lessor as the agent for the Lessor. The Lessee agrees that until any such loan is repaid to the Lender in full with interest, the Lessee shall not have any right to cancel this lease as provided in Paragraph 35 hereof (Voluntary Surrender of Shares and Lease to Lessor Without Compensation) and the Lessor agrees that until it receives written notice from the Lender that the entire amount of the loan with interest has been paid in full or discharged, the Lessor will not accept any surrender of this lease by the Lessee under paragraph 35 hereof.

If this lease is terminated at the Lender's request by reason of a default in any of the terms, covenants, provisions or in the payment to the Lender of any installment of principal or interest or in the performance of any other obligation of the Lessee to the Lender, the Lender may sell and assign the shares of the Lessor allocated to the apartment and this lease, or sublet the apartment, for the account of the Lender to a reputable person of good financial standing subject to the prior approval given in writing by a Majority of the Directors, or by resolution of the Directors. However, if the Lender is (i) the Sponsor of the Cooperative Offering Plan for the building, (ii) the holder of Unsold Shares as defined in Paragraph 38 of this lease or (iii) a designee or assignee of the Sponsor or the holder of Unsold Shares, then the Lender may sell and assign the shares of the Lessor allocated to the apartment and this lease, or sublet the apartment for its account without the consent of the Apartment Corporation and without the payment of any sublet or assignment fee as provided in Paragraphs 15 and 16 of this Lease. These rights and privileges shall not be abridged by any modification or change of this Lease as per-

mitted by Paragraph 6 of this Lease. If written notice of any such loan has been given to the Lessor by the Lender as aforesaid, the Lender may assign all of its right thereto and to the shares of Lessor allocated to the apartment and this lease by giving written notice to the Lessor by certified or registered mail setting forth the name and address of the assignee, and such assignee and any subsequent assignee or assignees shall thereupon have all the rights of the Lender under this Paragraph 17 (b).

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) 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 reponsible for the maintenance, repair, and replacement of plumbing, gas and heating fixtures and equipment and such refrigerators, dishwashers, removable and through-the-wall air conditioners, washing machines, ranges and other appliances, as may be in the apartment. Plumbing, gas and heating fixtures as used herein shall include exposed gas, steam and water pipes attached to fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which the Lessee may install within the wall or ceiling, or under the floor, but shall not include gas, steam, water or other pipes or conduits within the walls, ceilings or floors or air conditioning or heating equipment which is part of the standard building equipment.

The Lessee shall be solely responsible for the maintenance, repair and replacement of all lighting and electrical fixtures, appliances, and equipment, and all meters, fuse boxes or circuit breakers and electrical wiring and conduits from the junction box at the riser into and through the Lessee's apartment. Any ventilator or air conditioning device which shall be visible from the outside of the building shall at all times be painted by the Lessee in a standard color which the Lessor may select for the building. The Lessee shall be solely responsible for the repair of any damage caused to any roof area allocated for the exclusive use of the apartment, if such damage is caused by the negligent or intentional act of the Lessee, or its family, guests, or servants. All other roof repairs shall be the responsibilty of the Lessor. Any recreational use of such roof area without the prior installation of a suitable protective surface, performed in accordance with paragraph 21(a) herein, shall be deemed to be a negligent act.

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 appliance or equipment which may be creating the objectionable condition.

Regulations and Requirements

(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.

Right to Remedy Defaults

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 Lessors, 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.

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, 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 Lessees of any work in the apartment shall be in accordance with any applicable rules and regulations of any governmental agencies having jurisdiction thereof. The Lessee shall not in any case install any appliances which will overload the existing wires or equipment in the building.

Removal of Fixtures

(b) Without Lessor's written consent, the Lessee shall not remove any fixtures, appliances, additions or improvements from the apartment except as hereinafter provided. If the Lessee, or a prior lessee, shall have heretofore placed, or the Lessee shall hereafter place in the apartment, at the Lessee's own expense, any additions, improvements, appliances or fixtures, including but not limited to, fireplace mantels, lighting fixtures, refrigerators, air conditioners, dishwashers, washing machines, ranges, woodwork, wall panelling, 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 termin-

ation of this lease, to remove the same at the Lessee's own expense, provided: (i) that the Lessee at the time of such removal shall not be in default in the payment of rent or in the performance or observance of any other covenants or conditions of this lease; (ii) that the Lessee shall, at the Lessee's own expense, prior to the termination of this lease, repair all damage to the apartment which shall have been caused by either the installation or removal of any of such additions, improvements, appliances or fixtures; (iii) that if the Lessee shall have removed from the apartment any articles or materials owned by the Lessor or its predecessor in title, or any fixtures or equipment necessary for the use of the apartment, the Lessee shall either restore such articles and materials and fixtures and equipment and repair any damage resulting from their removal and restoration, or replace them with others of a kind and quality customary in comparable buildings and satisfactory to the Lessor; 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.

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 become the property of the Lessor and may be disposed of by the Lessor without liability or accountability to the Lessee.

Alteration of Offices

(d) The Lessee of an office (Apt. 1A, 1B, 1C, 1D, 1G or 1K), notwithstanding anything to the contrary stated in paragraph 21(a) hereof, may reconvert his or her office to residential use in whole or in part without the consent of the Lessor provided (i) such conversion is done at such Lessee's sole cost and expense; (ii) such conversion is done in conformance with all rules, regulations and law of any governmental authority having jurisdiction; and (iii) all necessary permits are obtained and delivered to the Board of Directors prior to the commencement of any work and all necessary approvals and certificates of inspections (including a revised or amended Certificate of Occupancy) are obtained upon completion and delivered to the Board of Directors prior to residential occupancy. The Lessor shall execute any documents reasonably required in connection with such alterations and conversions.

Subordination

22. This lease is and shall be subject and subordinate to all present and future mortgages now or hereafter liens upon 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 mortgage. 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, 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.

Mechanic's Lien

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

Keys

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; if by the Lessee, addresssed 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.

Reimbursement of Lessor's Expenses

28. If the Lessee shall at any time be in default hereunder and the Lessor shall incur any expense (whether paid or not) in performing acts which the Lessee is required to perform, or in instituting any action or proceeding based on such default, or defending, or asserting a counterclaim in, any action or proceeding brought by the Lessee, the expense thereof to the Lessor, including reasonable 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 Lessor's negligence, for any failure or insufficiency of heat, or of air conditioning, 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 or 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 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.

Responsibility for Property

(c) The Lessor shall not be responsible for any property left with or entrusted to any employee of the Lessor or for the loss of or damage to any property within or without the apartment by theft or otherwise.

