OFFERING PLAN

A PLAN TO CONVERT TO COOPERATIVE OWNERSHIP

premises at

9 Prospect Park West, Brooklyn, New York

Total cash amount of offering (20,000 shares - 41 apartments)	\$ 400,000
Mortgage Indebtedness	700,000
Total Purchase Price	1,100,000
Less Reserve Fund to be retained by Apartment Corporation (subject to closing adjustments - see page 37)	50,000
Net Purchase Price of property to Sponsor	\$ 1,050,000

NAME AND ADDRESS OF APARTMENT CORPORATION WHOSE SHARES ARE OFFERED:

PARK WEST TENANTS CORP. Suite 1400 40 West 57th Street New York, New York 10019

NAME AND ADDRESS OF SPONSOR:

PUNIA AND MARX, INC. 16 Court Street Brooklyn, New York 11241

NAME AND ADDRESS OF SELLING AGENT:

WM. A. WHITE & SONS 51 East 42nd Street New York, New York 10017

The date of first offering of this Plan is

, 197 .

"THE FILING OF THIS PLAN WITH THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK DOES NOT CONSTITUTE APPROVAL OF THE ISSUE OR THE SALE THEREOF BY THE DEPARTMENT OF LAW OR THE ATTORNEY GENERAL OF THE STATE OF NEW YORK. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL."

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THE RIGHTS OF TENANTS OF APARTMENTS WHICH ARE RENT-CONTROLLED OR RENT-STABILIZED AND WHO DO NOT PURCHASE THE SHARES ALLO-CATED TO THEIR APARTMENTS WILL NOT BE AFFECTED BY THIS OFFERING, WHETHER THE PLAN IS DECLARED EFFECTIVE OR NOT.

INTRODUCTION

The purchaser of a cooperative apartment buys shares of the corporation (the Apartment Corporation) which owns the building in which his apartment is located. Ownership of the shares entitles the purchaser to a special lease of his 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 building. As a lessee, he will pay as rent (customarily called maintenance charges) a proportionate share of the Apartment Corporation's cash requirements for the operation and maintenance of the building and creation of such reserve for contingencies as the Board may deem proper.

The prices for the blocks of shares allocated to the various apartments in the building are found at pages 6 to 8. THESE PRICES HAVE BEEN SET BY THE SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY ANY GOVERNMENTAL AGENCY. The estimated annual maintenance charges for each apartment for the first year of cooperative operation are also set forth on pages 6 to 8.

In the opinion of counsel for the Apartment Corporation, if this Plan becomes effective in accordance with its terms, each tenant-shareholder will have the right to deduct for income tax purposes his proportionate share of real estate taxes assessed against the property and mortgage interest paid by the Apartment Corporation.

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The agreement to purchase the Apartment Corporation's shares is called a Subscription Agreement and may be found at page 50.

A summary of the principal provisions of the proprietary lease may be found in Part I at pages 33 to 34. A copy of the entire lease is set forth in Part II at pages 29 to 117.

The Apartment Corporation's By-Laws governing operation of the Apartment Corporation are contained in Part II at pages 123 to 140.

The building was erected in 1928 and 1929. There are 45 apartments in this building, of which 41 are being offered for sale. The superintendent's apartment and the professional apartments on the first floor are not being offered for sale and are not included in this Plan. Most of the apartments in the building to which shares have been allocated are subject either to the Rent and Rehabilitation Law (the "Law") and the Rent, Eviction and Rehabilitation

Regulations of the New York City Housing and Development Administration (the "Regulations") or to the Rent Stabilization Law of 1969 (the "RSL"), and to the Code of the Rent Stabilization Association of New York City, Inc. (the "Code"). The 41 apartments which are being offered for sale include 21 rent controlled apartments, 18 rent stabilized apartments, 1 apartment which is decontrolled and 1 professional apartment (permitting home occupancy). As of the date of this Plan, apartment 16A is vacant. Apartment "Lobby A," the superintendent's apartment, and apartments 1A, 1B and 1C, those apartments used exclusively for professional purposes, are not being offered for sale and no shares have been allocated The applicable portions of the Code to those apartments. and Regulations are set forth in full in Part II at pages 72 These laws grant certain rights and privileges to tenants, whether or not they wish to purchase.

Starting at page 58 in Part II there is contained a detailed description of the property which should be carefully reviewed by the prospective purchaser.

Parts I and II together constitute the entire
Offering Plan. All the documents referred to in this
Offering Plan are important. It is suggested that you
consult your own attorney or financial advisor before purchasing and provide him with a copy of this Offering Plan.

SCHEDULE OF PURCHASE PRICES OF SHARES ALLOCATED TO APARTMENTS (and related information at the date of presentation of the Plan)

Purchase Prices, Share Allocations, Mortgage Allocations, Estimated Maintenance Charges and Estimated Income Tax Deductions for the First Year of Cooperative Operation

Apt.	No. of Rooms/ Baths	Share Alloca tions	P - A	Cash Purchase Price At \$1 Per Share	Additional Cash Price At \$19 Per Share	Total Cash	Approximate Amount of Mortgage Applicable To Shares At \$39 Per Share(2)	Charg	enance es hare(3) Monthly	Estimated Annual Deductible Income Tax Purposes At \$4.235 Per Share(4)
2A ¶	6/3	408		\$408	\$ 7,752	\$ 8,160	\$14,280	5,304	\$ 442.00	\$ 1,728
3A ¶	6/3	421		421	7,999	8,420	14,735	5,473	456.08	1,783
4A \$	5/2 PR			359	6,821	7,180	12,565	4,667	388.92 [.]	1,520
5A ¶	5/2 PR			363	6,897	7,260	12,705	4,719	393.25	1,537
6A ¶	5/2 PR			367	6,973	7,340	12,845	4,771	397.58	1,554
7A ¶	5/2 PR			371	7,049	7,420	12,985	4,823	401.92	1,571
8A ¶	5/2 PR			375	7,125	7,500	13,125	4,875	406.25	1,588
9A ∜	4/2 PR			289	5,491	5,780	10,115	3,757	313.08	1,224
10A ¶	4/2 PR	292		292	5,548	5,840	10,220	3,796	316.33	1,237
11A \$	4/2 PR			295	5,605	5,900	10,325	3,835	319.58	1,249
12A §	4/2 PR			298	5,662	5,960	10,430	3,874	322.83	1,262
14A §	9/5	676		676	12,844	13,520	23,660	8,788	732.33	2,863
15A §	9/5	684		684	12,996	13,680	23,940	8,892	741.00 -	2,897
16A	9/5	692		692	13,148	13,840	24,220	8,996	749.67	2,931
2B §	6/3	349		349	6,631	6,980	12,215	4,537	378.08	1,478
3B ¶	6/3	354		354	6,726	7,080	12,390	4,602	383.50	1,499
4B §	6/3	359		359	6,821	7,180	12,565	4,667	388.92	1,520
		J	- - -	Rent Con Rent Stal Powder R	bilized			I		

Additional footnotes appear on page 9.

Apt.	No. of Rooms/ Baths	Share Alloca- tions	Cash Purchase Price At \$1 Per Share	Additional Cash Price At \$19 Per Share	Total Cash Price(1)	Approximate Amount of Mortgage Applicable To Shares At \$39 Per Share(2)	Annual	enance es uare(3)	Estimated Annual Deductible Income Tax Purposes At \$4.235 Per Share(4)
5B (6/3	364	364	6,916	7,280	12,740	4,732	394.33	1,542
6B ¶	6/3	369	369	7,011	7,380	12,915	4,797	399.75	1,563
7B ¶	6/3	374	374	7,106	7,480	13,090	4,862	405.17	1,584
8B ¶	6/3	379	379	7,201	7,580	13,265	4,927	410.58	1,605
9B ¶	7/3	474	474	9,006	9,480	16,590	6,162	513.50	2,007
10B §	7/3	480	480	9,120	9,600	16,800	6,240	520.00	2,033
11B ¶	7/3	486	486	9,234	9,720	17,010	6,318	526.50	2,058
12B §	7/3	492	492	9,348	9,840	17,220	6,396	533.00	2,084
14B ¶	9/4	768	768	14,592	15,360.	26,880	9,984	832.00	3,252
15B ¶	9/4	776	776	14,744	15,520	27,160	10,088	840.67	3,286
16B §	9/4	784	784	14,896	15,680	27,440	10,192	849.33	3,320
2C 1	7/3	503	503	9,557	10,060	17,605	6,539	544.92	2,130
3C ¶	-	509	509	9,671	10,180	17,815	6,617	551.42	2,156
4C S	8/3	582	582	11,058	11,640	20,370	7,566	630.50	2,465
5C §	8/3	589	589	11,191	11,780	20,615	7,657	638.08	2,494
6C §	8/3	596	596	11,324	11,920	20,860	7,748	645.67	2,524
7C §	8/3	603	603	11,457	12,060	21,105	7,839	653.25	2,554
8C ¶	8/3	610	610	11,590	12,200	21,350	7,930	660.83	2,583
9C ¶	8/3	617	617	11,723	12,340	21,595	8,021	668.42	2,613
10C §	8/3	624	624	11,856	12,480	21,840	8,112	676.00	2,643

Rent Controlled Rent Stabilized ¶ § PR Powder Room

Additional footnotes appear on page 9.

Apt.	No. of Rooms/ Baths	Share Alloca- tions	Cash Purchase Price At \$1 Per Share	Additional Cash Price At \$19 Per Share	Total Cash Price(1)	Approximate Amount of Mortgage Applicable To Shares At \$39 Per Share(2)	Charge Per Sh Annual	enance es hare(3) Monthly	Estimated Annual Deductible Income Tax Purposes At \$4.235 Per Share(4)	
11C §	· .	631 638	631 638	11,989 12,122	12,620 12,760	22,085 22,330	8,203 8,294	683.58 691.17	2,672 2,702	
PHA S	5.5/3PR 3.5/1	300 300	O 500 300	9,500 5,700	10,000	17,500 10,500	6,500 3,900	541.67 325.00	2,118 1,271	
то	TALS \$2	0,000	\$20,000	\$380,000	\$400,000	\$700,000 \$	260,000	\$21,666.66	\$84,700	α

¶ - Rent Controlled
§ - Rent Stabilized
PR - Powder Room

Additional footnotes appear on page 9.

of phases for PHA + PHB changed

FOOTNOTES

- (1) Shares are offered to non-occupants at a total cash price of \$20 per share; such prices are subject to change without amendment to the Plan. Shares are also offered to occupants at a total cash price of \$20 per share; such prices are subject to change only by duly filed amendment to the Plan. (See page 21, "New York City Rent Regulations and Rights of Tenants in Possession.") The price for a block of shares will be changed only upon the opinion of the Selling Agent that the changed price bears a reasonable relationship to the portion of the value of the Apartment Corporation's equity in the building and the land on which it is situated attributable to the apartment to which the block of shares is allocated.
- (2) Tenant-shareholders will have no personal liability to the mortgagee for payment of the Apartment Corporation's mortgage indebtedness. Payment of interest on the mortgage is included in the monthly fraintenance charges. The amount of mortgage shown in this column will be reduced by regular payments of amortization, commencing two years after the closing.

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- (3) Estimated for the first year. (Does not include gas or electricity or interior maintenance in individual apartments.) Based on estimate of Selling Agent set forth on page 10 of this Plan.
- (4) Estimated for the first year to the nearest dollar. These amounts may vary because of changes in the amount of real estate taxes and interest on mortgage debt. These figures were computed by Wm. A. White & Sons. (See page 13.)

PROJECTED SCHEDULE OF INCOME AND EXPENSES FOR FIRST YEAR OF OPERATION AND LETTER OF ADEQUACY

Receipts: Annual Maintenance Charges 20,000 shares at \$13.00 per share Rent from professional offices(1) Laundry machines		\$ 260,000 15,240 1,000
Total Estimated Receipts:		\$ 276,240
Expenses: Operating: Labor, including wages, workmen's compensation and disability insurance, welfare and pension costs and payroll taxes (2) Heat and Hot Water (3) Power, Light and Gas Water Charges and Sewer Rent Building Insurance (4) Maintenance of Building, including general repairs and maintenance, elevator maintenance, supplies and sundries, uniforms and valet service, and telephone (5) Painting (public area only) (6) Management (7)	\$ 101,000 37,000 9,500 5,500 4,000	
Total Operating:		\$ 177,000
Real Estate at \$9.00 per \$100 on assessed valuation of \$480,000 for the tax year 1978/79, less abatement (8) Franchise, corporate and vault taxes		41,000 1,500
Total Taxes:		\$ 42,500

Mortgage Indebtedness:

Interest - 7% on \$700,000 \$ 49,000
(No amortization for first two years) (9)

Legal and Accounting 2,500

Contingencies (Includes \$130 for fidelity bond)

6,240

Total Expenses: (10)

\$ 276,240

Note: Real estate taxes will increase when the tax abatement described in footnote (8) expires. Mortgage payments will increase as the mortgage, by its terms, provides for higher annual payments in later years.

Footnotes appear on page 12.

FOOTNOTES

-			
(1)	Profession	nal Leases	
	Apt.	Term	Annual Rent
	lA	12/31/78 12/31/79	\$5,100 5,400
	18	6/30/80	4,800 (plus tax escalation)
	1c	month to month	\$4,500
(2)	<u>Payroll</u>		Per Week As of April 15, 1977
	One Doorm	ator Operators, <u>ea</u> an an/Elevator Operat	172.00

In accordance with the union contract with Local 32B, Service Employees International Union, which expires on April 14, 1979, on April 15, 1978, the superintendent's weekly wage shall be increased to \$189.50 and all other employees shall be increased to \$180.

(3) Based on average consumption for 1976 and 1977 of 92,000 gallons per year at 37¢ per gallon plus tax.

(4) Insurance

2/1/77-78, #SNY-8528753-01, Hartford Steam,
Boiler, \$100,000 (Included with other
properties) \$ 276.32

11/12/77-78, #500-33-05-03, Consolidated
Mutual, SMP, \$635,000 Bldg. 2,628.00

9/15/76-79, #05-10347/76, Public Service,
Cat. Umbr. Liab., \$5M,
1977 annual premium 96.00

(5) Does not include apartment hardware, tenant appliances (stoves, refrigerators, sinks, etc.).

Service Contracts - (Monthly)

Nortronics Corp closed circuit TV	\$ 22.92
Serge Elevator Co., Inc elevator	160.00
Esco Exterminating Co oral	16.20
Uniform Rental Co oral	52.00
Flower Rental Co oral	42.93

(6) Estimated average annual cost based on repainting every five to seven years.

- (7) The Sponsor has agreed to manage the building without charge for the first two years of operation as a cooperative. Thereafter, the Apartment Corporation will have to retain another managing agent at a fee to be agreed upon at that time.
- Based on 1978/79 assessed valuation of \$480,000, and a projected tax rate of \$9.00 per \$100 of assessed valuation, less J-51 tax abatement of \$4,150. The total abatement under J-51 is \$49,800 which is available to reduce taxes at the rate of \$4,150 per year for 12 years commencing 1977/78. The actual data for the current tax year (1977/78) and for the two preceding years are:

Tax Year	Assessed Valuation	Rate per \$100 Tax
1977/78	\$500,000	\$8.75 \$39,600.00 (after J-51 abatement)
1976/77 1975/76	525,000 525,000	8.795 46,173.72 8.187 42,981.72

Future assessments will be determined by the New York City Real Property Assessment Department and may result in taxes which are different from those estimated above. Certiorari proceedings are pending for 1960/61, 1961/62, and all years from 1968/69 to the present. Any refund received for years prior to the year in which title is conveyed to the Apartment Corporation shall belong to the Sponsor. The net refund, if any, for the year in which title is conveyed to the Apartment Corporation shall be prorated between the Sponsor and the Apartment Corporation.

- Payments on the mortgage for the first two years shall be interest only at the rate of 7% per annum or \$4,083.33 per month. For the next two years, payments shall be \$63,000 per annum or \$5,250 per month applied first to interest at 8% per annum and the balance in reduction of principal; for the last six years of the term, payments shall be \$66,500 per annum or \$5,542 per month applied first to interest at 8-1/2% per annum and the balance in reduction of principal.
- (10) In the opinion of the Selling Agent, the estimated receipts are adequate to meet the estimated expenses for the Apartment Corporation's first year of operation. The foregoing schedule, however, is not intended, and should not be taken, as a representation or guaranty by anyone that the annual rent (maintenance charges) or expenses for the first or any subsequent year of operation will be as set forth in the schedule.

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LETTER OF ADEQUACY
WM. A. WHITE & SONS

REAL ESTATE & INSURANCE 51 EAST 42** STREET · NEW YORK, N. Y. 10017

TELEPHONE: 682 2300

COMMERCIAL LEASING
APPRAISALS
MANAGEMENT
INSURANCE

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SALES MORTGAGES INDUSTRIAL CONSULTANTS

April 3, 1978

Park West Tenants Corp. 40 West 57th Street - Suite 1400 New York, N.Y. 10019

> Re: 9 Prospect Park West Brooklyn, New York

Gentlemen:

We have prepared for inclusion in the Offering Plan--A Plan to Convert to Cooperative Ownership Premises at 9 Prospect Park West, Brooklyn, New York--the foregoing Schedule of Projected Receipts and Disbursements for the first Full Year of Cooperative Operation Estimated to cover the Calendar Year 1979.

In our opinion, the estimates contained in said Schedule are reasonable and adequate, under existing circumstances, and the estimated receipts shown therein will be sufficient to meet the normal anticipated operating expenses of said first year of operation. ever, because of the possibility of unforeseeable changes in the econom or increases or decreases in expenses of operation, our estimates are not intended, and should not be taken, as representations, guaranties or warranties of any kind whatsoever, or as any assurance that the actual expenses or income of your corporation for the first year or any subsequent period of operation of the building by your corporation may not vary from the amounts shown, or that your corporation may not incur additional expenses, or that your board of directors may not provide for reserves not reflected in such Schedule, or that the annual maintenance charges for any period may not vary from the amounts shown It may be expected, based on current trends, that such items as real estate taxes, fuel costs, maintenance, repairs, labor and other related expenses will change in the future, but no estimates of the amount of these increases can be made since the causes are not within our control or the control of the Sponsor.

Park West Tenants Corp. Page 2
April 3, 1978

Our estimates are based on our analysis of the audited figures contained in said Plan which gives the three-year history of this building, on our own knowledge of existing conditions and on our experience in the management of cooperative apartment buildings.

Our firm is a licensed real estate brokerage and management firm that has been engaged in business for 109 years and is the managing agent of approximately 15 cooperative apartment houses.

You have advised us of your intention to incorporate this letter and said Schedule in the Plan and we hereby consent to such incorporation.

Very truly yours,

WM. A. WHITE & SONS

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By

H. J. BEHRMAN & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
666 FIFTH AVENUE
NEW YORK, N. Y. 10019

BROOKLYN OFFICE: 16 COURT STREET BROOKLYN. N. Y. 11241

To The Board of Directors of Punia and Marx, Inc.:

We have examined the statement of operations of the property located at 9 Prospect Park West, Brooklyn, New York for the years ended January 31, 1978, 1977 and 1976. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other procedures as we considered necessary in the circumstances.

No provision was made in this statement for depreciation of fixed assets, amortization of mortgage expense and interest on mortgage.

In our opinion, the accompanying statement presents fairly the results of operations of 9 Prospect Park West, Brooklyn, New York for the aforementioned periods, exclusive of depreciation of fixed assets, amortization of mortgage expense and interest on mortgage, in conformity with generally accepted accounting principles consistently applied during the periods.

H. J. Behrman - Company

New York, New York March 22, 1978

PUNIA AND MARX, INC.

9 PROSPECT PARK WEST, BROOKLYN, NEW YORK STATEMENT OF OPERATIONS FOR THE YEARS ENDED JANUARY 31, 1978, 1977 AND 1976

				,
INCOME:	1978	1977	1976	
INCOME.				• .
Rent income - apartments	\$230,670	\$228,037	\$207,914	cc
Miscellaneous income	3,816	1,145	1,061	Ac
			- 1,001	
GROSS INCOME	\$234,486	\$229,182	\$208,975	
-				1.
EXPENSES:			•	CC
Real estate taxes	\$ 42,339	\$ 44,844	\$ 41,157	
Water and sewer	5,354	5,480	5,276	Ì
Repairs and maintenance	2,359	3,701	28,401	1.
Insurance	3,628	2,651	3,385	
Payrol1	78,473	77,913	76,501	ÇС
Payroll taxes	7,637	7,239	6,563	
Elevator maintenance	3,188	2,494	5,535	, .
Painting and decorating	3,273	3,737	8,836	i
Supplies	1,790	1,688	6,396	
Gas and electric	8,632	8,325	8,925	1 .
Fuel	29,917	33,352	26,968	CC
Employees union benefits	8,094	8,269	7,055	1
Telephone	285	301	576	1 .
Legal and accounting	2,336	1,602	348	
Miscellaneous	4,551	3,803	3,020	· . L
TOTAL EXPENSES	\$201,856	\$205,399	\$228,942	CC
NET INCOME OR (LOSS)	\$ 32,630	\$ 23,783	<u>\$(19,967</u>)	:

COUNSEL'S INCOME TAX OPINION

Demov, Morris, Levin & Shein

ATTORNEYS AT LAW

EUGENE J. MORRIS 40 WEST 57TH STREET ROBERT D. LEVIN JOEL J. SPECTOR NEW YORK 10019 ROBERT C. HAMMERLING PAUL RICHARD KARAN

STEPHEN H. SHANE CRAIG L. COLLINS ALLAN D. GOOGRIDGE (212) 757-5050

CABLE DECAMOLAW TELEX 424291

JACOB S. DEMOV (1909-1974)

A. DAVIO BENJAMIN LOUIS PERLSTEIN EMANUEL E. WEISBERG HICHAEL R. RUSSAKOW ROBERT F. EBIN COUNSEL

April 3, 1978

Park West Tenants Corp. Suite 1400 40 West 57th Street New York, New York 10019

> 9 Prospect Park West Brooklyn, New York Plan of Cooperative Organization

Gentlemen:

ALMA SUZIN FLESCH

NORMAN J. WACHTEL

MIGHAEL L. TANCHUM STEPHEN SCHLARMAN KENNETH M. BLOCK MICHAEL H. KLEIN ARTHUR BIRNBAUM JONATHAN M. BRYER

BJORN R. KORITZ MICHAEL J. DIZORETT MARGRET LOUIS ALLEN F. LONGON RICHARO H. MERZ

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We have examined (a) the Offering Plan of Cooperative Organization ("the Plan") submitted for filing with the Department of Law of the State of New York in connection with the proposed offering of shares of Park West Tenants Corp. ("the Apartment Corporation"); (b) the Apartment Corporation's certificate of incorporation and by-laws; and (c) the letter from Wm. A. White & Sons (the Selling Agent under the Plan) wherein the Apartment Corporation is advised that, in the opinion of the Selling Agent, the price of each block of shares set forth in the Schedule of Purchase Prices bears a reasonable relationship to the portion of the value of the Apartment Corporation's equity in the building and land on which it is situated attributable to the apartment to which the block of shares is allocated.

We also note that the Plan provides that the price for a block of shares will be changed only upon the opinion of the Selling Agent that the changed price bears a reasonable relationship to the portion of the value of the Apartment Corporation's equity in the building and land on which it is situated attributable to the apartment to which the block of shares is allocated.

We have also considered the provisions of Section 216 of the Internal Revenue Code of 1954, Section 615 of the New York State Tax Law and Section T46-15.0 of the Administrative Code of the City of New York. These laws provide

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that a tenant-shareholder may deduct from his gross income amounts paid by a cash basis taxpayer or accrued by an accrual basis taxpayer within his taxable year to a "cooperative housing corporation" which represent certain real estate taxes, interest or both, paid or incurred by such corporation.

Based upon the Selling Agent's estimate set forth in the Plan, it would appear that at least 80% of the Apartment Corporation's gross income during its first year of cooperative operation will be derived from tenant-share-holders. Based on the foregoing, and subject to the qualifications set forth in the next paragraph of this letter, if the Apartment Corporation acquires title to the property pursuant to the terms of the Plan, it is our opinion that:

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- 1. The Apartment Corporation will, under present tax laws and regulations, qualify as a cooperative housing corporation.
- In computing their taxable income, tenantshareholders will be entitled to the income tax deductions permitted under the aforementioned statutes.

In rendering the foregoing opinion, we have read and considered the decision of the United States Court of Claims in Eckstein v. United States, 452 F.2d 1036 (Ct. Cl. 1971). The thrust of the decision is that income received by a cooperative apartment corporation from individual tenant-shareholders who are nominees of a corporation, will not be counted toward the 80% requirement in Section 216 of the Internal Revenue Code. This ruling should not be applicable to the Apartment Corporation since the Sponsor of the Plan, although a corporation, has agreed that none of the persons to be produced by the Sponsor as shareholders of the Apartment Corporation will be nominees of a corporation. HOWEVER, PROSPECTIVE PURCHASERS OF YOUR SHARES SHOULD CONSIDER THIS FACTOR IN EVALUATING THE OFFERING.

We have also considered the question of whether the Apartment Corporation will have taxable income by virtue of paying mortgage amortization in excess of allowable depreciation deductions. For purposes of this letter, we have assumed that the purchase price of the property is as set forth in the Plan and that the Apartment Corporation will choose to allocate 75% of the purchase price to depreciable improvements, the same ratio as the improvements bear to the total assessment of the property for real estate tax purposes. We have further assumed that the Apartment Corporation will elect the straight line method of depreciation

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and that the improvements have a remaining useful life of forty years. We have also assumed that the terms of the consolidated first mortgage and the terms of the proprietary lease dealing with the treatment of payments made on account of principal of any mortgages, as set forth in the Plan, will remain unchanged. Based on the foregoing assumptions, it is our opinion that during the ten-year term of said mortgage, the Apartment Corporation will not have taxable income by virtue of mortgage amortization payments being treated as income in excess of allowable depreciation deductions.

If the Apartment Corporation elects a different allocation, or a different method of depreciation or a different useful life, or if the purchase price or terms of said mortgage or proprietary lease change, or if the mortgage is refinanced, the Apartment Corporation may realize taxable income and the portion of this letter dealing with taxable income by virtue of mortgage amortization payments and depreciation should not be relied upon.

No warranties or representations are made by you, the Sponsor, the Selling Agent or the undersigned that the United States Treasury Department, the New York State Department of Taxation and Finance or the New York City Department of Finance will allow the deductions, or that the tax law or the regulations or rulings issued thereunder or any judicial interpretation thereof may not change so as to disallow the deductions, in whole or in part. Further, neither you, the Sponsor, the Selling Agent nor the undersigned shall be liable if for any reason it be held that the Apartment Corporation fails to meet the requirements of the Internal Revenue Code, the New York State Tax Law or the New York City Administrative Code or any amendments thereof.

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

Very truly yours,

DEMOV, MORRIS, LEVIN & SHEIN

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NEW YORK CITY RENT REGULATIONS AND RIGHTS OF TENANTS IN POSSESSION

As of the date of presentation of this Plan, most apartments shown in Section A are subject to the Law and Regulations or RSL and the Code.

THE SPONSOR HAS ELECTED TO PRESENT THE PLAN WITHOUT COMPLYING WITH THE REQUIREMENTS OF SECTION 55c.(3) OF THE REGULATIONS OR SECTION 61 OF THE CODE. ACCORDINGLY, UNDER EXISTING LAW, A TENANT IN OCCUPANCY OF AN APARTMENT IN THE BUILDING SUBJECT TO THE LAW AND REGULATIONS OR RSL AND THE CODE (AS THE CASE MAY BE) ON THE DATE OF PRESENTATION OF THE PLAN WILL HAVE THE RIGHT TO REMAIN IN OCCUPANCY OF HIS APARTMENT EVEN IF THE SHARES OF THE APARTMENT CORPORATION ALLOCATED TO HIS APARTMENT ARE SOLD TO A NON-TENANT OR TO A TENANT RESIDING IN ANOTHER APARTMENT IN THE BUILDING, AS LONG AS THE TENANT IN OCCUPANCY IS NOT IN DEFAULT OF HIS OBLIGATIONS UNDER HIS LEASE OR TENANCY.

Notwithstanding the foregoing, the Apartment Corporation and Sponsor have agreed that each tenant in occupancy of an apartment in the building on the date of presentation of the Plan will have an exclusive right to purchase the shares allocated to his apartment, at the Total Cash Price as set forth in Section A of the Plan, for a period of 90 days from the date of presentation of the Plan.

During the 90-day period in which tenants in occupancy of apartments in the building have a prior, exclusive right to purchase the shares allocated to their respective apartments, as set forth above, the Apartment Corporation will not accept Subscription Agreements from any other persons with respect to the shares allocated to such apartments except that any tenant in occupancy of an apartment in the building may submit to the Selling Agent an executed Subscription Agreement and downpayment for the shares allocated to another apartment in the building instead of his own apartment, at the Total Cash Price as set forth in Section A, conditioned on the availability of such shares. While the Subscription Agreement for such other apartment will not be accepted during the aforementioned 90-day period (unless the apartment is vacant and not subject to a lease or any exclusive purchase right of a previous tenant), it will be accepted immediately after the expiration of such period if the tenant of the other apartment, if any, has not theretofore submitted a Subscription Agreement for the If, however, the tenant of the shares allocated thereto. other apartment submits a Subscription Agreement for such shares, the Selling Agent will promptly return the first mentioned Subscription Agreement and downpayment, without If a tenant is successful in obtaining the shares allocated to a substitute apartment, any Subscription Agreement

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submitted for his own apartment will be cancelled and returned to him with the accompanying downpayment, without interest. Subscription Agreements for substitute apartments will be accepted by the Apartment Corporation on a "first come, first served" basis.

The Selling Agent will not show an apartment occupied by a tenant on the date of presentation of the Plan to prospective purchasers during the 90-day period following the date of presentation of the Plan unless it has received written advice from the tenant that he consents to the showing of his apartment, in which event the Selling Agent may exercise whatever right the landlord may have under the existing lease and/or law to show such apartment to prospective purchasers and also to accept unconditionally a Subscription Agreement from any prospective purchaser of the shares allocated to such apartment.

Each tenant in occupancy on the date of presentation of the Plan will be given written notice when the shares allocated to his apartment have been sold to someone else, which notice shall be given by the Selling Agent within 30 days after the date on which a Subscription Agreement for such shares has been accepted.

Obtaining Possession of Apartments: Obligations of Purchasers of Occupied Apartments

shares have been allocated are occupied by persons under leases. Consequently, a purchaser of the shares allocated to an apartment will obtain the proprietary lease for the apartment subject to (a) any lease for the apartment then in effect (and any renewal of the term thereof effected after the date of the Plan but prior to the date upon which the purchaser's Subscription Agreement is accepted), (b) any existing occupancy of the apartment, (c) the right of any existing tenant (who has not purchased the shares allocated to his apartment) to remain in possession of the apartment, and (d) all other rights of the existing tenant under the Law, Regulations, RSL and the Code, as the case may be.

If a tenant or other person occupying an apartment does not voluntarily remove from an apartment on the later of the date on which his lease (as the same may be renewed) expires or on which his right to continued occupancy under applicable law and the Regulations or the Code terminates, a purchaser, in order to gain occupancy of the apartment, may be required (at his own expense) to institute a summary dispossess proceeding in court. In any such proceeding, the court has a discretionary power to stay the issuance of a

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warrant of eviction for not more than six months depending upon the availability of other suitable accommodations and upon other factors.