Window Cleaning

30. The Lessee will not require, permit, suffer or allow the cleaning of any window in the premises from the outside (within the meaning of Section 202 of the New York Labor Law) unless the equipment and safety devices required by law, ordinance, rules and regulations, including, without limitation, Section 202 of the New York Labor Law, are provided and used, and unless the industrial code of the State of New York is fully complied with; and the Lessee hereby agrees to indemnify the Lessor and its employees, 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

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 dispossess 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, repossession and removal herein granted and reserved:

Accompanying Shares

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

Lessee's Bankruptcy

(b) If at any time during the term of this lease (i) then holder thereof shall be adjudicated a bankrupt under the laws of the United States; or (ii) a receiver of all of the property of such holder 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 desolve upon the executors or administrators of the Lessee and provided that within

eight (8) months (which period may be extended by the Directors) after the death said lease and shares shall have been transferred to any assignee in accordance with Paragraph 16 hereof;

Unauthorized Occupancy

(c) If there be an assignment of this lease, or any subletting hereunder, without full compliance with the requirements of Paragraph 15 or 16 hereof; or if any person not authorized by Paragraph 14 shall be permitted to use or occupy the apartment, and the Lessee shall fail to cause such unauthorized person to vacate the apartment within ten (10) days after written notice from the Lessor;

Default in Rent

(d) If the Lessee shall be in default for a period of one (1) 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 Covenants

(e) If the Lessee shall be in default in the performance of any covenant or provision hereof, other than the covenant to pay rent, and such default shall continue for thirty (30) days after written notice from the Lessor;

Objectionable Conduct

(f) If at any time the Lessor shall determine, upon the affirmative vote of two-thirds of its then Board of Directors, at a meeting duly called for that purpose, that because of objectionable conduct on the part of the Lessee, or of a person dwelling or visting in the apartment, repeated after written notice from Lessor, the tenancy of the Lessee is undesirable;

Termination of All 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 75% 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.

Rights After 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 grant concessions or free rent, in its discretion. Any reletting of the apartment shall be deemed for the account of the Lessee, unless within ten (10) 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.

Rent from Subtenants

(b) If the Lessee shall at any time sublet the apartment and shall default in the payment of any rent or additional rent, the Lessor may, at its option, so long as such default shall continue, demand and receive from

the subtenant the rent due or becoming due from such subtenant to the Lessee, and apply the amount to pay sums due and to become due from the Lessee to the Lessor. Any payment by a subtenant to the Lessor shall constitute a discharge of the obligation of such subtenant to the Lessee, to the extent of the amount so paid. The acceptance of rent from any subtenant shall not be deemed a consent to or approval of any subletting or assignment by the Lessee, or a release or discharge of any of the obligations of the Lessee hereunder.

Sale of Shares

(c) Upon the termination of this lease under the provisions of 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 Possession

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

Option to Cancel

35. (a) This lease may be cancelled by the Lessee on any September 30th after the third anniversary of the consummation of the Cooperative Offering Plan 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 31st of the year of cancellation, and on or before said August 31st the Lessee

Possession

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 30th.

Permission to Show Premises

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

Date of Cancellation

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

Rights on Lessee's Default

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

Extension of Option to Cancel

36. (a) If on April 1st in any year the total number of shares owned by lessees holding proprietary leases, who have given notice pursuant to Paragraph 35 of intention to cancel such proprietary leases on Sep-

tember 30th of said year, shall aggregate ten percent (10%) or more of the Lessor's outstanding shares, exclusive of treasury shares, then the Lessor shall, prior to April 30th in such year, give a written notice to the 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 80% of the then issued and outstanding shares of the Lessor shall exercise the option to cancel their leases in one year, then this and all other proprietary leases shall thereupon terminate on the September 30th of the year in which such options shall have been exercised, as though every lessee had exercised such option. In such event none of the lessees shall be required to surrender his shares to the Lessor and all certificates for shares delivered to the Lessor by those who had, during that year, served notice of intention to cancel their leases under the provisions hereof, shall be returned to such lessees.

Continuance of Management

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

Unsold Shares

38. (a) The term "Unsold Shares" means and has exclusive reference to the shares of the Lessor which were issued to the Lessor's grantor(s) or individuals produced by the Lessor's grantor(s) pursuant to the Cooperative Offering Plan or Contract 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 bona fide purchaser for value, 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 in operative 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.

Subletting and Sale of Shares

(b) The subletting of the apartment or the assignment of this lease, by the Lessee who is the holder of the Unsold Shares allocated thereto, shall not require the consents of the Directors or shareholders, as provided in Paragraphs 15 and 16 hereof, for the taking effect of such subletting or assignment and of the transfer of such shares in the case of an assignment, regardless of the number of times for same, and without the payment of any transfer fee or other fee to the Lessor in connection therewith.

Change in 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.

Alterations

(d) The Lessee who is the holder of the Unsold Shares allocated to the apartment regardless of whether the apartment is being used for residential or office purposes may (i) change the size (without permanently impinging on any public areas) and layout or (ii) alter the apartment or (iii) change its use if it is currently an office (Apts 1A, 1B, 1C, 1D, 1G or 1K) to any other legally permitted use, without the consent of the Directors or shareholders for same, so long as such changes are performed in conformity with any governmental rules or regulations applicable thereto.

Voluntary Cancellation

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

Marketing of Shares

(f) Notwithstanding any other provision now or hereafter contained in this Lease or in the House Rules, a Lessee who is a holder of Unsold Shares shall have the right, without any prior notice to or consent from the Lessor and without being subject to any charge or fee therefore, to;

(i) maintain sales and leasing of offices in apartments to which Unsold Shares are allocated;

(ii) maintain sales and personnel and agents in the building;

(iii) grant to such sales personnel and agents and to prospective sub-lessees of apartments to which Unsold Shares are allocated, unimpeded access to the public areas of the building, including (without limitation) the lobbies, elevators, (if any) and hallways for the purpose of ingress and egress;

(iv) post signs advertising the availability of apartments to which Unsold Shares are allocated for sale or for lease on the exterior of the building, in the lobbies, and/or in the windows of apartments to which Unsold Shares are allocated;

(v) conduct all other activities necessary and/or consistent with the assignment of Unsold Shares and the leases appurtenant thereto or the leasing of apartments to which Unsold Shares are allocated, without unreasonable interference or hinderance on the part of the Lessor.

Foreclosure

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

To Whom Covenants Apply

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

More Than One Person

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

Assignment of Lessor's Rights Against Occupant

44. 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 unit, 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.

Cancellation of Prior Agreements

45. If at the date of the commencement of this lease, the Lessee has the right to possession of the unit 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.

Partial Invalidity

46. 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

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

Changes

48. The provisions of this lease can only be changed by an instrument in writing, signed by the parties hereto.

IN WITNESS WHEREOF, the parties have executed this lease.

225 EAST 47TH ST. APARTMENT CORP.
(Lessor)

_____
By:

_____ L.S.
(Lessee)

_____
(Lessee)

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

On the ____ day of _____, in the year 198_, before me personally appeared _____, to me known, who being by me duly sworn, did depose and say that he resides at _____; that he is the _____ of 225 East 47th St. Apartment Corp.; the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

_____
Notary Public

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

On the ___ day of _____, 198_, before me personally appeared _____, to me personally known and known to me to be the individual(s) described in and who executed the foregoing instrument, and duly acknowledged to me that _he_ executed the same.

_____
Notary Public

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

On the ____ day of _____, 198_, before me personally came _____ _____, to me known to be general partner of Opus Company, a New York limited partnership, the general partner of Dash Associates, a New York limited partnership, the partnership described in and which executed the foregoing instrument, and he acknowledged that he executed the same as general partner of, and on behalf, Opus Company as a general partner of Dash Associates.

_____
Notary Public

HOUSE RULES

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

(2) Children shall not play in the public halls, courts, stairways or elevators, if any, and shall not be permitted on the roof unless accompanied by a responsible adult

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

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

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

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

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

(8) No bicycles, baby carriages, shopping carts, scooters or similar vehicles shall be allowed to stand in the public halls, passageways, areas or courts of the building.

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

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

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

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

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

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

(15) Laundry facilities,if any, shall be used by the Lessee only upon such days and during such hours as may be designated by the Lessor or the managing agent.

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

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

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

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

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

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

(22) The agents of the Lessor, and any contractor or workman authorized by the Lessor, may enter any apartment at any reasonable hour of the day for the purpose of inspecting such apartment to ascertain whether measures are necessary or desirable to control or exterminate any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests.

(23) No Lessee shall install any plantings on any terrace, balcony or roof area without the prior written approval of the Board of Directors. Plantings approved by the Board of Directors shall be contained in boxes of wood, lined with metal or other materials impervious to dampness and standing on supports at least two inches from the terrace, balcony or roof surface, and, if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the boxes to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in masonry or hollow tile walls which shall be at least three inches from the parapet and flashing, with the floor or drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such terrace balcony or roof, but shall stand on supports at least two inches above such surface. It shall be the responsibility of the Lessee to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Lessee shall pay the cost of any repairs necessary, or damage caused, by such plantings.

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

EXHIBIT E

BY-LAWS

BY-LAWS

of

225 EAST 47TH ST. APARTMENT 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 first 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 within thirty (30) days after the Closing Date under the Cooperative Offering Plan for premises at 225 East 47th Street, New York, New York, and subsequent meetings shall be held in June of each year, commencing with the year following the year in which the first annual meeting is held and such meetings shall be held in the Borough of Manhattan, City of New York, at such time and place 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 per cent (25%) of the outstanding shares of the Corporation. The secretary shall cause a notice of such special meeting stating 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 foregoing sections is not indispenable, but any shareholders' meeting whatever shall be valid for all purposes if all of 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 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 record 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 proxy.

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.

ARTICLE III

DIRECTORS

Section 1. Number: The number of the Directors of the Corporation shall be not less than three nor more than seven, as may from time to time be provided and, in the absence of such provision shall be three (3). Commencing with the first election of Directors by shareholders of the Corporation, and until changed by amendment of By-Law provision, as hereinafter provided, the number of Directors shall be five (5). 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. Each shareholder shall be entitled to one vote for each share of stock owned by said shareholder, multiplied by the number of Directors to be elected, and he or she may cast all of such votes for a single Director or distribute them among the number to be voted for, or any two or more of them, as he or she may see fit. The term of office of a Director 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.

Notwithstanding anything herein contained to the contrary, so long as the Sponsor or Individuals produced by the Sponsor of the Offering Plan to convert the Corporation's property to cooperative ownership own Unsold Shares (as defined in paragraph 38 of the Proprietary Lease) in the Corporation, they will be entitled to designate two (2) Directors in lieu of voting their shares for the election of Directors. If they do not designate two Directors, then they may vote their shares for the election of Directors. In no event shall the holders of Unsold Shares elect, designate or

otherwise appoint a majority of the Directors after the fifth anniversary of the date the aforesaid Offering Plan is consummated as therein set forth, or after a majority of the outstanding shares of the Apartment Corporation have been acquired by shareholders who are not holders of Unsold Shares, whichever is earlier. However, any Director elected, designated or appointed as such by the holders of Unsold Shares prior to the fifth anniversary of the date the Offering Plan is consummated as therein set forth, or prior to the acquisition of a majority of the outstanding shares of the Apartment Corporation by Tenant-Shareholders who are not holders of Unsold Shares, shall be permitted to serve out his or her term.

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 a 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 on 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 an 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 days prior to such meeting at the last address furnished by him to the Corporation. Regular meetings may be held without notice at such times 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 holding 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 or 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 directors may be removed from office without cause by the shareholders of the Corporation at a meeting duly called for that purpose. However, directors designated or elected by the holders of Unsold Shares can be removed only for cause by vote of a majority of the shareholders or without cause by determination of the holders of Unsold Shares who have elected the director to be removed. Any vacancy on the board by a designated director or elected by holders of Unsold Shares, whether arising from the resignation, removal, death or otherwise, shall be filled only by designation of holders of Unsold Shares.

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 of 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. Notwithstanding anything herein contained to the contrary, so long as Unsold Shares (as defined in Paragraph 38 of the Proprietary Lease) shall constitute 25% or more of the outstanding shares of the Corporation unless five (5) years or more have elapsed from the date on which the aforesaid Plan has been consummated as therein set forth, the Board of Directors shall not take any of the following actions, if such actions result in an increase or decrease in the annual Maintenance Charges, unless holders of all Unsold Shares unanimously approve same in writing or by vote, in person or by proxy, at a duly constituted meeting called for such purpose:

(i) Provide for reduced services or new or additional services from those set forth in the Projected Schedule of Receipts and Expenses for the First Year of Operation of said Offering Plan, except as required by applicable law or regulations;

(ii) Makes new mortgages;

(iii) Provide for any special reserves that are not reflected in the Projected Schedule of Receipts and Expenses for the First Year of Operation of said Offering Plan, except that any unused portion of such reserve may be applied to future years; and

(iv) Undertake any capital or major improvements or additions, excepting only capital repairs or other expenses required to comply with applicable laws or regulations.