NO REPRESENTATION IS MADE AS TO HOW LONG, OR IF

EVER, IT WILL TAKE FOR A PURCHASER OF STOCK ALLOCATED TO AN

APARTMENT OCCUPIED BY ANOTHER TO GAIN POSSESSION OF THE

APARTMENT.

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No representation or warranty is made that the Law, Regulations, RSL or the Code will or will not continue to apply to any apartments in the building or that there will or will not be any further amendments thereto. In the event that the Law, Regulations, RSL or the Code are amended, the Sponsor may amend the Plan to conform the Plan to the amended Law, Regulations, RSL or Code, as the case may be.

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

A purchaser who acquires the shares allocated to an apartment occupied by any such tenant will be required to pay to the Apartment Corporation the maintenance charges for such apartment, whether such maintenance charges are greater or less than the rent received from the tenant in occupancy. By reason of the terms of the purchaser's proprietary lease, and the Regulations or the Code, as the case may be, the

purchaser also will be responsible for the due performance of all of the obligations of the landlord under the lease with, or tenancy of, the tenant, including obligations to maintain, repair and replace plumbing fixtures, the refrigerator, range, lighting fixtures and other equipment in the apartment, and to paint the apartment as provided in the Law, Regulations, RSL and the Code, as the case may be.

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Any person interested in purchasing shares of the Apartment Corporation allocated to an apartment in which he does not reside is urged to examine any lease pertaining to the apartment to which such shares are allocated, verifying not only the expiration date of the lease (or 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 for such apartment after the closing under the Plan and the obligations of the landlord thereunder.

IT IS ALSO RECOMMENDED THAT EVERY SUCH PERSON

CONSULT AN ATTORNEY IN ORDER TO BECOME FULLY APPRISED OF THE

EFFECT OF THE LAW, REGULATIONS, RSL, AND THE CODE ON HIS

RIGHTS AS A PURCHASER AND HIS OBLIGATIONS TO ANY EXISTING

TENANT OR OCCUPANT.

A purchaser of the shares allocated to an apartment subject to a lease will be entitled to receive the
unapplied portion of any security deposit held by the Sponsor

under the terms of the lease. Such security must be held by the purchaser, in trust, in an interest-bearing account, in accordance with Section 7-103 of the New York General Obligations Law.

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EFFECTIVE DATE OF THE PLAN AND CLOSING DATE

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

- 1. The Plan may be declared effective if at least fifteen (15%) percent of shares of the Apartment Corporation allocated to apartments in the Building have been subscribed for pursuant to the terms of the Plan.
- 2. When Subscription Agreements have been executed and accepted for the sale to purchasers of at least 60% of the shares of the Apartment Corporation offered under the Plan, the Sponsor must declare the Plan effective.

The Sponsor will notify all purchasers and tenants when Subscription Agreements for <u>fifteen (15%)</u> percent of the shares of the Apartment Corporation have been executed and accepted.

After the Plan has been declared effective, title to the property will close on a date (herein sometimes

called "the Closing Date") to be fixed by the Sponsor, which shall be not less than 30 days nor more than 120 days thereafter unless the closing is adjourned.

The Plan will be declared effective by filed amendment.

The Apartment Corporation may at its option declare the Plan abandoned for any reason whatsoever before the quota referred to in the foregoing clause 2 has been reached. Once the Plan has been declared effective, it may not be abandoned except for a defect in title which cannot reasonably be cured, but there will be no obligation on the part of the Sponsor to incur expenses or engage in litigation to cure title defects.

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If the Plan has not been declared effective within 18 months from the date of its presentation, the Plan will be deemed abandoned and all moneys will be returned to purchasers, in full, without interest, as set forth on page 30.

on the Closing Date, fee title to the property will be conveyed to the Apartment Corporation and each purchaser will thereupon become obligated for the payment of maintenance charges under his proprietary lease, whether or not he has taken possession of the apartment and whether or not the tenant in possession, if there be one, pays the rent required to be paid by him. Certificates for the shares of

the Apartment Corporation and the accompanying proprietary lease will be issued to the respective purchasers as of the Closing Date and will be delivered promptly thereafter.

PROCEDURE TO PURCHASE - TRUST FUNDS

A person desiring to purchase shares of the Apartment Corporation will be required to execute a Subscription Agreement, in duplicate, in the form contained in Part II of this Plan at pages 50 to 57 and return it to the Selling Agent at 51 East 42nd Street together with a check for \$250, drawn to the order of Wm. A. White & Sons, as Agent, 9 Prospect Park West Sales Account.

After the Plan is declared effective, the Selling Agent will submit two copies of the proprietary lease to each purchaser for execution. The executed leases must be returned to the Selling Agent within 15 days thereafter.

The Sponsor will hold all moneys received by it directly or through its agents, employees or escrow agent, in trust, in a special account at Chemical Bank, 277 Park Avenue, New York, New York, entitled "Wm. A. White & Sons, as Agent, 9 Prospect Park West Sales Account," until actually employed in connection with the consummation of the Plan as herein described. In the event that insufficient funds are

raised through the Offering to effectuate the purchase of the property and the consummation of the Plan, or if the Plan is abandoned or withdrawn for any reason, or if title to the property is not acquired by the Apartment Corporation on or prior to December 31, 1979, for any reason whatsoever, then such moneys shall be fully returned to the purchasers, without interest. The amounts paid by the purchasers will be handled in accordance with the provisions of Section 352(h) of the New York General Business Law. No funds shall be released from escrow except under one of the following circumstances: default by a purchaser, abandonment of the Plan or transfer of stock allocated to an apartment to the purchaser thereof.

FINANCIAL FEATURES

The basic financial plan of this cooperative project is as follows:

Total cash amount of offering (20,000 shares) \$ 400,0
Mortgage Indebtedness
Total Purchase Price
Less Reserve Fund to be retained by Apartment Corporation
Net Purchase Price of Property to Sponsor \$ 1,050,000

TERMS OF THE MORTGAGE WHICH WILL AFFECT THE PROPERTY AT THE CLOSING DATE

There is a first mortgage on the property in the original principal amount of \$300,000 held by Chemical Bank. At the closing, this mortgage will be paid off and satisfied or assigned to the Sponsor and consolidated with the mortgage described below.

At the closing, the Apartment Corporation will execute and deliver to the Sponsor a new first mortgage in the amount of \$700,000 (which may be consolidated with the mortgage described above). For the first two years after the Closing, monthly payments of \$4,083.33 will be required, applied to interest only at the rate of 7% per annum. Commencing on the second anniversary of the closing, constant monthly payments of \$5,250 will be required, applied first to interest at the rate of 8% per annum and the balance in reduction of principal. Commencing on the fourth anniversary of the closing, constant monthly payments of \$5,541.67 will be required applied first to interest at the rate of 8-1/2% per annum and the balance in reduction of principal. mortgage will mature on the tenth anniversary of the closing and if all required payments have been timely made, the unpaid balance at that time will be approximately \$620,300.

If the Apartment Corporation does not arrange for refinancing or extension of the mortgage, it will have the responsibility of paying this amount. No representations are made as to availability of funds for refinancing, the interest rate or the cost of refinancing, at the time this mortgage becomes due.

The mortgage may be prepaid at any time, in whole or in part, on not less than thirty days' written notice and upon payment of a sum equal to 3% of the amount prepaid together with accrued interest. The additional sum required in the event of prepayment shall decline 1/2% per annum to a minimum of 1%.

The mortgage will require the Apartment Corporation to establish escrow accounts with the Sponsor or any subsequent holder of the mortgage for real estate taxes, water charges and sewer rents.

SUMMARY OF PRINCIPAL TERMS OF PROPRIETARY LEASE

(The following summary of the provisions of the proprietary lease does not purport to be a complete statement of all of its important provisions. Prospective purchasers are urged to read the entire proprietary lease.)

The proprietary lease will be for a term ending on September 30, 2077, but may be extended by vote of the shareholders. As a lessee, every shareholder of the Apartment Corporation will be obligated to pay the maintenance charges for his apartment as fixed by the Board of Directors. He will also have, among others, the following rights and obligations:

- (1) He may cancel his lease and surrender his shares to the Apartment Corporation (without receiving any compensation) effective as of September 30th after the third anniversary of Closing or as of any September 30th thereafter, on at least six months' prior notice to the Apartment Corporation, and if he elects to so cancel, he will have no liability for payment of maintenance charges after the effective date of the cancellation.
- (2) He will have the right to sell his shares and assign his proprietary lease, and sublet his apartment, at

any time in compliance with the provisions of the proprietary lease and the Apartment Corporation's By-Laws, which require that consent thereto 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 66% of the Apartment Corporation's outstanding shares.

(3) He will be responsible for the cost of interior repairs and decorating in his apartment.

The form of proprietary lease is printed in full at pages 79 to 117 in Part II. It may be changed only by the approval of lessees owning at least 75% of the Apartment Corporation's issued and outstanding shares.

APARTMENT CORPORATION

The Apartment Corporation was formed on November 9, 1977 under the Business Corporation Law of the State of New York. It has authorized capital of 20,000 shares of the par value of \$1.00 each. The By-Laws require not less than three nor more than seven directors. The present officers and directors have been designated by the Agent and will resign in favor of directors to be elected by the shareholders at a meeting to be held within 30 days after the

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Closing Date. Each shareholder will be entitled to one vote for each share held, but provision has been made for cumulative voting for directors consistent with the requirements of the New York Business Corporation Law. Thus, each shareholder will be entitled to cast a number of votes equal to the number of shares held multiplied by the number of directors to be elected and may give the total number of votes to one or more nominees in any proportion desired. Notwithstanding the foregoing, the Sponsor will cause the holders of unsold shares to agree that, after shares allocated to twenty-two apartments have been sold to persons who intend to live in same, and in no event after five years after the transfer of title to the Apartment Corporation, the holders of unsold shares will not elect a majority of the members of the Board of Directors.

The Apartment Corporation will have a lien on each shareholder's shares to secure payment of maintenance charges.

All expenses of the Apartment Corporation accruing up to and including the Closing Date will be paid by the Apartment Corporation from the proceeds of the sale of its shares.

UNSOLD SHARES

Date all of the shares allocated to all apartments have not been sold and fully paid for ("Unsold Shares"), the Sponsor will produce at Closing a financially responsible individual or individuals, resident in the State of New York, to whom all of the Unsold Shares will be issued and who will enter into proprietary leases for the apartments to which such shares are allocated (herein referred to as "Holder of Unsold Shares"). The individual or individuals, who may be shareholders of the Sponsor, will be purchasing for their own account and not as nominees.

If a Holder of Unsold Shares fails to fulfill his obligations under his proprietary lease, including the payment of all maintenance charges thereunder, the Sponsor will become liable for such obligations and the Apartment Corporation will have a lien upon the shares to secure the payment of all obligations under the proprietary lease. No bond or other security will be furnished by the Sponsor and the Sponsor's ability to perform will depend solely upon its financial condition, if and when called upon to perform. Any shares and leases acquired by a purchaser produced by the Sponsor may be sold or assigned or the apartment sublet

by him, subject only to the consent of the Agent or its successor, which consent will not unreasonably be withheld. A purchaser produced by the Sponsor may elect to become the occupant of the apartment covered by his proprietary lease, subject only to the consent of the Agent, and, from the time that he becomes the occupant thereof, the Sponsor shall no longer be responsible for the performance of his proprietary lease.

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RESERVE FUND

On the Closing Date, from the amount of cash raised by this Offering, the Apartment Corporation will retain the sum of \$50,000. This reserve fund may be held for working capital (plus or minus closing adjustments), and for repairs and other appropriate corporate purposes as determined by the Board of Directors, but the fund will in no event be reduced below \$25,000 by virtue of closing adjustments.

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

THIS PROPERTY IS OFFERED IN ITS CURRENT CONDITION
AS SET FORTH IN THIS OFFERING PLAN. NO GOVERNMENT AGENCY

HAS PASSED UPON THE ADEQUACY OF THE RESERVE FUND OR ON THE PHYSICAL CONDITION OF THE BUILDING.

CONTRACT OF SALE

By agreement dated as of November 15, 1977, the Sponsor has contracted to sell the property to the Apartment Corporation subject to the following exceptions:

- A. The terms and provisions of the Plan.
- B. Zoning regulations and ordinances which are not violated by existing structures.
- C. Encroachments of stoops, areas, cellar steps, trim and cornices, if any, upon any street or highway and/or variations between fences, retaining wall, coping and record lines.

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- D. Any state of facts an accurate survey may show provided same do not render title unmarketable.
- E. Leases and/or monthly tenancies, subleases and rights of occupancy thereunder or otherwise, as same may be affected by laws now in effect, and rulings, decisions or interpretations by any court, agency or administrative body, affecting the premises.
- F. Purchase money first mortgage in the sum of \$700,000 described on page 31.

- G. Right of governmental or municipal authorities to require the removal of any vaults, coal chute, boiler room or other projection or encumbrances which may be beyond the building line.
- H. Rights, if any, relating to the construction and maintenance in connection with any public utility, of wires, poles, pipes, conduits and appurtenances thereto, on, under or across the premises.
 - I. Management agreement with Punia and Marx.
- J. Certificate of occupancy no. 12571 issued by the Department of Buildings of the City of New York.
- K. Covenants and restrictions of record provided they do not interfere with the present use of the premises.
- L. Consents by any owner of the land for the erection of any structure or structures on, under or above abutting streets.
- M. The lien of any unpaid franchise or corporation taxes with respect to any corporation in the chain of title provided that the title company insuring the Apartment Corporation's title agrees to insure against the collection thereof out of the property.
- N. Variations between lot lines of the land and those shown on the tax map of the City of New York (Kings County).

O. The lien of any unpaid real estate and vault taxes and water charges and sewer rents (to be apportioned).

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p. Existing service, concession and union contracts, as the same may be renewed or extended, and such substitute contracts as may be in force and effect on the Closing Date.

The Apartment Corporation's title will be insured in the amount of the purchase price by Chicago Title Insurance Company and the premium for this insurance will be paid by the Apartment Corporation.

Title will be conveyed free and clear of all violations of record, except radio and television antennae violations and those violations which are the obligation of tenants to cure. The Sponsor may adjourn the Closing from time to time in order to perform any work necessary to cure such violations. The property will be conveyed in the same condition as on the date of this offering, reasonable wear and tear excepted.

The sale includes all fixtures and articles of personal property attached to or used in connection with the operation of the property. All kitchen appliances owned by the Sponsor will become the property of the Apartment Corporation on the Closing Date and may be used by tenant-share-holders without charge. If a non-purchasing tenant vacates his apartment and removes a kitchen appliance belonging to

him, the Sponsor, at its own expense, will supply a replacement which may not be new but will be in good working order and will be similar in size and quality to the appliances contained in the building on the presentation date of this Plan.

The agreement provides that the following items will be apportioned between the Sponsor and the Apartment Corporation as of the date preceding the closing of title:

- Rents (as and when collected);
- Real estate taxes;
- Water charges and sewer rents;
- Fuel and utility charges;
- Prepaid insurance premiums;
- 6. Payments under service and union contracts;
- Mortgage interest;
- 8. Wages and payroll expenses including vacation accruals and other obligations payable to employees;
- 9. Fees for assignable permits and licenses;
- 10. Assignable deposits.

The security deposit, if any, of a tenant who purchases will be refunded to him after the closing of title if he is not in default under his lease or tenancy. The security deposit of a non-purchasing tenant who is not in default under his lease or tenancy will be transferred after the closing of title to the purchaser of the shares allocated to

the apartment. Security held under professional leases will be transferred to the Apartment Corporation on the Closing Date.

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

SPONSOR'S PROFITS

The Sponsor expects to make a profit from the sale of the property to the Apartment Corporation. However, the exact amount cannot be determined because of such variable factors as the uncertainty of future market conditions, losses sustained by reason of the Sponsor's responsibility for performance of proprietary leases acquired by the Holders of Unsold Shares, and the length of time required to sell all the shares offered under this Plan.

SPONSOR'S RIGHT TO RENT

The Sponsor reserves the right to rent, prior to the Closing Date, on such terms as it deems desirable, any apartments or professional space now vacant or becoming vacant between the date of presentation of the Plan and the Closing Date, provided, however, that in the case of apartments, the new rent shall not exceed the maximum rent permissible under the Regulations or Code, and in the case of the professional space, the aggregate rent therefor shall

not be less than the aggregate rent payable at the date of presentation of the Plan. The Sponsor also reserves the right prior to the Closing Date to extend any or all of the service and concession contracts listed above, or to renew or replace any which may expire.

MANAGEMENT AGREEMENT AND OTHER CONTRACTUAL ARRANGEMENTS

A summary of all contracts, appointments, agreements and binding obligations made or to be made by Sponsor that will be binding upon the cooperative organization, is as follows:

Management Agreement

On the Closing Date, the Apartment Corporation will enter into an agreement with Punia and Marx, a partnership whose partners are Charles Punia and William Marx, the sole shareholders of the Sponsor, to act as managing agent of the property for a period of two years from the Closing Date. The managing agent has agreed to serve without compensation during that period. The management agreement will not be assignable by the managing agent and shall not be cancellable by the latter unless the Apartment Corporation fails or refuses to comply with or abide by any rule, order, determination, ordinance or law of any federal, state or

municipal authority. The agreement will be cancellable by the Apartment Corporation at any time after the first year of its term on not less than sixty (60) days' written notice as of the end of any calendar month.

The services to be rendered to the Apartment Corporation by the managing agent will include: (a) billing and collecting maintenance charges and rent; (b) supervising, hiring and discharging employees; (c) supervising repairs; (d) purchasing supplies for the building; (e) maintaining the corporate books and attending directors' and share-holders' meetings; (f) paying mortgage charges; (g) maintaining payroll records and filing withholding tax statements for building employees; (h) furnishing monthly reports of receipts and disbursements to the President and Treasurer of the Apartment Corporation.

Corporation and the managing agent will be bonded at all times under a fidelity bond in favor of the Apartment Corporation in the amount of \$50,000 for each loss. The cost of the bond will be borne by the Apartment Corporation and has been provided for in the estimate of the Apartment Corporation's expenses contained in the schedule at page 10. This bond will not be cancelled by the Apartment Corporation while the Sponsor controls the Board of Directors.

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Labor Contract

The building's employees are covered by a contract with Local 32-B of the Building Service Employees Union.

The contract is of the standard form and expires April 14,

1979.

IDENTITY OF PARTIES

and William Marx, both of whom have been engaged in the real estate business in New York City for many years. Messrs.

Punia and Marx have been involved in the following cooperative offerings in New York: Valentine Gardens Cooperative, Palmer Terrace Cooperative and a prior cooperative offering in 1971 for 9 Prospect Park West. They maintain offices at 16 Court Street, Brooklyn, New York.

established in 1868 and has been the managing agent of more than two dozen buildings which have been converted from rental to cooperative ownership in the City of New York, most of which it continues to manage for the tenant-share-holders. The Agent is a licensed real estate broker.

Demov, Morris, Levin & Shein, Esqs., with offices at 40 West 57th Street, New York, New York 10019, are counsel to the Sponsor in connection with this Offering and have

prepared this Plan. Another attorney will be retained by the Sponsor to act as counsel to the Apartment Corporation, and will serve in that capacity until the first meeting of shareholders. The fees and disbursements of these attorneys for all services rendered will be paid by the Sponsor.

DOCUMENTS TO BE RECEIVED PERIODICALLY BY SHAREHOLDERS

REPORTS TO SHAREHOLDERS

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

- A. An income tax deduction statement for the previous calendar year prepared by the accountant for the Apartment Corporation by March 15.
- B. An annual audited financial statement prepared by an independent certified public accountant to be received by March 15.
- C. Notice of the holding of an annual shareholders' meeting for the purpose of electing
 a Board of Directors to be received at least
 10 days but not more than 40 days prior to
 the date fixed for the annual meeting.

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

DOCUMENTS ON FILE

In accordance with Section 352-e(9) of the General Business Law, copies of this Offering Statement -- Plan of Cooperative Organization and all exhibits or documents referred to herein shall be available for inspection by prospective purchasers and by any person who shall have purchased securities offered by this Plan or shall have participated in the offering of such securities, at the office of the Agent, Wm. A. White & Sons, 51 E. 42nd Street, New York, New York, and shall remain available for such inspection for a period of six years.

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GENERAL

The Plan does not knowingly omit any material fact or contain any untrue statement of any material fact. Exact copies are contained in Part II hereof of the proprietary lease, subscription agreement, By-Laws and house rules.

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

This Plan is offered only to persons over 18 years of age resident in the State of New York.

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

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

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

Dated:

PUNIA AND MARX, INC.

By: s/William Marx

Sponsor

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SUBSCRIPTION AGREEMENT

PARK WEST TENANTS CORP. NEW YORK, NEW YORK

Information for non-tenant purchaser(s):	Purchaser(s)
Existing lease expires	
	Apartment
or	Purchase Price \$
Monthly tenancy ()	Down Payment \$250
Rent under existing lease or tenancy	Balance \$
\$ per month	
	No. of Shares
Rent Controlled	Rent Stabilized

- 1. As Purchaser, I have received and read the Offering Statement--Plan of Cooperative Organization (the "Plan") with respect to premises 9 Prospect Park West, Brooklyn, New York, dated , 197 , and a copy of the proprietary lease, which documents are made part hereof.
- 2. I hereby agree to purchase the above-stated number of shares of Park West Tenants Corp. (the "Apartment Corporation"), allocated to the above-described Apartment (the "Apartment"), for the Purchase Price stated above and to become the proprietary lessee of the Apartment in said premises.
- 3. A. Herewith is my check to the order of Wm. A. White & Sons Special Account, for \$250. I agree that, if

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and after the Plan becomes effective, as herein provided, I will pay the above-stated balance of said purchase price within fifteen days after written notice and demand by Wm. A. White & Sons (the "Agent") or the Apartment Corporation (which notice shall state the date of closing of title), such payment to be by personal certified check or official bank check drawn on a New York bank to the order of Wm. A. White & Sons Special Account, delivered to the Agent at 51 East 42nd Street, New York, New York, and that I will execute the proprietary lease (in duplicate) for the Apartment promptly upon presentation to me in the form contained in Part II of the Plan. The Agent will give me prompt written notice when the Plan either becomes effective or is abandoned.

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B. The date of commencement of the term of said proprietary lease, and the date of issuance of the certificate for the aforesaid shares, which may be inserted by either the Agent or the Apartment Corporation, shall be the date when the Apartment Corporation acquires title to said premises (the "Closing Date"). Provided that I shall have paid the full purchase price for said shares, as provided for herein, and shall not be in default hereunder, I am to receive the certificate for the aforesaid shares, together with my executed copy of said proprietary lease,

promptly after the Apartment Corporation acquires such title. If I shall not be the tenant of the Apartment when said proprietary lease is issued, I will accept the proprietary lease subject to the then tenant's lease, if any, and tenancy of the Apartment.

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c. I understand that if the tenant in occupancy does not voluntarily remove from the Apartment when his lease expires or is terminated, or his right to occupancy ends, I shall be required to obtain possession at my own expense. I further understand that if the Apartment is subject to an existing tenancy, I will, after the Closing Date, be assuming the seller's rights and obligations under the existing lease or tenancy which will include the obligation to repair and maintain the Apartment for the benefit of the existing tenant and the right to collect rent payable under the existing lease and tenancy whether the same be greater or less than the proprietary rent established by the proprietary lease.

4. A. Punia and Marx, Inc. (the "Sponsor")
will hold all moneys received by it or through its agents or
employees in trust until actually employed in connection
with the consummation of the transaction. All such moneys
will be deposited by the Agent with Chemical Bank, New
York, New York, and will be held in trust in a special

account under the name of "Wm. A. White & Sons Special Account," or similar name. The funds so deposited will be disbursed only at the closing and only for the purposes of the consummation of the Plan or returned to me as herein provided. I shall not be entitled to interest on the sums deposited by me.

- B. My signing of this Subscription Agreement shall constitute my acceptance of the Apartment in the condition in which it shall be on the Closing Date, including the existing kitchen, bathroom and other appliances, fixtures, air conditioning units and installations, if any.
- 5. A. It is agreed that this agreement is contingent upon the Plan being declared effective as provided in the Plan.
- B. The Plan may be abandoned by the Sponsor at any time prior to its being declared effective and shall be abandoned and deemed abandoned if it has not been declared effective within the time prescribed by the Plan.
- C. If the Plan is abandoned or does not become effective, or, if after being declared effective, the Plan shall not be consummated for any reason as provided in the Plan, this agreement shall be deemed canceled and the Plan terminated and I am to receive, not later than forty-five (45) days thereafter, in full, all moneys paid by me

hereunder, without interest, and, upon such repayment no party shall have any claim against any other party or person, the Sponsor, the Apartment Corporation or the Agent, and all parties shall be released from all obligations hereunder.

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- D. Title shall be transferred to the Apartment Corporation not earlier than 30 days nor later than 120 days after the Plan has been declared effective, unless the closing of title is adjourned.
- balance of the purchase price when due, as herein provided, the Apartment Corporation may elect to cancel this agreement by mailing a written notice to me at my residence or at the address stated below, by registered or certified mail, return receipt requested, and at the expiration of 30 days after the date of mailing thereof (unless I shall have theretofore paid the balance of the purchase price in full), said notice shall be effective and this agreement shall be deemed canceled and all rights of the parties hereunder shall terminate except that the amount of said down payment shall be paid over to the Sponsor, without interest, as liquidated damages. In the event of such cancellation, the Sponsor or Apartment Corporation shall have the right to

sell said shares and proprietary lease to another purchaser as though this agreement had never been made. I understand that the time of payment of the balance of the purchase price is of the essence of this agreement.

7. A. The entire agreement between the parties hereto is set forth herein and in the Plan. The only representations made to me are those contained herein and in the Plan. I have not relied upon any representations, statements or warranties, written or oral, as to any matter or estimate, that are not set forth herein and in the Plan; and I acknowledge that I have had full opportunity to investigate all facts referred to and stated herein. This agreement is not assignable by me without the prior written consent of the Apartment Corporation and shall bind and apply to the parties hereto and their personal and legal representatives, successors and assigns and may not be changed orally.

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- B. Conflicts between this agreement and the Plan shall be resolved in favor of the Plan.
- 8. The Purchaser shall acquire no rights of subrogation, participation or other rights or interests in or to the buildings or any part thereof or any interest therein by reason of the execution of this agreement, except such rights as may be acquired under a proprietary lease of

the apartment if and when said proprietary lease, duly executed by the Apartment Corporation, is delivered to the Purchaser as provided in paragraph 3B hereof.

9. This agreement shall not be binding on me or the Apartment Corporation until I, as Purchaser, shall be accepted, by endorsement hereon by the Apartment Corporation or the Agent, and a fully signed copy thereof shall have been delivered to me. If this agreement shall not be accepted within forty (40) days of the date hereof by the delivery to me of such endorsed and fully signed copy, this Purchase Agreement shall be deemed to be rejected and canceled and my deposit shall be promptly refunded to me, without interest.

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- 10. I represent that I am a person resident in the State of New York and that I am over 18 years of age.

 The term "I" shall be read as "we" and "Purchaser" shall be read as "Purchasers" if more than one person are subscribers, in which case our obligations shall be deemed joint and several.
- 11. Except as otherwise provided herein, notices
 shall be delivered or mailed as follows: to the Purchaser(s),
 at the address stated below; and to the Agent and to the
 Apartment Corporation, at the Agent's office.
 - 12. All representations of the parties contained

herein will surviv	ve the issua	nce of the shares, proprietary
lease and the clos	sing.	·
Dated:	, 197 .	
·		
		Purchaser
		Purchaser
	•	
		Second Purchaser,
		if more than one
		·
		Address of Purchaser
APPROVED AND ACCES	PTED:	
PARK WEST TENANTS	•	
By: WM. A WHITE & SONS, Selling Agent		
Ву:		•

SPONSOR'S STATEMENT OF PRESENT CONDITION OF BUILDING (Including Age and Description of Building, Apartments and Equipment)

The Sponsor represents that the Statement of Present Condition of Building that follows accurately states the condition of the Building, the equipment and the land on which the Building stands. With reference to the Sponsor's preparation of the Statement the Sponsor consulted with Albert J. Marlo, Registered Architect, who made visual inspection of, and who reported on, the Building and the apartments and equipment therein. No mechanical tests or removal of walls, ceilings or other structural elements were made.

The Sponsor represents that it does not know of any defect or need for material repairs except as hereinafter set forth.

THE BUILDING IS OFFERED IN ITS CURRENT CONDITION.
NEITHER THE SPONSOR NOR THE APARTMENT CORPORATION WILL HAVE ANY
OBLIGATION TO MAKE REPAIRS OR IMPROVEMENTS EXCEPT AS SET FORTH
IN THIS PLAN. THE SPONSOR WILL, HOWEVER, MAINTAIN AND OPERATE
THE BUILDING UNTIL THE CLOSING DATE IN SUBSTANTIALLY THE SAME
MANNER AND CONDITION AS ON THE DATE OF PRESENTATION OF THE PLAN,
AND WILL CURE OR CAUSE TO BE CURED ALL VIOLATIONS OF RECORD
AGAINST THE BUILDING ON THE CLOSING DATE (EXCEPT VIOLATIONS
CAUSED BY THE ACTS OF TENANTS, THE MAINTENANCE OF TELEVISION
ANTENNAE, AIR CONDITIONING UNITS OR WINDOW ANCHORS AND EXCEPT
FOR ANY VIOLATION WHICH RELATES TO THE UPGRADING OF THE OIL
BURNER).



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ARCHITECTS AND URBAN PLANNERS 222 EAST 31st ST. N.Y., N.Y. 10016 TELEPHONE / 212-MU4-4333

November 15, 1977

REPORT OF INSPECTION

APARTMENT BUILDING - 8-12 PROSPECT PARK WEST KNOWN AS 9 PROSPECT PARK WEST BROOKLYN, N. Y.

An inspection has been made at the above premises, Building Department records have been examined and searched, and the following is a report of our findings.

GENERAL DESCRIPTION OF BUILDING & LEGAL

The building is a 15 story and penthouse structure with cellar. The construction is class 1. fireproof. The building is erected on a corner plot which has a frontage of 100'-0" on President Street and 100'- 1 7/8" on Prospect Park West. This is the S.W. corner of President Street and Prospect Park West. The south lot line is 94'-6 1/4" and the west lot line is 100'-0" long.

The building was erected as a New Law Tenement between 1928 and 1929, under N.B. application 14776/28 and T.H. 148/28 Certificate of Occupancy No. 58107/29 was issued. There is presently in effect an amended Certificate of Occupancy No. 205174, which was issued on January 21, 1971, which permits occupancy of 45 apartments including the superintendent's and the four professional apartment 2B also permits home occupancy).

The building is situated on Lot No. 37 in Block 1068, Eprough of Brooklyn, City of New York and is in an R-8 District which is a multi-family residence district, which permits medium high density.

The building registration number is 300752. As of date of this search,

there were only minor violations pending regarding specific apartment painting.

EXTERIOR

The exterior front walls consist of a granite base, limestone to the 3rd floor sill on Prospect Park West and President Street, and hard burned dark red brick to the penthouse floor level. The walls rise straight up for 15 stories. There are lines of decorative cast stone at the 3rd floor level, 4th floor level and 13th floor level. The cornice at the 16th floor level is a precast concrete decorative cornice, covered with a Spanish tile. All window sills above the 3rd floor are slate.