The foregoing restrictions shall not apply to the expenses described in Schedule B or to expenses required to: (i) comply with applicable laws or regulations; or (ii) remedy any notice of violation; or (iii) remedy any work order by a mortgagee or an insurer; or (iv) remedy a notice of default from a mortgagee.

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 shareholders. 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 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 shareholders 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 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 or more assistant secretaries and one 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 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 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 deductions 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 or 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 convenants 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 owning at least two-thirds in amount of the shares of the Corporation then issued and outstanding.

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 30 days after receipt of said written application.

Where (i) the Sponsor named in the Cooperative Offering Plan, (ii) or a holder of Unsold Shares or (iii) an Original Subscriber as that term is defined in the Proprietary Lease, or (iv) a Lender as provided in Paragraph 17(b) of the Proprietary Lease, is a lessee, then consent to an assignment or transfer of his lease and the shares appurtenant thereto will not be required.

No person to whom the interest of a lessee or shareholder shall pass by law, shall be entitled to assign any lease, transfer any shares, or to sublet or occupy any apartment, except upon compliance with the requirements of the lease and these By-Laws.

Section 5. Fees on Assignment or Subletting: 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 or sublease. However, in no event may any such fee be imposed upon (i) the Sponsor named in the Cooperative Offering Plan, (ii) or a holder of Unsold Shares, or (iii) a Lender as provided in Paragraph 17(b) of the Proprietary Lease.

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 any proprietary lease, into one or more apartments covered by a proprietary lease, whether in connection with any regrouping of space pursuant to subparagraph A of 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 or by individuals produced by the Sponsor as set forth in the Cooperative Offering Plan (the "holder of Unsold Shares") said parties may, without the consent of the Board of Directors, shareholders, managing agent or the Lessor, change the number of such apartments by increasing or decreasing their size, or change the size, layout or location of any such apartment and reallocate the shares allocated to any of the apartments offered for sale under said Plan, provided that 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. In no event shall any such change either (i) permanently impinge upon public areas of the building or (ii) increase or decrease the proportionate interest of any shareholder who is not a holder of Unsold Shares. All alterations shall be performed in conformity with governmental rules and regulations which are applicable thereto.

Upon any regrouping of space in the building, the proprietary leases so affected, and the accompanying snare 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 agreements 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. In the event an apartment for which shares are being transferred is occupied by a Non-Purchasing Tenant (as that term is defined in the Cooperative Offering Plan), then the Corporation or the seller of such shares shall notify such Non-Purchasing Tenant of such transfer in writing within thirty (30) days of such transfer by certified mail or personal delivery.

Section 5. Units of Issuance: Except as otherwise provided in Article V, Section 7, unless and until all proprietary leases which 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 make 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 make 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 shareholders 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 issued to such defaulting shareholder, and thereupon 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 any holder hereof are subject to the provisions of the By-Laws of 225 East 47th St. Apartment Corp., and to all the terms, covenants, conditions and provisions of a certain proprietary lease made between the person in whose name this certificate is issued, as Lessee, and 225 East 47th St. Apartment Corp., as Lessor, for an apartment in the premises known as 225 East 47th Street, New York, New York, which lease limits and restricts the title and rights of any transferee hereof. 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 Leimas, Roth & Schein, 71 Murray Street, New York, New York. 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 represtened by this certificate for all sums due and to become due under said proprietary lease."

Section 9. Limitation on Shares Held by Non-Natural Persons. No greater than fifteen (15%) percent of the shares of the Corporation may be held by, or transferred, to other than natural persons, excepting the Unsold Shares of the Corporation held by the Sponsor. However, if the eighty (80%) percent gross income requirement of Section 216 of the Internal Revenue Code shall be modified, the fifteen (15%) percent limitation set forth in the preceding sentence shall be correspondingly increased or decreased. Absent a change in law, more than 15% of the shares of the Corporation may be held by such entities provided that a private letter ruling has then been obtained from the Internal Revenue Service to the effect that the Corporation will still qualify as a "cooperative housing corporation" under Section 216 of the Internal Revenue Code notwithstanding such ownership.

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 interest 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 hereafter 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 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. Cooperation with shareholders: The Corporation will cooperate and join in any application requested by any shareholder (including the Sponsor of the Cooperative Offering Plan or other holders of Unsold Shares) made to the New York State Division of Housing and Community Renewal or any successor agency for the purposes of adjusting the legal rent of any apartment occupied by any non-purchasing tenant for major capital improvements or for any other reason.

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 of 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.

Notwithstanding anything herein contained to the contrary, so long as there are any Unsold Shares outstanding, these By-Laws may not be altered, amended, repealed or added to without the unanimous consent of all holders of Unsold Shares.

ARTICLE XIII

Sale, Lease, Demolition or Disposition of the Property

Section 1. No decision to demolish or reconstruct any building(s) standing on the land owned or leased by the Corporation or to sell or exchange the Corporation's fee simple interest therein, or to lease any such building(s) in its entirety or substantially in its entirety shall be made except upon the affirmative vote of the holders of three-fourths of the shares of the Corporation then issued and outstanding. Notwithstanding the foregoing, the sale, exchange, lease or other disposition of the property owned by the Corporation after the termination of all the proprietary leases which are made by the Corporation shall be determined by the affirmative vote of the holders of a majority of the shares of the Corporation then issued and outstanding.

EXHIBIT F

RIDER TO MORTGAGE

RIDER TO MORTGAGE

1. In the event any payment by or act of the mortgagor pursuant to the terms hereof or the mortgage note, results in payment of interest which would exceed the limit authorized by or be in violation of the applicable usury law, then the obligation of the mortgagor to pay interest or perform such act or requirement shall be reduced to the limit authorized under such law. In no event shall the mortgagor be obligated to pay any interest, perform any act, or be bound by any requirement which would result in payment of interest in excess of the limit so authorized.

2. Any instrument of assignment or satisfaction of this mortgage requested by the mortgagor at the time of the payment of the balance of the principal of this mortgage with interest shall be drawn by the attorney for the mortgagee at the expense of the mortgagor or other party requesting such instrument. Any instrument of assignment shall recite it is without recourse as against the assignor.