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There is an application of ornamental precast concrete around 4 windows at the 4th floor and 12th floor level on the two sides of the building fronting on streets.

The rear yard and court walls also rise straight up to the penthouse floor level and are a buff colored brick. The parapet at this level is cast stone and Spanish tile. The penthouse sets back from the main walls all around, and is painted brick - 1 story.

Above the penthouse is a brick roof house bulkhead enclosing elevator shaft, stair shaft, and water tanks.

There is much ornamental cast stone around penthouse terrace and on roof bulkhead.

The penthouse roof finish and bulkhead roof finish are built up roofing, standard copper flashing, cast stone and Spanish tile coping all in good condition.

The penthouse terrace is quarry tile finish, copper flashing, cast stone and Spanish tile coping and has a wrought iron railing around most of the terrace

All are well maintained and in good repair, except some pointing is necessary to insure water tightness of quarry tile.

The service entrance is on President Street. From the service entrance a flight of metal stairs takes you to the lower yard level from which the service elevator is accessible in the cellar.

The yards and court are in good condition and well maintained. The ash lift from the boiler room is inoperative.

Most of the windows in the building are double hung wood windows and frames and are in fair condition.

There is evidence in many apartments that these frames are allowing moisture to penetrate at the sill and head of windows causing some damage to plaster walls adjacent to windows. In some apartments which were inspected, the owners have replaced old dried out windows. This condition is mostly found on the eastern exposure of the building.

The fire escape on the rear (south west) portion of the building extends from the penthouse to the yard and is in good condition but needs painting.

The main entrance is on Prospect Park West and framed in ornamental cast stone. There is a canopy extending over the sidewalk.

The sidewalk on Prospect Park West is in fair condition and does need to have some flags replaced or repaired.

The small planted area across the entire Prospect Park West frontage is well maintained and well planted with evergreens and hedgerow.

INTERIOR

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Cellar

The cellar contains one legal apartment occupied by an on premises employe storage room, laundry room, gas meter room, electric meter room, 3 elevator mote

rooms, boiler room, helps' locker room and 7,800 gallon fuel oil tank vault.

The cellar floor and ceiling are painted concrete. The walls are painted brick. The cellar is well maintained and in excellent condition. All pipes, ducts and conduits are posted and color coded for easy recognition and maintenance.

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First Floor

The main entrance vestibule is on Prospect Park West at street level and leads to the elevator lobby. Three doctors' offices and the superintendant's apartment are reached from this lobby. There is an outside entrance on President Street to one doctor's office and a service entrance to the rear yard and cellar.

2nd and 3rd Floors - contain 3 apartments each

- 1 apartment is 7 rooms, foyer and 3 bathrooms
- 2 apartments are 6 rooms, foyer and 3 bathrooms
- 4th, 5th, 6th, 7th, and 8th Floors contain 3 apartments each
 - 1 apartment is 8 rooms, foyer and 3 bathrooms
 - 1 apartment is 6 rooms, foyer and 3 bathrooms
 - 1 apartment is 5 rooms, foyer and 2 1/2 bathrooms
- 9th, 10th, 11th, and 12th Floors contain 3 apartments each
 - 1 apartment is 7 rooms, foyer and 3 bathrooms
 - 1 apartment is 5 rooms, foyer and 3 bathrooms
 - 1 spartment is 4 rooms, foyer and 2 1/2 bathrooms
- 13th, 14th, and 15th Floors contain 2 apartment each
 - 1 apartment is 9 rooms, foyer and 4 bathrooms
 - 1 apartment is 9 rooms, foyer and 5 bathrooms

Penthouse (16th Floor) - contains 2 apartments

1 apartment is 4 rooms, foyer and 1 bathroom

1 apartment is 6 rooms, foyer and 2 1/2 bathrooms.

Both apartments have ample terrace space.

Above the penthouse there is a masonry roof house enclosing the house water tank and the fire storage tank.

The roof of the penthouse is built up roofing in good condition and standard copper flashing in good condition. The terrace is quarry tile, in need of some pointing, and standard copper flashing in good condition. The parapet and coping are Spanish tile and cast stone in good condition. The wrought iron railing and fire escape are painted and in good condition.

SERVICES

The building is serviced by three Otis electric elevators, direct connected worm gear traction. Two of the elevators are used as passenger elevators and the 3rd is a combination freight and passenger elevator. The capacity of each car is 2,000 lbs. All three elevators extend from the cellar to the 15th floor, but only two service the penthouse floor (one passenger and one freight), and one ash lift from the boiler room to grade on President Street (ash lift is inoperative). The north passenger elevator has been replaced with a completely new cab and motors and is completely automated. A television monitor has been installed in this automated elevator.

The building is provided with one fully enclosed fire tower, a protected stair (which contains a standpipe system) and one fire escape.

All apartments have access to two means of egress. The standpipe is provided in the south stair.

The elevators are attendant operated and in apparently good working order, though vintage equipment, except for the north elevator which is completely new, as mentioned above.

Cab interiors and lighting - The cab of the south passenger elevator is wood interior finish (walnut), well maintained vinyl asbestos floor and lighted by flourescent fixtures. The north elevator is laminate finish.

The service elevator has aluminum painted metal cab and is lighted by an incandescent bulb.

The elevators were last inspected by the Department of Buildings on 8/9/77.

The machinery rooms are in the cellar and though the equipment is original, it appeared to be well maintained and working well. The north elevator is all new equipment.

The laundry room in the basement contains one coin operated washing machine and one coin operated dryer. There are seven tubs and four windows which provide adequate ventilation. The room is unattended and open from 8:00 a.m. to 5:00 p.m. Monday through Saturday.

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PLUMBING, HEATING AND AIR CONDITIONING

The sanitary and storm drainage systems consist of heavy cast iron, soil lines, leaders and sewer lines. The vents are galvanized iron.

Cold water is brought in by street main and pumped up to the roof storage tank. Water is supplied by down feed system and pressure seems to be adequate where checked.

Hot and cold water lines throughout are galvanized except where recent repairs were made, brass has been used as a replacement. Considering the date of erection, it can be assumed that some galvanized piping will need replacement. periodically.

Bathroom fixtures are generally china basins and water closets with flushometers. Some low down tanks were installed where pressure is not adequate to CC
operate flushometers.

Tubs are enameled iron and showers are tile enclosed with glass enclosure doors.

Hot water is generated by a tankless coil and is reported to provide adequate supply. (5,000 gallon storage tank in boiler room)

Two pumps are used alternately for lifting water to roof tanks. Pumps are well kept and appear to be functioning well. The house tank (8,000 gallons nominal) and fire reserve tank (3,500 gallons) are located in a masonry enclosed bulkhead above the penthouse. Tanks are accessible by fixed iron ladders reached from the penthouse floor level and the penthouse roof level.

The kitchen fixtures are varied - enameled iron sinks, enameled range, etc. Most have been installed by the tenants.

The heating system is a two pipe steam system. There are two boilers, Fitzgibbons Scotch Marine type, with burners which consume #6 oil, and a hot water storage tank located in the boiler room. The plant is neatly piped and well maintained. The boilers are well kept and in good condition, but have not been upgraded in compliance with air pollution regulations. The system is manually operated and has a minimum of automatic control (Pressure regulated on The radiators are vintage type cast iron, generally enclosed in all apartments and attractive.

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Most apartments have window type air conditioners. There is no central air conditioning system and no through the wall units. Tenants and personnel report heat to be more than adequate.

There is a small standby boiler in boiler room which is obsolete and useles

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ELECTRIC

The building is supplied with A.C. current and has 600 ampers, 3 phase, 4 v service. The Edison box is 12' x 20" x 6" which is too small and present code requires a box of 30" x 40" x 18'. There are two main switches of 400 ampers.

and 200 ampere; both show signs of overloading and both are over fused.

There are 43 apartment meters; 38 are 3 wire 220 volt meters and 5 are 2 wire 115 volt meters.

Much new meter work has been done and may be in violation in some instances.

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Cellar motors are serviced by live front panel boards and controls which create a safety hazard for personnel operating same.

Washing machines are not grounded or on separate circuits.

Apartment panels are over fused. Most apartments have 30 ampere service feed wires; at least 60 ampere service wires should be provided. (220 volt)

Apartments should be provided with proper air conditioner outlets and circuitry.

Apartment outlets and switches seem adequate.

Intercom has been restored and is completely operative throughout.

The building requires an adequate wiring job.

STRUCTURE

The building is of completely fire proof construction, concrete slabs and fire proofed steel skeleton with brick enclosure walls.

Main entrance on Prospect Park West.

Doctor's office entrance on President Street.

Service entrance on President Street.

Windows and frames generally wood, except on lot lines - metal with wire glass.

Terrace is quarry tile.

Roofs - built up roll roofing.

Coping - cast stone and Spanish tile.

Public corridors - concrete, terrazo (1st floor) only. Assorted finishes Cooncrete slabs.

Stairs - steel.

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Apartment floors in bedrooms, living rooms, foyers - oak in good condition where inspected.

Kitchen floors - concrete covered with various tiles, (vinyl, asbestos, etc.)

Walls and ceiling - plastered in good condition.

Walls 3" gypsum or plaster blocks.

Bathroom - ceramic tile floors, 4" high ceramic tile all around except over tubs or in showers, full height.

Kitchen cabinets - varied, many tenant installations.

Fire tower - steel stair, painted concrete floor.

Main entrance lobby - vestibule has faiance tile floor, wood and glass entry doors, plaster walls and ornamental plaster ceiling, all in good condition and well maintained.

Lobby - Faiance tile floor, marble base, plaster walls and ornamental plaster ceiling, all in good condition. Lighting by decorative sconces.

Completely new mail box installation has been provided in the lobby.

SUMMARY OF OPINION

This building is over 40 years old. It was substantially built and well maintained. The rooms are well proportioned and have good light and ventilation

The major areas which need attention are the electrical, windows, and oil burner upgrading.

The windows and frames, particularly on the east wall should be either replaced or scraped, painted and thoroughly recaulked. There is evidence that much recaulking and painting of masonry is now being done or has recently been done. Some areas of the masonry enclosure walls need repainting, but not all purfaces.

The electrical service of the building has been modified to some extent, but an adequate wiring job is essential to insure proper service to meet the constantly increasing demand for electrical supply.

Some instances of paint peeling off plaster was noted. If moisture penetration is stopped, these conditions will be remedied in most instances.

Sidewalks require some replacement of sections.

Albert J. Marlo, R.A.

APT.	TENANT	LANDLORD
1-A		Small Kelvinator Refrigerator
2-A		1 Door Refrigerator 6 Burner Caloric
3-A	Caloric 4 Burner Stove Hot Point Frost-Free Refrigerator under the counter dishwasher Washing Machine	
4-A		<pre>2 Door G. E. Refrigerator 4 Burner Slattery Stove</pre>
5-A	G. E. Refrigerator	6 Burner Caloric Stove
6 - A	Caloric Stove and Oven G. E. 2 Door Refrigerator under the counter dishwasher Washing Machine & Dryer	
7 - A	2 Door Refrigerator	Slattery 6 Burner Stove
8-A		6 Burner Slattery Stove G. E. Refrigerator
9-A	2 Door Philco Refrigerator Caloric 4 Burner Stove	
10-A		l Door Refrigerator (Frigidaire) Caloric 6 Burner Stove
11-A		2 Door Refrigerator 4 Burner Caloric
12-A.		Magic Chef 4 Burner Stove 2 Door Refrigerator
14-A	2 Door Frigidaire Refrigerator 4 Burner Stove Under the counter dishwasher	
15-A	Dishwasher Washing Machine	2 Door Kelvinator Refrigerator 4 Burner Welbilt Stove
16-A	·	2 Door G. E. Refrigerator No Stove
Pentho	ouse "A"	Frigidaire 4 Burner Elec. Stove

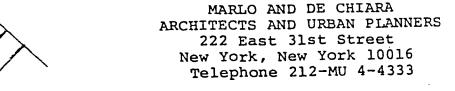
1-B

Professional Apt.

APT.	TÉNANT	LANDLORD
•	-	_
2- B	G. E. One Door Refrigerator A M C Stove	
3-В	2 Door Westinghouse (19 cu.) Washing Machine	6 Burner Caloric Gas Stove
4-B		4 Burner Stove Westinghouse Two Door Refrigerator
5-B	4 Burner Stove G. E. 2 Door Refrigerator Dishwasher	a to to garage Floor
6-B	Westinghouse 2 Door Refrigerator	Caloric Stove Elec.
7-B	Coldspot 2 Door Refrigerator Washing Machine	36" Slattery Imperial
E-8	G.E. 2 Door Refrigerator Chambers Gas Stove Dishwasher Washing Machine & Dryer	
9-3	G.E. Refrigerator Roper 6 Burner Stove Under the counter dishwasher Washing Machine & Dryer	
10-В	Two Door Admiral Refrigerator 6 Burner Caloric Stove Under the counter dishwasher	
11-B	Caloric 4 Burner Stove Two Door G. E. Refrigerator Under the counter dishwasher	
12-B	Dishwasher (Portable)	G. E. Two Door Refrigerator Roper 4 Burner Stove
14- B	G. E. Two Door RefrigeratorG. E. 4 Burner StoveUnder the counter dishwasher	
15-8	One Door Frigidaire and Freezer One Two Door Westinghouse Refrigerator 4 Burner Caloric Stove Washing Machine	
. 16-1	Washing Machine Dishwasher	4 Burner Magic Chef Stove 2 Door G. E. Refrigerator

APT.	TÉNANT	LANDLORD
Penthous	e "BŸ	2 Door General Elec. Refrigerator Frigidaire 4 Burner Electric Stove
1-C	•	One Door Refrigerator
2-C		Roper No. 6 Stove -6Burner 2 Door Frigidaire
3-C	Roper Stove G. E. One Door Refrigerator Under the counter dishwasher	-
4-C		<pre>2 Door Refrigerator G. E. 4 Burner Magic Chef Stove</pre>
5-C		Two Door G. E. Magic Chef Stove
6-C	Caloric 4 Burner Range 2 Door Freezer Dishwasher	•
7-C	-	2 Door G. E. Refrigerator Magic Chef Stove
8-8	G.E. 2 Door Refrigerator Chambers Gas Stove Dishwasher Washing Machine & Dryer	
9-B	G.E. Refrigerator Roper 6 Burner Stove Under the counter dishwasher Washing Machine & Dryer	
10-5	Two Door Admiral Refrigerator 6 Eurner Caloric Stove Under the counter dishwasher	•
11-2	Caloric 4 Burner Stove Two Door G. E. Refrigerator Under the counter dishwasher	
12-8	Dishwasher (Portable)	G. E. Two Door Refrigerator Roper 4 Burner Stove
14-B	G. E. Two Door Refrigerator G. E. 4 Burner Stove Under the counter dishwasher	

APT.	TENANT	IANDLORD
15-B	One Door Frigidaire and Freezer One Two Door Westinghouse Refrigerator 4 Burner Caloric Stove Washing Machine	
16-3	Washing Machine Dishwasher	4 Burner Magic Chef Stove 2 Door G. E. Refrigerator
Penthous	se "B"	2 Door General Elec. Refrigerator Frigidaire 4 Burner Electric Stove
1-C		One Door Refrigerator
2-C		Roper No. 6 Stove -6Burner 2 Door Frigidaire
3-C	Roper Stove G. E. One Door Refrigerator Under the counter dishwasher	
4-C		2 Door Refrigerator G. E. 4 Burner Magic Chef Stove
5~C		Two Door G. E. Magic Chef Stove
6-C	Caloric 4 Burner Range 2 Door Freezer Dishwasher	
7-C		2 Door G. E. Refrigerator Magic Chef Stove



April 12, 1978

AMENDMENT TO REPORT OF INSPECTION
8-12 PROSPECT PARK WEST, BROOKLYN, N. Y.