3. After maturity of this mortgage on its due date or by acceleration or otherwise, interest on the unpaid principal balance hereof and on the amount of any judgment obtained under this mortgage shall accrue at the rate of two percent (2%) per month until the date of payment without prejudice to any of the mortgagee's rights, but this provision shall not be deemed a consent or an agreement on the part of the mortgagee to extend the time of payment of the principal sum secured hereby.

4. In the event the holder hereof is required to employ counsel to collect the debt secured hereby, or to foreclose this mortgage, or to defend the lien of this mortgage, the mortgagor agrees to pay to the mortgagee for its attorney's fees, an amount equal to 10% of the unpaid principal balance hereof, which the mortgagor agrees to be reasonable (but in no event less than $7,500.00) which sum shall be included in any resulting judgment of foreclosure or otherwise and shall be in addition to the recovery of costs, disbursements and allowances in such action pursuant to the applicable provisions of law.

5. Upon any default by the mortgagor in the compliance with, or performance of any of the terms, covenants, or conditions of this mortgage, or of the note secured hereby, the mortgagee may, at its option, remedy such default. All payments made by the mortgagee to remedy a default by the mortgagor as aforesaid (including reasonable attorney's fees for legal services actually performed) and the total of any payment or payments due from the mortgagor to the mortgagee, together with interest at the rate of two percent (2%) per month, shall be added to the debt secured by this mortgage and shall repaid to the mortgagee upon demand. Any such sum and the interest thereon shall be a lien on the premises prior to any other lien attaching or accruing subsequent to the lien of this mortgage.

6. The mortgagor agrees that the mortgagee, its agents, employees, or other duly authorized representative, shall have the right to enter into and upon the mortgaged premises, or any portion thereof, at reasonable times during business hours for the purpose of making physical inspections of the premises to determine if the exterior, interior or any part of the structure requires repairs or alterations, or if the security value of the mortgaged premises has been depleted.

7. The whole of the principal sum remaining unpaid shall, at the option of the mortgagee, become due and payable in the event a violation is placed against the mortgaged property by any municipal or state authority having jurisdiction thereof, and in the event the mortgagor does not act within thirty (30) days of the date of the notice of violation to remove the same, then and in that event, the mortgagor, shall be considered in default, and the whole of the principal sum secured by this mortgage shall forthwith, at the option of the mortgagee, its successors and assigns, become due and payable. This provision shall not apply with respect to violations caused by any commercial tenants of the premises.

8. At the option of the mortgagee and in order to more fully protect the security of this mortgage and to assure the payment of real estate taxes, water and sewer charges, mortgagor agrees to deposit with the mortgagee, simultaneously with each monthly installment of principal and interest, a sum equal to one-twelfth (1/12) of the annual real estate taxes, water rates, sewer rents and insurance for the Property. Upon demand by the mortgagee, the mortgagor also shall deposit with the mortgagee such additional amounts as may be determined by the mortgagee from time to time to provide the mortgagee with a fund (sufficient to pay such installments), at least thirty (30) days prior to the due date for the payment of the next installments of such taxes, water rates, sewer rents and insurance; it being the intention of the parties that the mortgagor shall deposit with the mortgagee any funds necessary for the mortgagee to have on hand, at all times during the term of this mortgage, sufficient funds for the payment of the various items for the respective accrual periods pertaining to each of them. The said deposits shall not bear any interest and to the extent available shall be used by the mortgagee for the payment of such items. The whole of said mortgage shall immediately become due and payable at the option of the mortgagee after default in the payment of any of the aforesaid monthly deposits for ten (10) days or after default in payment of any of the additional required deposits for five (5) days, in which event all moneys on hand in the deposit may be applied at the option of the mortgagee in reduction of the mortgage and/or in payment of any of the aforesaid items. Upon any assignment of this mortgage the monies on deposit in such escrow account shall be paid over to the assignee and the mortgagee herein shall thereupon be released of all further liability with respect to such fund and the owner of the property shall look solely to the assignee with reference thereto.

9. In the event that any payment required to be made hereunder by the mortgagor shall not be received by the mortgagee within fifteen (15) days from its due date, a late charge of six cents (6¢) for each dollar so overdue may be charged by the mortgagee for the purpose of defraying the expense incident to handling such delinquent payment.

10. The mortgagor hereby covenants that the mortgaged premises will be insured in an amount so as to prevent the mortgagor and/or mortgagees from becoming co-insurers. In the event that the premises are not so insured the entire amount of principal and interest due and owing shall, at the option of the holder of this mortgage, be immediately due and payable. All policies shall name the mortgagee.

11. The mortgagor shall not place any other mortgages on the premises without the written consent of the mortgagee, which consent may be withheld without reason.

12. If any part of the mortgaged premises is condemned for public use of any nature, any proceeds, awards and damages therefrom shall be considered assigned to and shall immediately be paid to the holder of this mortgage to be applied in reduction of principal provided for in this mortgage or the note or obligation it secures until the entire principal and interest thereon is fully paid.

13. The mortgagor hereby waives trial by jury in any action, proceeding or counterclaim brought by the mortgagee or the mortgagor against the other and hereby waives any set-off or deduction of any kind in connection with any matters whatsoever arising out of, or in any way connected with, this mortgage, the debt or liabilities it secures or any Offering Plan, in the event the premises is converted to cooperative or condominium form of ownership.

14. The waiver of or acquiescence in by the mortgagee of any default by the mortgagor or the failure of the mortgagee to insist upon strict performance by the mortgagor of any terms, provisions, conditions, covenants or agreements in this mortgage shall not constitute a waiver of any subsequent or other default of the mortgagor.

15. The acceptance of any payments or installments of interest or principal by the mortgagee after default by the mortgagor in any of the terms, provisions, conditions or covenants of this mortgage, shall not effect a waiver of said default nor shall it prevent the mortgagee from being entitled to any or all of its remedies hereunder arising from said default, and the mortgagee may apply said payment or payments or installments against the principal balance and interest secured by this mortgage without being estopped from obtaining the remedies to which it is entitled because of such default. Time is of the essence of this mortgage and all of the terms and provisions hereof.