Attached hereto is a list of all violations of record as of this date. As noted previously, all are minor in nature and most concern painting. Painting is being attended to as rapidly as tenants make their spaces available.

All foundation walls are of poured concrete.

The boiler chimney is constructed of brick masonry.

The vestibule is of materials similar to the lobby as previously described, floor, wall, ceiling, etc. There are two front doors 3' x 7' x 2" thick wood. Each door contains 12 6" x 9" glass lites in the upper half. Doors are Colonial in motif and have brass kick plates and bronze saddles. Night bells and locks are provided at these doors.

The vestibule is lighted by 4 decorative sconces, 2 on the north and 2 on the south walls. Each sconce is provided with 2 clear light bulbs.

The ceiling is decorated plaster.

The South wall of the vestibule contains a Loeffler inter-com panel with buzzers.

The 2 inner doors are $3' \times 7'$, wood with leaded glass in the upper halves.

The inner doors are provided with buzzer releases and locks. The door saddle is stone.

The canvas canopy at the front entrance is in need of repair and is in the process of being replaced. At the front entrance, under the canopy is a decorative light fixture containing a 300 watt light bulb.

All apartment entrances are off the elevator lobbies, or foyers. All apartment entry doors have access to either the north or south stairs.

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The apartment entry foyers are provided with various lighting fixtures since most are tenant decorated. Floors which were originally terazzo also vary due to tenant decoration. Each apartment has a metal entry door which is provided with a peep hole. All hardware is brass.

Roof drainage is accomplished by cast iron leaders and area drains positioned at low points so as to collect storm water. In some instances this is ineffective due to the need of repair or replacement of the quarry tile roof finish. The past winter has aggravated the need for repair of roof tile surfaces.

The south stair hall which extends from the lobby to the penthouse floor and which is provided with a standpipe system contains a 5' wide steel stair with concrete treads.

This stair has metal pipe railings. All floors and landings are painted concrete. Stair is painted and in good repair. The stair enclosure has steel and wire glass windows at each landing. The halls and stairs are illuminated by incandescent and fluorescent fixtures.

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The North stair is also steel with concrete treads, pipe railings, concrete landings, all items painted and in good repair. Stair is 31" wide and extends from rear court yeard to penthouse roof. Lighting is by incandescent bulbs. This South stair hall has access to service elevator and service entrance doors to all apartments. Doors are metal. All hall areas are in good repair, well maintained and painted.

Standpipe - each landing of the South stair is provided with a metal hose rack which holds 75' of standard fabric fire hose and nozzle. Hoses appear to be in good condition.

Refuse collection - refuse is placed outside apartment service entrances in plastic bags and is collected twice daily by building employees. Refuse is then stored outside in rear yard until day of scheduled pick up.

The two oil burners are York rotary type in good working order. Burners burn #6 oil. Last boiler inspection was November 7, 1977.

All air conditioners are tenant owned.

All apartments except 2 penthouse apartments have individual gas meters. Capability of metering penthouses

exists as all apartments are piped for gas.

Electric charges for 45 apartments are made on an individually metered basis. Common building facilities are on separate meter.

All apartment lighting fixtures are varied due to individual tenant arrangements.

Television antennas are owned by individual tenants.

Laundry equipment is owned and maintained by Savo

Wash Corp., and includes one washer and one dryer.

Albert J.

VIOLATION REPORT

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lotation No.	
45	D26-12.01 ADM Code. Paint with light colored paint to the satisfaction of this department walls and ceiling of all room 7 sty. Apt. 7A. [Tenant has refused entry to paint the apartment.]
62	D26-12.01 ADM Code. Paint with light colored paint to the satisfaction of this department

	apartment.]
54	D26-12.01 ADM Code. Paint with light colored
_	paint to the satisfaction of this department
	walls and ceiling 2nd room from front 7 sty.
	Ant 77 [monant has refused enter to main!

Apt. 7A. [Tenant has refused entry to paint the apartment.]

walls and ceilings of all rooms 2nd sty. Apt. 2A. [Tenant has refused access to paint

- 65 D26-10.01 ADM Code. Abate the nuisance consisting of concealed leak wall under kitchen window 3 sty. Apt. 3A. [This violation has been corrected but not removed of record.]
- وأريان سيفتد الماري 74 D26-10.01 ADM Code. Repair the broken or defective plastered surfaces and paint in a uniform color ceiling of west bathroom 14 story Apt. 14B.
- 75 D26-12.01 ADM Code. Paint with light colored paint to the satisfaction of this department ceiling of kitchen and southwest room 14 story Apt. 14B.
- 76 D26-10.01 ADM Code. Repair the broken or defective plastered surfaces and paint in a unif color east walls of center east and northeast rooms 14 story Apt. 14B.
- 77 D26-10.01 ADM Code. Repair the broken or defective plastered surfaces and paint in a uniform color walls and ceiling of northeast bathroom 14 story Apt. 14B.
- 78 D26-10.01 ADM Code. Reapir the broken or defective plastered surfaces and paint in a uniform color east wall of front northeast room 14 story Apt. 14B.

- 7. Notwithstanding anything contained herein to the contrary, any renewal or vacancy lease executed after notice to the HDA that a proposed cooperative or condominium Plan has been submitted to the Attorney General may contain a provision that the lease may be cancelled after 90 days' notice to the tenant that the Plan has been declared effective. In any lease containing such a provision, upon a submission of the Plan of cooperative or condominium ownership to the tenant after acceptance for filing by the Attorney General, no increase in rent may be collected thereafter pursuant to said lease. If the Plan is abandoned then the rent will be at the rate set forth in said lease from the date of abandonment.
- 8. When the 35% requirement, provided in 4 (a) above, has been met the owner will promptly notify all occupants and shall file a copy of the notice with the HDA along with an affidavit indicating the total number of apartments involved in computing the 35 per cent and the names and apartments of the purchasing tenants.
- 9. (a) If after an offering Plan is presented to the tenants it is substantially amended prior to the transfer of title to the cooperative corporation, the time periods set forth in this Section 61 shall be extended, if applicable, from the date such amended offering Plan is presented to the tenants, as follows:
- (i) If such date of presentation occurs during the ninety-day period provided under subsection 4(b), such period shall terminate not less than thirty days thereafter;
- (ii) If such date of presentation occurs at any time after such ninety-day period under subsection 4(b) has expired, then for 30 days after such date a tenant in occupancy shall have the exclusive right to purchase on such amended terms, during which time his apartment shall not be shown to a third party unless he has, in writing, waived his right to purchase; followed by a period of 30 days or, if such date occurs during the six-months period provided under subsection 4(c) by the balance of such six-months period, whichever is later, during which time the tenant shall have the rights provided under subsection 4(c);
- (iii) The one-year period provided under subsection 4(d) shall in no event terminate less than six-months after such date of presentation.
- (b) "Substantial amendment" shall include but not be limited to: an increase or decrease in the mortgage amount or cash purchase price, an increase in the working capital or reserve fund, agreement by the Sponsor to make additional repairs or improvements, or to repurchase apartments, or the offer of new or better terms for financing the purchase price of an apartment.
 - (c) Nothing contained in this subsection 9 shall shorten any of the time periods in subsections

4(b), 4(c) or 4(d) but shall only extend the same, if applicable; nor shall anything contained in this subsection 9 extend the 18-month period provided in 4(f).

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

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Apt. No.:

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PARK WEST TENANTS CORP.

Lessor,

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PROPRIETARY LEASE

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PROPRIETARY LEASE

PROPRIETARY LEASE, made as of , 19 , by and between PARK WEST TENANTS CORP., a New York Corporation, having an office at 9 Prospect Park West, Brooklyn, New York, hereinafter called the Lessor, and

hereinafter called the Lessee.

WHEREAS, the Lessor is the owner of the land and the building erected thereon in Brooklyn, New York, known as and by the street number 9 Prospect Park West, hereinafter called the building; and

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

NOW, THEREFORE, in consideration of the premises, Demisethe Lessor hereby leases to the Lessee, and the Lessee hires Prem;CC from the Lessor, subject to the terms and conditions hereof, in the building (hereinafter referred to as Apartment the apartment) for a term from , 19 September 30, 207/1, (unless sponer terminated as hereinafter provided). As used herein "the apartment" means the rooms in the building/as partitioned\on the date of the execution of this lease designated by the above-stated apartment number, together with their appurtenances and fixtures and any closets, terraces, balconies, roof, or portion thereof outside of said partitioned rooms, which are allocated exclusively to the occupant of the apartment.

The rent (sometimes called maintenance) Rent payable by the Lessee for each year, or portion of a year, (Mai during the term shall equal that proportion of the Lessor's nanc. cash requirements for such year, or portion of a year, which How F the number of shares of Lessor allocated to the apartment bears to the total number of shares of the Lessor issued and outstanding on the date of the determination of such cash requirements. Such maintenance shall be payable in equal monthly installments in advance on the first day of each month, unless the Board of Directors of the Lessor (hereinafter called Directors) at the time of its determination of the cash requirements shall otherwise direct. The Lessee shall also pay such additional rent as

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NOW, THEREFORE, in consideration of the premises, Demi the Lessor hereby leases to the Lessee, and the Lessee hires Pren from the Lessor, subject to the terms and conditions hereof, in the building (hereinafter referred to as Apartment , 19 the apartment) for a term from , until September 30, 2077, (unless sooner terminated as hereinafter provided). As used herein "the apartment" means the rooms in the building as partitioned on the date of the execution of this lease designated by the above-stated apartment number, together with their appurtenances and fixtures and any closets, terraces, balconies, roof, or portion thereof outside of said partitioned rooms, which are allocated exclusively to the occupant of the apartment.

1.(a) The rent (sometimes called maintenance) Rent payable by the Lessee for each year, or portion of a year, (Mai during the term shall equal that proportion of the Lessor's nanc cash requirements for such year, or portion of a year, which HOW 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 other wise direct. The Lessee shall also pay such additional rent as

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may be provided for herein when due.

Accompanying Shares to Be Specified in Proprietary Leases

Cash Requirements Defined

- (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" 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, liabilities or expenses incurred or to be incurred, after giving income expected to be received during consideration to (i) such period (other than rent from proprietary lessees), and (ii) cash on hand which the Directors in its discretion may choose to apply. The Directors may from time to time modify its prior determination and increase or diminish the amount previously determined as cash requirements of the corporation for a year or portion thereof. No determination of cash requirements shall have any retroactive effect on the amount of the rent payable by the lessee for any period prior to the date of such determination. All determinations of cash requirements shall be conclusive as to all lessees.

Authority Limited to Board of Directors

- Issuance of Additional Shares
- (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.
- (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.

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

Paid-i. Surplus

The omission of the Directors to determine the Lessor's cash requirements for any year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof, or a release of the Lessee from the obligation to pay the maintenance or any installment thereof, but the maintenence 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.

Failur Fix C Requior ments

The Lessor shall at its expense keep in good repair all of the buildings including all of the apartments, the eidewalks and courts surrounding the some, 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.

Lessel Repair

The Lessor shall maintain and manage the building as Co a first-class apartment building, and shall keep the elevators and the public halls, cellars and stairways clean and Serv properly lighted and heated, and shall provide the number of Lesso: attendants requisite, in the judgment of the Directors, for the proper care and service of the building, and shall provide the apartment with a proper and sufficient supply of hot and cold water and of heat, and if there be central air conditioning equipment supplied by the Lessor, air conditioning when deemed appropriate by the Directors. 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, also what existing services shall be increased, reduced, changed, modified or terminated.

Damage to Apartment or Building

4.(a) If the apartment or the means of access thereto or the building shall be damaged by fire or other cause covered by multiperil policies commonly carried by cooperative corporations in New York State (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 repaired or re-· placed, equipment, fixtures, furniture, furnishings or decorations installed by the Lessee or any of his predecessors in title nor shall the Lessor be obligated to repaint or replace wallpaper or other decorations in apertments.

.≪kent ÅAbatement (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
Due to Damage

(c) If the Directors shall determine that (i) the building is totally destroyed by fire or other cause, or (ii) the building is so damaged that it cannot be repaired within a reasonable time after the loss shall have been adjusted with the insurance carriers, or (iii) the destruction or damage was caused by hazards which are not covered under the Lessor's insurance policies then in effect, and if in any such case the record holders of at least two-thirds of the issued shares, at a shareholders' meeting duly called for that purpose held within 120 days after the determination by the Directors, shall vote not to repair, restore or rebuild, then upon the giving of notice pursuant

to Paragraph 31 hereof, this lease and all other proprietary leases and all right, title and interest of the parties thereunder and the tenancies thereby created, shall thereupon wholly cease and expire and rent shall be paid to the date of such destruction or damage. 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.

- (d) Lessor agrees to use its best efforts to obtain a provision in all insurance policies carried by it waiving the right of subrogation against the Lessee; and, to the extent that any loss or damage is covered by the Lessor by any insurance policies which contain such waiver of subrogation, the Lessor releases the Lessee from any liability with respect to such loss or damage. In the event that 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.
- 5. The Lessor shall keep full and correct books of account at its principal office or at such other place as the Directors may from time to time determine, and the same shall be open during all reasonable hours to inspection by the Lessee or a representative of the Lessee. The Lessor shall deliver to the Lessee within a reasonable time after the end of each fiscal year an annual report of corporate financial affairs, including a balance sheet and a statement of income and expenses, certified by an independent certified public accountant.
- 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 effected. 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

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changes except that the proportionate share of rent or cash requirements payable by any lessee may not be increased nor may his right to cancel the lease under the conditions set forth in Paragraph 35 be eliminated or impaired without his express consent. Approval by lessees as provided for herein shall be evidenced by written consent or by affirmative vote taken at a meeting called for such purpose.

Penthouses, Terraces and Balconies

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

Assignment of Lessor's Rights Against Occupant 8. If at the date of the commencement of this lease, any third party shall be in possession or have the right to possession of the apartment, then the Lessor hereby assigns to the Lessee all of the Lessor's rights against said third party from and after the date of the commencement of the term hereof, and the Lessee by the execution hereof assumes all of the Lessor's 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.

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

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

Quiet Enjoymen.

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.

Indem

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

Payment Rent

The Lessor has adopted House Rules which are House appended hereto, and the Directors may alter, amend or repeal such House Rules and adopt new House Rules. lease shall be in all respects subject to such House Rules

Rules

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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

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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 Lessec and Lessce's spouse, their children, grandchildren, parents, grandparents, brothers 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. In addition to the foregoing, the apartment may be occupied from time to time by guests of the Lessee for a period of time not exceeding one month, unless a longer period is approved in writing by the Lessor, but no guests may occupy the apartment unless one or more of the permitted adult residents are then in occupancy or unless consented to in writing by the Lessor.

Subletting

15. Except as provided in Paragraph 38 of this lease, the Lessee shall not sublet the whole or any part of . the apartment or renew or extend any previously authorized sublease, unless consent thereto shall have been duly authorized by a resolution of the Directors, or given in writing by a majority of the Directors or, if the Directors shall have failed or refused to give such consent, then by lessees owning at least 65% of the then issued shares of the Lessor. Consent by lessees as provided for herein shall be evidenced by written consent or by affirmative vote taken at a meeting called for such purpose. Any consent to subletting may be subject to such conditions as the Directors or lessees, as the case may be, may impose. There shall be no limitation on the right of Directors or lessees to grant or withhold consent, for any reason or for no reason, to a subletting.

Assignment

16. (a) Except as otherwise provided in this lease, the Lessee shall not assign this lease or transfer the shares to which it is appurtenant or any interest

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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
- (v) A search or certification from a title or abstract company as the Directors may require; and
- (vi) Except in the case of an assignment, transfer or bequest to the Lessee's spouse, of the shares and this lease, and except as provided in Paragraphs 17, 38 and 39 of this lease, consent to such

assignment shall have been authorized by resolution of the Directors, or given in writing by a majority of the Directors; or, if the Directors shall have failed or refused to give such consent within 30 days after submission of references to them or Lessor's agent, then by lessees owning of record at least 66% of the then issued shares of the Lessor. Consent by lessees as provided for herein shall be evidenced by written consent or by affirmative vote taken at a meeting called for such purpose in the manner as provided in the by-laws.

Consents: On Death of Lessee

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

Consents Generally: Stock-holders' and Directors' 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 theratofore 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. The restrictions on the assignment of this lease, as hereinbefore set forth, are an especial consideration and inducement for the granting of this lease by the Lessor to the Lessee. No demand or acceptance of rent from any assignee hereof shall constitute or be deemed to constitute a consent to or approval of any assignment.

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 6

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

17. Nothing contained in this lease shall preclude the Lessee from pledging this lease and the shares of stock of the Lessor specified in the recitals at page 1 of this lease without first complying with the requirements of Paragraph "16" in respect to an assignment of this lease, provided however that the rights of any such pledgee and of any purchaser on a sale pursuant to any such pledge shall be subject to all of the terms, conditions and covenants contained in this lease; and, compliance with the provisions of said Paragraph "16" by a proposed occupant of the apartment shall be required as if he were an assignee of the Lessee. The acceptance by the 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 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 responsible for the maintenance, repair, and replacement of plumbing, gas and heating fixtures and equipment and such refrigerators, dishwashers, removable and through-the-wall air conditioners, washing machines, ranges and other appliances, as may be in the apartment. Plumbing, gas and heating fixtures as used herein shall include exposed gas, steam and water pipes attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which the Lessee may install within the wall or ceiling, or under the floor, but shall not include gas, steam, water or other pipes or conduits within the walls, ceilings or floors or air conditioning or heating equipment which is part of the standard building equipment. The Lessee shall be solely responsible for the maintenance, repair and replacement

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of all lighting and electrical fixtures, appliances, and equipment, and all maters, 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.

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

Rules and Regulations and Requirements of Mortgage

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(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.

If the Lessee shall fail for 30 days after notice to make repairs to any part of the apartment, its fixtures or equipment as herein required, or shall fail to remedy a condition which has become objectionable to the Lessor for reasons above set forth, or if the Lessee or any person dwelling in the apartment shall request the Lessor, its agents or servants to perform my act not hereby required to be performed by the Lessor, the Lessor may make such repairs, or arrange for others to do the same, or remove such objectionable condition or equipment, or perform such act, without liability on the Lessor; provided that, if the condition requires prompt action, notice of less than 30 days 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. Lessee shall fail to perform or comply with any of the other covenants or provisions of this lease within the time required by a notice from Lessor (not less than 5 days), then Lessor may, but shall not be obligated. to comply 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.

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 buildings or the contents thereof. If, by reason of the occupancy or use of the apartment by the Lessee, the rate of fire insurance on the building or an apartment or the contents of either shall be increased, the Lessee shall (if such occupancy or use continues for more than 30 days after written notice from the Lessor specifying the objectionable occupancy or use) become 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 addi-

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Alterations

(a) The Lessee shall not, without first obtaining the written consent of the Lessor, which consent shall not be unreasonably withheld, make in the apartment or building, or on any roof, penthouse, terrace or balcony appurtenant thereto, any alteration, enclosure or addition or any alteration of or addition to the water, gas, or steam risers or pipes, heating or air conditioning system or units, electrical conduits, wiring or outlets, plumbing fixtures, intercommunication or alarm system, or any other installation or facility in the apartment or building. The performance by Lessee of any work in the apartment shall be in eccordance with any applicable rules and regulations of the Lessor and governmental agencies having jurisdiction thereof. The Lessee shall not in any case install any appliances which will overload the existing wires or equipment in the building.

Removal of Fixtures

(b) Without Lessor's written consent, the Lessee shall not remove any fixtures, appliances, additions or improvements from the apartment except as hereinafter provided. If the Lessee, or a prior lessee, shall have heretofore placed, or the Lessee shall hereafter place in the apartment, at the Lessee's own expense, any additions, improvements, appliances or fixtures, including but not limited to fireplace mantels, lighting fixtures, refrigerators, air conditioners, dishwashers, washing machines, ranges, woodwork, wall paneling, ceilings, special doors or decorations, special cabinet work, special stair railings or other built-in ornamental items, which can be removed without structural alterations or permanent damage to the apartment, then title thereto shall remain in the Lessee and the Lessee shall have the right, prior to the termination of this lease, to remove the same at the Lessee's own expense, provided: (i) that the Lessee at the time of such removal shall not be in default in the payment of rent or in the performance or observance of any other covenants or conditions of this lease; and (ii) that the Lessee shall, at the Lessee's own expense, prior to the termination of this lease, repair all damage to the apartment

which shall have been caused by either the installation or removal of any of such additions, improvements, appliances or fixtures; (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.

(c) On the expiration or termination of this lease, the Lessee shall surrender to the Lessor possession of the apartment with all additions, improvements, appliances and fixtures then included therein, except as hereinabove provided. Any additions, improvements, fixtures or appliances not removed by the Lessee on or before such expiration or termination of this lease shall, at the option of the Lessor, be deemed abandoned and shall become the property of the Lessor and may be disposed of by the Lessor without liability or accountability to the Lessee.

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

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to execute the same upon such demand, and the Lessee hereby ratifies any such instrument hereafter executed by virtue of the power of attorney hereby given.

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

Mechanic's Lien 23. In case a notice of mechanic's lien against the building shall be filed purporting to be for labor or material furnished or delivered at the buildings 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 buildings 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 apart-

ment and storage space to its proper and usual condition at Lessor's expense if such repairs are the obligation of Lessor, or at Lessee's expense if such repairs are the obligation of Lessee or are caused by the act or omission of the Lessee or any of the Lessee's family, guests, agents, employees or subtenants. In order that the Lessor shall at all times have access to the apartment or storage rooms for the purposes provided for in this lease, the Lessee shall provide the Lessor with a key to each lock providing access to the apartment or the storage rooms, and if any lock shall be altered or new lock installed, the Lessee shall provide the Lessor with a key thereto immediately upon installation. If the Lessee shall not be personally present to open and permit an entry at any time when an entry therein shall be necessary or permissible hereunder and shall not have furnished a key to Lessor, the Lessor or the Lessor's agents (but, except in an emergency, only when specifically authorized by an officer of the Lessor or an officer of the Managing Agent) may forcibly enter the apartment or storage space without liability for damages by reason thereof (if during such entry the Lessor shall accord reasonable care to the Lessee's property), and without in any manner affecting the obligations and covenants of this lease. The right and authority hereby reserved do not impose, nor does the Lessor assume by reason thereof, any responsibility or liability for the care or supervision of the apartment. or any of the pipes, fixtures, appliances or appurtenances therein contained, except as herein specifically provided.

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

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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, addressed to the Lessor at the building with a copy sent by regular mail to the Lessor's Managing Agent; if to the Lessee, addressed to the building. Either party may by notice served in accordance herewith designate a different address for service of such notice or demand. Notices or demands shall be deemed given on the date when mailed.

Reimbursements
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

(a) The Lessor shall not be liable, except by reason of Lessor's negligence, for any failure or insufficiency of heat, or of air conditioning (where air conditioning is supplied or air conditioning equipment is maintained by the Lessor), water supply, electric current, gas, telephone, or elevator service or other service to be supplied by the Lessor hereunder, or for interference with light, air, view or other interests of the Lessee. No abatement of rent or other compensation or claim of eviction shall be made or allowed because of the making or failure to make or delay in making any repairs, alterations or decorations to the buildings. 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.

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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. ing 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.

Storage Co Space an Laundry

(c) The Lessor shall not be responsible for any damage to any automobile or other vehicle left in the care of any employee of the Lessor by the Lessee, and the Lessee hereby agrees to hold the Lessor harmless from any liability arising from any injury to person or property caused by or with such automobile or other vehicle while in the care of such employee. The Lessor shall not be responsible for any property left with or entrusted to any employee of the Lessor, or for the loss of or damage to any property within or without the apartment by theft or otherwise.

Automob and Oth Property

30. The Lessee will not require, permit, suffer Window or allow the cleaning of any window in the premises from Cleaning the outside (within the meaning of Section 202 of the New York Libr 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

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any window in the premises to be cleaned from the outside in violation of the requirements of the aforesaid laws, ordinances, regulations and rules.

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If upon, or at any time after, the happening of any of the events mentioned in subdivisions (a) to (j) inclusive of this Paragraph 31, the Lessor shall give to the Lessee a notice stating that the term hereof will expire on a date at least five days thereafter, the term of this lease shall expire on the date so fixed in such notice as fully and completely as if it were the date herein definitely fixed for the expiration of the term, and all right, title and interest of the Lessee hereunder shall thereupon wholly cease and expire, and the Lessee shall thereupon quit and surrender the apartment to the Lessor, it being the intention of the parties hereto to create hereby a conditional limitation, and thereupon the Lessor shall have the right to re-enter the apartment and to remove all persons and personal property therefrom, either by summary 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, re-possession and removal herein granted and reserved:

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- (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;
- If at any time during the term of this lease (i) the then holder hereof shall be adjudicated a bankrupt under the laws of the United States; or (ii) a receiver of all of the property of such holder or of this lease shall be appointed under any provision of the laws of the State of New York, or under any statute of the United States, or any statute of any state of the United States and the order appointing such receiver shall not be vacated within thirty days; or (iii) such holder shall make a general assignment for the benefit of creditors; or (iv) any of the shares owned by such

holder to which this lease is appurtenant shall be duly levied upon under the process of any court whatever unless such levy shall be discharged within thirty days; or (v) this lease or any of the shares to which it is appurtenant shall pass by operation of law or otherwise to anyone other than the Lessee herein named or a person to whom such Lessee has assigned this lease in the manner herein permitted, but this subsection (v) shall not be applicable if this lease shall devolve upon the executors or administrators of the Lessee and provided that within eight (8) months (which period may be extended by the Directors) after the death said lease and shares shall have been transferred to any assignee in accordance with Paragraph 16 hereof;

(c) If there be an assignment of this lease, or . any subletting hereunder, without full compliance with the requirements of Paragraphs 15, 16 or 38 hereof; or if any person not authorized by Paragraph 14 shall be per- ized of mitted to use or occupy the apartment, and the Lessee shall fail to cause such unauthorized person to vacate the apartment within ten days after written notice from the Lessor; .

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

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

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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 visit-

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ing in the apartment, repeated after written notice from Lessor, the tenancy of the Lessee is undesirable;

(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;

Termination of All Proprietary Leases

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

Destruction of Building

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

Condemnation

(j) If the Lessee shall be in default in the payment of any note or the terms, covenants and conditions of any loan security agreement secured by a pledge of this lease and the stock allocated to the apartment.

Default Under Loan Agreement

(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 (j) 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

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Lessor's Rights After Lessee's Default 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 CC grant concessions or free rent, in its discretion. Any reletting of the apartment shall be deemed for the account of the Lessee, unless within ten days after such reletting the Lessor shall notify the Lessee that the premises have been relet for the Lessor's own account. The fact that the Lessor may have relet the apartment as agent for the Lessee shall not prevent the Lessor from thereafter notifying the Lessee that it proposes to relet the apartment for its own If the Lessor relets the apartment as agent for the Lessee, it shall, after reimbursing itself for its expenses in connection therewith, including leasing commission 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 final accounting between the Lessor and the Lessee upon the earliest of the four following dates. (A) the date of experience of the term of this lease as stated on page 1 here (B) the date as of which a new proprietary lease covering th apartment shall have become effective; (C) the date the Lessor gives written notice to the Lessee that it has rele the apartment for its own account; (D) the date upon which all proprietary leases of the Lessor terminate. From and after the date upon which the Lessor becomes obligated to account to the Lessee, as above provided, the Lessor shall have no further duty to account to the Lessee for any avails of reletting and the Lessee shall have no further liability for sums thereafter accruing hereunder, but such termination of the Lessee's liability shall not affect any liabilities theretofore accrued.

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

(c) Upon the termination of this lease under the provisions of subdivisions (a) to (j) 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 Upon such issuance the certificate owned or in force. 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 Lesser shall not, however, be obligated to sell such shares and appurtenant lease or otherwise make any attempt to mitigate damages.

Sale of Shares 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.

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Surrender of Possession

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

Lessee's Option to Cancel on any September 30th after the third anniversary of the cosmmation of the Offering Statement-Plan of Cooperative Organization pursuant to which proprietary leases were originally issued, upon complying with all the provisions hereinafter set forth. Irrevocable written notice of intention to cancel must be given by the Lessee to the Lessor of or before April 1 in the calendar year in which such cancellation is to occur. At the time of the giving of such 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, 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.
- (b) All additions, improvements, appliances and fixtures which are removable under the terms of this lease and which are enumerated in the statement made as provided in subdivision (iii) above shall be removed by the Lessee prior to August 31st of the year of cancellation, and on or before said August 31st the Lessee shall deliver possession of the apartment to the Lessor in good condition with all required equipment, fixtures and appliances installed and in proper operating condition and free from all subleases and tenancies, liens, encumbrances and other charges and pay to the Lessor all rent, additional rent and other charges which shall be payable under this lease up to and including the following September 30th.

Permission to Show and Occupy Premises

Removal of

Possession

Fixtures

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

Effective Date of Cancellation

(d) If the Lessee is not otherwise in default hereunder and if the Lessee shall have timely complied with all of the provisions of subdivisions (a) and (b)

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

Rights on Lessee's Default (e) If the Lessee shall give the notice but fail to comply with 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

(a) If on April 1st in any year the total number of shares owned by lessees holding proprietary leases, who have given notice pursuant to Paragraph 35 of intention to cancel such proprietary leases on September 30th of said year, shall aggregate ten per cent (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 ${}^{C\,C}$ number of shares owned by lessees holding proprietary leases who have given notice of intention to cancel. such case the proprietary lessees to whom such notice shall have been given shall have the right to cancel their lease. in compliance with the provisions of Paragraph 35 hereof, provided only that written notice of the intention to cance such leases shall be given on or before July 1st instead of April 1st.

(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.

Right of Lessees to Cancel

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

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Continuance
of Cooperative Management of
Building
After All
Leases
Terminated

38. (a) The term "Unsold Shares" means and refers to shares of the Lessor which have been issued or transferred either to the Sponsor of the Plan of Cooperative Organization for the building, (pursuant to which the Lessor acquired title to the building) or to a purchaser produced by said Sponsor to acquire Unsold Shares as provided in the Plan, or by a nominee or designee of the Sponsor or such purchaser, and all shares which are Unsold Shares shall retain their character as such (regardless of transfer) until an individual purchases same and actually occupies (by himself or a member of his family) the apartment to which such shares are allocated.

Unsold Shares Subletting Apartment and Sale of Shares

(b) Neither the subletting of the apartment from time to time nor the assignment of this lease by the holder of the Unsold Shares allocated to the apartment shall require the consent of the Directors or shareholders to which reference is made in Paragraphs 15 and 16, but shall require the consent of the then Managing Agent, which consent may not be unreasonably withheld.

Change in Form of Lease

- (c) Without the Lessee's written 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 allocated to this apartment, to sublet the apartment or to assign this lease, as provided in this Paragraph 38, or (2) eliminate or modify any rights, privileges or obligations of such Lessee.
- (d) The holder of a block of Unsold Shares accompanying this lease shall not be entitled to cancel this lease pursuant to the provisions of Paragraph 35, unless all of the following additional conditions have been met:
- (i) five years have elapsed since the consummation of the Offering Statement Plan of Cooperative Organization pursuant to which proprietary leases were originally issued;
- (ii) at least 85% of all of the shares of the Lessor allocated to apartments in the building have been sold to purchasers for bona fide occupancy for themselves or members of their families;
- (iii) the holder of Unsold Shares has deposited with the Lessor a sum equal to twenty-four times the then monthly maintenance charges for the apartment.