16. The rights and remedies afforded to the mortgagee shall be cumulative and supplementary to all other rights and remedies of the mortgagee and the exercise of any right or remedy shall not be regarded or construed as barring any other rights or remedies. No suit commenced, judgment entered or other action taken by mortgagee upon any note, notes or other obligations secured hereby shall be considered to be a release of, or an election to waive the security of this mortgage, or of the right to hold, to enforce or to foreclose the same, or to take any other action herein provided, or permitted by law, for the collection of the full amount remaining unpaid on any such note, notes or other obligation secured thereby or on any judgment entered thereon, with interest and all other charges, attorneys' fees and costs of any suit or action, and also any payments of sums due under the terms hereof; and with respect to any such action mortgagor hereby expressly waives the benefit of any stay, restraint, exemption or right to the credit against the amount due upon any such note, notes or other obligations secured hereby or upon any judgment entered thereon, or against any amount due hereunder, of the fair market value of the said premises or to any credit other than the price bid at any foreclosure sale, or to any stay, restraint or withholding of confirmation of such sale in default of any such credit, under any existing or future law, statutory or otherwise, and further particularly agrees that the price at which said premises shall be bid in at any public or judicial sale hereunder and in enforcement hereof shall be final and conclusive evidence of the value of said premises insofar as the right to any credit is concerned, whether such price shall be a nominal amount or not, or whether there shall be competitve bidding at such sale or not, or whether economic conditions shall adversely affect such bidding or not, or whether mortgagor or any of them if more than one, shall be financially able to protect himself, herself, itself or themselves and said premises at such sale or not, excepting only in the event of actual and not constructive, fraud or collusive action by the holder thereof preventing free competitive bidding at such sale.

17. In the event of any default herein, the mortgagee may, at its option, without notice, make or cause to be made a foreclosure search in preparation for the institution of a foreclosure action, and take such other steps as may be necessary and desirable for that purpose, and the costs and expenses so incurred for such purpose or purposes shall be deemed and shall become a part of the indebtedness secured by the mortgage, and regardless of whether such foreclosure is actually commenced and carried to judgment, of after having been commenced is discontinued, all costs, fees, expenses and disbursements incurred by the mortgagee in connection therewith shall be added by the mortgagee to the indebtedness secured by the said mortgage and shall be immediately due and payable with interest thereon.

18. The mortgagor shall not cancel, abridge or otherwise modify the terms of any, Proprietary Lease, in the event the premises is converted to cooperative form of ownership, without the prior written consent of the holder of this mortgage.

19. The mortgagor, upon thirty (30) days written request, will furnish the holder of this mortgage with a certified statement containing the names of all tenants of said premises, the terms of their respective tenancies and the rentals paid therefore, and furnish and supply upon such demand copies of all leases, subleases and agreements with any tenants, sub-tenant or occupant.

20. The unenforceability or invalidity of any one or more provisions, clauses, sentences and/or paragraphs hereof shall not render any other provisions, clauses, sentences and/or paragraphs herein contained unenforceable or invalid.

21. In the event of conflict between the terms of the printed form of this mortgage and the terms of this Rider, it is the intention of the parties that the terms of the Rider shall prevail.

22. The debt secured by this mortgage may be prepaid in full upon thirty (30) days written notice to the holder of the mortgage and upon the payment of an additional sum equal to five per cent (5%) of the amount being prepaid.

23. The mortgagor shall supply the mortgagee with the annual income tax deduction statement prepared by an independent certified public accountant within two (2) months after the close of the mortgagor's fiscal year and the annual report of corporate affairs, including a balance sheet and operating statement prepared and certified by an independent certified public accountant within four (4) months after the close of the mortgagor's fiscal year.

24. This Mortgage and the Note secured hereby may, at any time hereafter until the same shall be fully paid and satisifed, at the sole election and sole expense of the mortgagee, either (i) be split up or divided into two notes and two mortgages (each such note and mortgage being sometimes hereafter collectively referred to as a "mortgage"), and, to that end, the mortgagor shall execute, acknowledge and deliver to the mortgagee two new such notes and mortgages in such principal amounts and at such rates of interest and amortization as specified by the mortgage, and containing terms, provisions and clauses (excluding this paragraph) similar to those contained herein and in the Note secured hereby, provided, however, that (a) the aggregate original principal amount of such new mortgage(s) shall not exceed the amount then unpaid on this mortgage, and (b) such new mortgages shall have the same maturity as this mortgage, (c) the aggregate amount of the annual debt service payments shall not exceed the aggregate amount of the annual debt

service payments on this mortgage, or (ii) be modified so as to include senior and junior participating interests and, to that end, the mortgagor shall excute, acknowledge and deliver to the mortgagee any and all documents which may be required to effectuate the foregoing purpose, provided that (a) the aggregate original principal amount of such new mortgage shall equal the amount then unpaid on this mortgage, and (b) such new mortgages shall have the same maturity as this mortgage.

All fees, costs and expenses incurred in connection with either of the foregoing options of the mortgagee shall be paid for by the mortgagee. Notwithstanding anything herein contained, the mortgagor hereby irrevocably appoints, designates and authorizes any of the mortgagee's partners to act as an Assistant Secretary of the mortgagor (if the mortgagor is a corporation) and the mortgagor's attorney-in-fact for the purpose of executing and delivering any and all documents on behalf of the mortgagor which may be required in order to effectuate either of the foregoing options of the mortgagee. This clause shall be self-operative and no further instruments shall be required in order to accomplish the foregoing.

25. The mortgagor will, within thirty (30) days of request therefor by the mortgagee, but in no event less frequently than once during each calendar year during the term of this mortgage, supply such information to the mortgagee as the mortgagee shall reasonably deem necessary to prepare the "Transferor's Form" required by Section 1447 of the Tax Law of the State of New York ("Transferor's Form"), which information shall include, but not be limited to (i) the original purchase price paid by the mortgagor for the Premises, (ii) the consideration paid by the mortgagor for any capital improvements made to the Premises, and (iii) the names of the party or parties to whom the payments referred to in subsections (i) and (ii) above were made. In addition, the mortgagor shall keep such records in respect of the Premises as are required by Section 1448 of the Tax Law of the State of New York.

The mortgagor shall pay when due any tax imposed upon the mortgagor or the mortgagee pursuant to the provisions of Article 31-B of the Tax Law of the State of New York (the "Gains Tax") in connection with the foreclosure or partial foreclosure of this mortgage, the acceptance by the mortgagee (or a nominee of the mortgagee) of a deed to the Premises, or any part thereof, in lieu of foreclosure, or partial foreclosure, of this mortgage, or the exercise by the mortgagee of any remedy set forth in this mortgage, and the mortgagor shall prepare, execute and file any Transferor's Form required to be prepared, executed and filed in connection therewith. In the event that the mortgagor defaults in the payment of the Gains Tax, the mortgagee may, but shall not be obligated to, pay the same or any part thereof and the mortgagor shall, on demand, reimburse the mortgagee for all amounts so paid, which amount shall, until reimbursed to the mortgagee, be secured hereby. The mortgagor hereby

irrevocably appoints the mortgagee as the true and lawful attorney of the mortgagor (coupled with an interest), in its name and stead, to pay the Gains Tax and to prepare, execute and file any Transferor's Form required to be prepared and filed in connection therewith.

The obligations assumed by the mortgagor hereunder shall survive the foreclosure, or partial foreclosure, of this mortgage, the acceptance by the mortgagee of a deed to the Premises, or any part thereof, in lieu of a foreclosure, or partial foreclosure, of this mortgage and the exercise by the mortgagee of any remedy set forth in this mortgage.

26. Before the mortgagee can accelerate the indebtedness secured by this mortgage by reason of a default of the mortgagor, written notice shall be given to the mortgagor. The mortgagor shall have ten (10) days thereafter in which to cure such default.

EXHIBIT G

GENERAL BUSINESS LAW §352-eeee

GENERAL BUSINESS LAW §352-eeee

Conversions to cooperative or condominium ownership in the City of New York:

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

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

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

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

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

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

(f) "Eligible senior citizen". 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, 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 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 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 unconscion-ble 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 regulations 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 regulations 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 tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto.

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

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

(vi) Any offeror who disputes the election by a person to be an eligible senior citizen or an eligible disabled person must apply to the attorney general within thirty days of the receipt of the election forms for a determination by the attorney general of such person's eligibility. The attorney general shall, within thirty days thereafter,

issue his determination of eligibility. The foregoing shall, in the absence of fraud, be the sole method for determining a dispute as to whether a person is an eligible senior citizen or an eligible disabled person. The determination of the attorney general shall be reviewable only through a proceeding under article seventy-eight of the civil practice law and rules, which proceeding must be commenced within thirty days after such determination by the attorney general becomes final.

(vii) After the issuance of the letter from the attorney general stating that the offering statement of 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 in a written statement, under oath, setting forth the percentage of bona fide tenants in occupancy of all dwelling units in the buildings 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 is 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 accompanied by a copy of the offering statement or prospectus and a statement that the statements submitted pursuant to subparagraph (vii) of paragraph (c) or subparagraph (vii) of paragraph (d) of this subdivision, whichever is applicable, will be available for inspection and copying at the office of the department of law where the submission was made and at the office of the offeror or a selling agent of the offeror. Such notice shall also be accompanied by a statement that the 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 that such representatives are registered architects or professional engineers licensed to practice in the state of New York. Such notice shall be sent to each tenant in occupancy on the date the plan is first submitted to the department of law.

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

4. It shall be unlawful for any person to engage in any course of conduct, including, but not limited to, interruption or discontinuance of essential services, which substantially interferes with or disturbs the comfort, repose, peace or quiet of any tenant in his use or occupancy of his dwelling unit or the facilities related thereto. The attorney general may apply to a court of competent jurisdiction for an order restraining such conduct and, if he deems it appropriate, an order restraining the owner from selling the shares allocated to the dwelling unit or the dwelling unit itself or from proceeding with the plan of conversion; provided that nothing contained herein shall be deemed to preclude the tenant from applying on his own behalf for similar relief.

5. Any local legislative body may adopt local laws and any agency, officer or public body may prescribe rules and regulations with respect to the continued occupancy by tenants of dwelling units which are subject to regulation 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 provisions of a lease or other rental agreement which purports to waive a tenant's rights under this section or rules or regulations promulgated pursuant hereto shall be void as contrary to public policy.

7. The provisions of this section shall only be applicable within the City of New York.

EXHIBIT H

CERTIFICATIONS

CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPALS

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

Re: 225 East 47th Street
New York, New York

The undersigned hereby certify that:

We are the Sponsor and the principals of the Sponsor of the cooperative Offering Plan for premises known as 225 East 47th Street, New York, New York.

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

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

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statements made.

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

Sponsor:
DASH ASSOCIATES, a New York limited partnership

By: _____
ALEXANDER GARVIN, Principal

Principals of Sponsor:

_____
IRWIN LEIMAS

_____
FREDRIC JAY ROTH

_____
ALVIN SCHEIN

_____
ROBERT HASKELL

_____
ALEXANDER GARVIN

Sworn to before me this
10th day of December, 1984

_____
NOTARY PUBLIC

Notary Public, State of New York
No. 31-4740791
Qualified in New York County
Commission Expires March 30, 19[illegible]

4 June 1985

CERTIFICATION OF SPONSOR'S
ARCHITECT PURSUANT TO PART 18
OF THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW, ARTICLE 23-A AS AMENDED

New York State Department of Law
Two World Trade Center - 48th Floor
New York, New York 10047

Att: Real Estate Financing Bureau

State of New York)
County of New York) ss.:

RE: 225 East 47th Street
New York, New York

The undersigned, an architect registered in New York State certifies as follows:

The Sponsor of the offering to convert the captioned Property to a cooperative retained our firm to prepare a report disclosing the condition of the Property (the "Report"). We visually inspected the Property on August 14, 1984, and prepared the Report dated Augusted 15, 1984, a copy of which is intended to be incorporated into the Offering Plan so that prospective Purchasers may rely on the Report. On May 30, 1985, we revisited the premises and found the contents of the Report, including the Addendum dated 4 June 1985, to remain accurate in every respect.

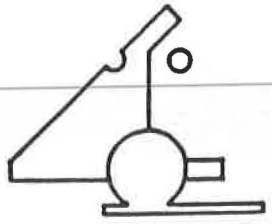
We understand that we are responsible for complying with the provisions of Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 18 insofar as they are applicable to this Report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it and conducted the visual inspection referred to above with due diligence in order to form a basis for this certification. We certify that the Report and all documents prepared by us, disclose all the material facts which may be discerned from a visual inspection of the property and the completion of any necessary tests indicated by that visual inspection. We certify that the Report and all documents prepared by us based on our physical inspection:

(i) sets forth in detail the condition of the entire property as current and accurate as of the date of the 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 facts;



Proposition:Architecture,PC 235 Park Avenue South New York New York 10003 (212) 475 2070

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, 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: (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 representation or statements made.

We further certify that we are not owned or controlled by and have no beneficial interest in the Sponsor and that our compensation for preparing this 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.

PROPOSITION:ARCHITECTURE, P.C.
ARCHITECTS

BY: _____
ANTHONY CAINE
REGISTERED ARCHITECT

Sworn to before me this
4th day of June, 1985

Riana McKenny
NOTARY PUBLIC

ARNOLD S. WARWICK & CO. LTD.
licensed real estate broker 26 west ninth street new york, new york 10011 (212) 777-2000

CERTIFICATION OF ADEQUACY OF SCHEDULE B
PURSUANT TO SECTION 18.4 (d) OF THE REGULATIONS
ISSUED PURSUANT TO G. B. L. ARTICLE 23-A
THE REGULATIONS ISSUED PURSUANT TO
G. . . L. ARTICLE 23-A, AS AMENDED.

New York State De rtment of Law
Two World Trade C ter
48th Floor
New York, N. Y. 047

Attn: Real Estat Financing Bureau

Re: **225 East 47th Street**
New York, New York

State of New York)
ss.:
County of New Yor

The Sponsor of the Cooperative Offering Plan for the above captioned Premises retained us to review Schedule B containing projections of income and expenses for the first year of cooperative operation.

The undersigned is a real estate broker and has been in the real estate management business for twenty (20) years. We currently manage sixty-one (61) residential buildings in New York City.

We understand we are responsible for complying with the provisions of 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 Schedule B.

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

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 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 as made.

We further certify that we are not owned or controlled by the Sponsor. 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 operations.

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 Code.

Very truly yours,

ARNOLD S. WARWICK & CO., LTD.

Arnold S. Warwick
President

Sworn to before me
this 29th day of
November, 1984

Notary [illegible]
NOTARY PUBLIC, State of New York
No. 31-4713129
Qualified in New York County
Commission Expires March 30, 1986

EXHIBIT I

INTERNAL REVENUE SERVICE PRIVATE LETTER RULING

Internal Revenue Service Department of the Treasury

Washington, DC 20224

Index No.: 0216.00-00

225 E. 47th Street Apartment
Corporation
c/o Oktagon Corporation
217 Broadway
New York, NY 10007

Person to Contact:
Robert D. Patchell
Telephone Number:
(202) 566-3626
Refer Reply to:
CC:IND:I:3:2 - 4L2962
Date:
23 APR 1985

X = 225 E. 47th Street Apartment Corporation
DO 13 TY 85

Dear Sir or Madam:

This is in response to a letter, submitted on behalf of X, requesting a ruling concerning the application of section 216 of the Internal Revenue Code to the transaction described herein.

According to the information submitted, X was incorporated for the purpose of acquiring, owning, managing and operating an apartment building and the land on which it is situated (the "Property"). Pursuant to a proposed offering plan, the Property will be transferred to X and converted to a cooperative form of ownership. X will sell subscribers shares of its stock that have been allocated to each apartment on the Property in the same proportion as the portion of the fair market value of X's equity in the Property attributable to each such apartment bears to the fair market value of X's equity in the Property as a whole. Subscribers will be entitled solely by virtue of their stock ownership in X to occupy apartment units on the Property for dwelling purposes.

The Property contains 6 apartments on the ground floor which are used as offices (the "Nonresidential Apartments") and 54 apartments used for dwelling purposes. The Nonresidential Apartments are not currently suitable for use as dwellings because they do not contain all necessary residential facilities.

X proposes to issue shares of its common stock allocated to the Nonresidential Apartments. Appurtenant to the shares of stock will be a proprietary lease entitling the subscriber of such shares to use the Nonresidential Apartments for office or dwelling purposes. However, the outstanding certificate of occupancy

permits the use of the Nonresidential Apartments for professional, business or governmental offices. The applicable provisions of the zoning regulations and laws do not preclude the residential use of the Nonresidential Apartments. Additionally, the proprietary lease will entitle the subscribers of stock allocated to the Nonresidential Apartments to effect the alterations necessary to render such apartments fit for use as dwellings and to cause the certificate of occupancy to be amended to permit such use.

The ruling requested is that the sale and issuance of stock allocated to the Nonresidential Apartments will not disqualify X from being a cooperative housing corporation within the meaning of section 216(b)(1) of the Code.

The definition of a cooperative housing corporation is set forth in section 216(b)(1) of the Code. One of the requirements, as stated in section 216(b)(1)(B), that a corporation must meet in order to be a cooperative housing corporation is that each of the stockholders must, solely by reason of his ownership of stock in the corporation, be entitled to occupy, for dwelling purposes, a house or apartment owned or leased by the corporation.

Section 1.216-1(d)(2) of the Income Tax Regulations provides that each stockholder need only possess the right, as against the corporation, to occupy, for dwelling purposes, a unit in the building owned or leased by the corporation. The stockholder is not required to dwell in such unit; the right to do so is sufficient. The unit need not be presently fit for dwelling purposes, provided that the stockholder has the right to render it fit for such purposes.

Rev. Rul. 74-241, 1974-1 C.B. 68, provides that for purposes of section 216(b)(1)(B) of the Code, the term "apartment in a building" means an independent housekeeping unit consisting of one or more rooms that contains facilities for cooking, sleeping, and sanitation normally found in a principal residence. The revenue ruling has been applied in a manner that finds the requirements of section 216(b)(1)(B) to be met if the stockholder has the right to alter the unit

to conform to the definition of an apartment and to occupy the unit as a dwelling even though the unit is not presently suitable for use as a dwelling.

Based on the representations in your request for this ruling, we conclude that the sale and issuance to subscribers of stock allocated to the Nonresidential Apartments in the proposed transaction will satisfy the requirements of section 216(b)(1)(B) of the Code. The nonresidential use of the apartments to which the stock is allocated does not adversely affect this determination as the purchasers will have the requisite right to occupy the unit for dwelling purposes. Therefore, provided X otherwise qualifies as a cooperative housing corporation within the meaning of section 216(b)(1) of the Code, the issuance of stock will not disqualify X from being a cooperative housing corporation.

No opinion is expressed as to the federal income tax consequences of the transaction described herein except as specifically ruled upon above.

This letter ruling is addressed solely to the taxpayer who requested it. Section 6110(j)(3) of the Code provides that this letter ruling may not be used or cited as precedent.

A copy of this letter ruling should be attached to X's tax return for the taxable year in which the transaction covered by this ruling is consummated. A copy is enclosed for that purpose.

Pursuant to instructions accompanying the request, a copy of this letter ruling is being sent to X's authorized representative.

Sincerely yours,

Richard H. Crumpacker

Chief, Individual Income
Tax Branch

Enclosures 2
Copy of this letter
Copy for section 6110 purposes