Rights of a Secured Party

The Lessor agrees that the Lessor shall CO (a) give to any pledges of the shares of the Lessor (whether Unsold Shares or other shares) specified in the recital of this lease ("Secured Party") who so requests, a copy of any notice of default which the Lessor gives to the Lessee pursuant to the terms of this lease, and if the Lessee shall fail to cure the default specified in such notice within the time and in the manner provided for in this lease, then the Secured Party shall have an additional period of time, equal to the time originally given to the Lessee, to cure said default, and the Lessor will not act upon said default unless and until the time in which the Secured Party may cure said default shall have elapsed and the Secured Party shall not have cured said default.

- (b) If this lease is terminated as provided in Paragraphs 31 or 35 of this lease, the Lessor promptly shall give notice of such termination to the Secured Party and, if requested by the Secured Party within thirty (30) days of the giving of such notice, shall reissue the aforementioned shares of the Lessor to, and enter into a new proprietary lease for the apartment with, any individual designated by the Secured Party, or the individual nominee of the individual so designated by the Secured Party; and the individual designated by the Secured Party (if and as long as such individual (by himself or a member of his family) does not actually occupy the apartment) shall have all of the rights provided for in Paragraphs 15, 16, and 38 of this lease as if he were a holder of Unsold Shares.
- If an event of default shall have occurredunder the terms of the security agreementmortgage entered into between the Lessee and the Secured Party, and if (1) notice of said event of default shall have been given to the Lessor, an individual designated by the Secured Party shall be entitled to become the owner of the shares and the Lessee under this lease pursuant to the terms of said security agreement-mortgage, and (3) notice of an intended transfer of the shares and this lease shall have been given to the Lessor, (a) a transfer of the shares and the proprietary lease shall be made to such individual, upon request, and without the consent of the Directors or the shareholders to which reference is made in Paragraph 16, and (b) the individual to whom such transfer is made (if and as long as such individual (by himself or a member of his family) does not actually occupy the apartment) shall have all the rights provided for in Paragraphs 15, 16 and ... 38 of this lease as if he were a holder of Unsold Shares.

Foreclosure Receiver of Rents

40. 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 CCfuture 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

41. The references herein to the Lessor 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 assign 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 42. To the extent permitted by law, the respective parties hereto shall and they hereby do waive trial by jurish any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this lease, the Lessee's use or occupancy of the apartment or any claim of damage resulting from any act or omission of the parties in any way connected with this lease or the apartment.

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43. In the event of a breach or threatened breach by Lessee of any provision hereof, the Lessor shall have the right of injunction and the right to invoke any remedy at law or in equity, as if reentry, 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.

Lessor's Additional Remedies

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 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.

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Lessee More Than One Person

45. 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.

Effect of Partial Invalidity

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

Marginal Headings

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

Changes to be in Writing

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lease.

IN WITNESS WHEREOF, the parties have executed this

PARK WEST TENANTS CORP.

	By:		<u> </u>
		President Secretary	!
		•	Lessor
WITNESS:			(L.S
	 		(L.SC)
			Tessee

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STATE OF NEW YORK) : SS.:	
COUNTY OF)	
On the day of , appeared , me duly sworn, did depose and say that he , that he : PARK WEST TENANTS CORP., the corporation executed the foregoing instrument; that it corporation; that the seal affixed to sat corporate seal; that it was affixed by or Directors of said corporation, and that it by like order.	is the of described in and which he knows the seal of said id instrument is such
	Notary Public
STATE OF NEW YORK) : SS.: COUNTY OF)	
On the day of , came to me known and known to me to be the income who executed the foregoing instrument, as me that he executed the same.	
· · · · · · · · · · · · · · · · · · ·	Notary Public
STATE OF NEW YORK) : SS.: COUNTY OF)	
the foregoing instrument, to me personal duly sworn, did depose and say that he continue to the continue of the foregoing instrument, to me personal duly sworn, did depose and say that he continue to the foregoing instrument, to me personal duly sworn, did depose and say that he continue to the foregoing instrument, to me personal duly sworn, did depose and say that he continue to the foregoing instrument, to me personal duly sworn, did depose and say that he continue to the foregoing instrument, to me personal duly sworn, did depose and say that he continue to the foregoing instrument, to me personal duly sworn, did depose and say that he continue to the foregoing instrument, and the foregoing instrument in the foregoing in the f	resides at New York, that he knows dual who executed the scribing withess, was nd that he, said
	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, and the fire towers shall not be obstructed in any way.
- (2) No patient of any doctor who has offices in the building shall be permitted to wait in the lobby.
- (3) Children shall not play in the public halls, courts, stairways, fire towers or elevators and shall not be permitted on the roof unless accompanied by a responsible adult.
- (4) No public hall above the ground floor of the building shall be decorated or furnished by any Lessee in any manner without the prior consent of all of the Lessees to whose apartments such hall serves as a means of ingress and egress; in the event of disagreement among such Lessee, the Board of Directors shall decide.
- (5) No Lessee shall make or permit any disturbing noises in the building or do or permit anything to be done therein which will interfere with the rights, comfort or convenience of other Lessees. No Lessee shall play upon or suffer to be played upon any musical instrument or permit to be operated a phonograph or a radio or television loud speaker in such Lessee's apartment between the hours of eleven o'clock p.m. and the following eight o'clock a.m. if the same shall disturb or annoy other occupants of the building. No construction or repair work or other installation involving noise shall be conducted in any apartment except on weekdays (not including legal holidays) and only between the hours of 8:30 a.m. and 5:00 p.m.
- (6) No article shall be placed in the halls or on the staircase landings or fire towers, nor shall anything be hung or shaken from the doors, windows, terraces or balconies or placed upon the window sills of the building.
- (7) No awnings, window air-conditioning units or ventilators shall be used in or about the building except such as shall have been expressly approved by the Lessor or the managing agent, nor shall anything be projected out of any window of the building without similar approval.

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- (8) No sign, notice, advertisement or illumination shall be inscribed or exposed on or at any window or other part of the building, except such as shall have been approved in writing by the Lessor or the managing agent.
- (9) No velocipedes, bicycles, scooters or similar venicles shall be allowed in a passenger elevator and baby carriages and the above-mentioned vehicles shall not be allowed to stand in the public halls, passageways, areas or courts of the building.
- (10) Messengers and tradespeople shall use such means of ingress and egress as shall be designated by the Lessor.
- (11) Kitchen supplies, market goods and packages of every kind are to be delivered only at the entrance of the building and delivered to the doorman.
- (12) Trunks and heavy baggage shall be taken in or out of the building through the service entrance.
- (13) Garbage and refuse from the apartments shall be disposed of only at such times and in such manner as the superintendent or the managing agent of the building may direct.
- (14) Water closets and other water apparatus in the building shall not be used for any purposes other than those for which they were constructed, nor shall any sweepings, rubbish, rags or any other article be thrown into the water closets. The cost of repairing any damage resulting from misuse of any water closets or other apparatus shall be paid for by the Lessee in whose apartment it shall have been caused.
- ...(15) No Lessee shall send any employee of the Lessor out of the building on any private business of a Lessee.
- (16) No bird or animal shall be kept or harbored in the building unless the same in each instance 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.

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

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- (18) No vehicle belonging to a Lessee or to a member of the family or guest, subtenant or employee of a Lessee shall be parked in such manner as to impede or prevent ready access to any entrance of the building by another vehicle.
- (19) The Lessee shall use the available laundry facilities only upon such days and during such hours as may be designated by the Lessor or the managing agent.
- (20) The Lessor shall have the right from time to time to curtail or relocate any space devoted to storage or laundry purposes.
- (21) Unless expressly authorized by the Board of Directors in each case, the floors of each apartment must be covered with rugs or carpeting or equally effective noise-reducing material, to the extent of at least 80% of the floor area of each room excepting only kitchens, pantries, bathrooms, maid's rooms, closets, and foyer.
- (22) No group tour or exhibition of any apartment or its contents shall be conducted, nor shall any auction sale be held in any apartment without the consent of the Lessor or its managing agen?
- (23) The Lessee shall keep the windows of the apartment clean. In case of refusal or neglect of the Lessee during 10 days after notice in writing from the Lessor or the managing agent to clean the windows, such cleaning may be done by the Lessor, which shall have the right, by its officers or authorized agents, to enter the apartment for the purpose and to charge the cost of such cleaning to the Lessee.
- (24) The passenger and service elevators, unless of automatic type and intended for operation by a passenger, shall be operated only by employees of the Lessor, and there shall be no interference whatever with the same by Lessees or members of their families or their guests, employees or subtenants.
- (25) Complaints regarding the service of the building shall be made in writing to the managing agent of the Lessor.
- (26) Any consent or approval given under these House Rules by the Lessor shall be revocable at any time.

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

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- (28) The following rules shall be observed with respect to compactor equipment:
- (i) All wet debris is to be securely wrapped or bagged in small package size to fit easily into the hopper panel.
- (ii) Debris should be completely drip-free before it leaves the apartment and carried to the compactor chute in a careful manner and in a drip-proof container; then placed into the flue hopper so it will drop into the flue for disposal.
- (iii) No bottles or cans shall be dropped down the chute before 10:00 a.m. or after 5:00 p.m., but shall be left in a neat manner in service elevator area, if such items must be disposed of before 10:00 a.m. or after 5:00 p.m.
- (iv) Cartons, boxes, crates, sticks of wood or other solid matter shall not be stuffed into hopper opening. Small items of this nature may be left in a neat manner on the compactor chute floor. Bulky items should be left at service elevator area between 10:00 a.m. and 6:00 p.m. and service employee summoned to dispose of them by way of the service elevator.
- (v) Under no circumstances should carpet sweepings containing naphthalenc, camphor balls or flakes, floor scrapings, plastic wrappings or covers, oil soaked rags, empty paint or aerosol cans or any other inflammable, explosive, highly combustible substances or lighted cigarettes or cigar stubs be thrown into the compactor chute.
- (vi) Vacuum cleaner bags must never be emptied into the Such dust, direct, etc. should be wrapped in a securely tied bag or package and then be placed through hopper door panel into
- (vii) The superintendent shall be notified of any drippings, or moist refuse, appearing on compactor chute floor and corridors.
- (29) The Lessor shall deliver to the Lessee within four months after the end of each fiscal year an annual report of corporate financial affairs including a balance sheet and profit and loss statement certified by an independent certified public accountant.

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

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

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

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PARK WEST TENANTS 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 reason of their ownership of shares, to proprietary leases for apaments in the building owned by the Corporation.

ARTICLE II

Meetings of Shareholders

Section 1. Annual Meetings: The first annual meeting of the shareholders of the Corporation, for the election of direct and for such other business as may properly come before said meeti: shall be held within 30 days after the closing under the Plan of Co operative Organization for 9 Prospect Park West, Brooklyn, , 1978, and subsequent annual meeting shall be held before the 1st day of May, in each year, commencing with the year following the year in which the first annual meeting is held. Such meetings shall be in the City of New York, State of York, at such time and place as shall be determined by the Board of Directors. Written notice of each meeting shall be given to all shareholders entitled to vote thereat at the time said notice is given or on the record date designated by the Board of Directors is accordance with Section 5 of this Article II. Such notice shall state the time when and the place 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 nor more than forty 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. 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 of the outstanding shares of the Corporation. The secretary shall cause a notice of such special meeting stating the time, place and object thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed as provided in Section 1 of this Article to each shareholder of record of the Corporation entitled to vote at such meeting not less than ten nor more than forty 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.

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

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

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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 a proxy.

In all elections of directors of the Corporation, each shareholder shall be entitled to as many votes as shall equal the number of votes which (except for these provisions) he would be entitled to cast for the election of directors with respect to his shares, multiplied by the number of directors to be elected, and he may cast all of such votes for a single director or may distribute them among the number to be voted for, or any two or more of them, as he may see fit.

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

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

- Call to order.
- Presentation of proofs of due calling of the meeting
- 3. Roll call and presentation and examination of proxie
- Reading of minutes of previous meeting or meetings, unless waived.
- 5. Reports of officers and committees.

- 6. Appointment or election of inspectors of election, if requested.
- 7. If the annual meeting or a special meeting called for that purpose, the election of directors.
- 8. Unfinished business.
- 9. New business.
- 10. Adjournment.

ARTICLE III

Directors

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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 herein provided and, in the absence of such provision shall be three (3). Commencing with the first election of Directors by tenant-shareholders of the Corporation, and until changed by amendment of this By-Law provision, as hereinafter provided, the number of Directors shall be 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. Their term of office shall be until the date herein fixed for the next annual meeting, and thereafter until their respective successors are elected and qualify. It shall not be necessary for a director of this Corporation to be a shareholder.

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

Section 4. Vacancies: Vacancies in the Board of Directors resulting from death, resignation or otherwise may be filled without notice to any of the shareholders by a vote of a

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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. event of the failure to hold any election of directors at the time designated for the annual election of directors or in the event that the Board of Directors shall not have filled any such vacancy, a special meeting of shareholders to elect a new Board of Directors or to fill such vacancy or vacancies may be called in the manner generally provided for the calling of special meetings of shareholders. Vacancies in the Board of Directors resulting from an increase of the Board of Directors by amendment of these By-Laws shall be filled in the manner provided in the resolution adopting such amendment. In case of a reduction of the authorized number of directors by amendment of these By-Laws, the directors, if any, whose term of office shall cease, shall be determined in the manner provided in the resolution adopting such amendment.

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Section 5. Meetings: The Board of Directors shall meet immediately after the annual meeting of shareholders without notice and also whenever called together by any officer of the Corporation or upon the written request of any two directors then holding office, upon notice given to each director, by delivering personally, mailing or telegraphing the same to him at least two 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. vote of a majority of the Board of Directors present at the time of a vote of a duly constituted meeting shall be the act of the Board of Directors.

Section 6. Resignation and Removal: Any director may resign at any time by written notice delivered in person or sent by certified registered mail to the President or Secretary of the Corporation. Such resignation shall take effect at the time specified therein, and unless specifically requested acceptance of such resignation shall not be necessary to make it effective.

Any director may be removed from office without cause by the shareholders of the Corporation at a meeting duly called for that purpose.

Section 7. Annual Cash Requirements: The Board of Directors shall, except as may be otherwise restricted by the Proprietary Lease of the Corporation, from time to time, determine the cash requirements as defined in the Corporation's proprietary leases, and fix the terms and manner of payment 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 shareholdertenants 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 necessary and properly made for such purpose.

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

Section 9. Executive Committee and Other Committees: The Board of Directors may by resolution appoint an Executive Committee, and such other committees as it may deem appropriate, each to consist of three 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

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of the Board as may be determined by the authorizing resolution of the Board of Directors and so far as may be permitted by law, except that no committee shall have power to determine the cash requirements defined in the proprietary leases, or to fix the rent to be paid under the proprietary leases, or to vary the terms of payment thereof as fixed by the Board.

Section 10. Distributions: The shareholder-tenants shall not be entitled, either conditionally or unconditionally, except upon a complete or partial liquidation of the Corporation, to receive any distribution not out of earnings and profits of the Corporation.

ARTICLE IV

<u>Officers</u>

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.

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Duties of Treasurer: Section 3. 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.

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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. 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 respective 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 inspect: as provided by law. In the absence or inability of the secreta: the assistant secretary, if any, shall have all the powers and perform all the duties of the secretary.

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ARTICLE V

Proprietary Leases

Section 1. Form of Lease: The Board of Directors shall adopt a form of proprietary lease to be used by the Corporation for the leasing of all apartments and other space in the apartment building of the Corporation to be leased to shareholder-tenants under proprietary leases. Such proprietary leases shall be for such terms, with or without provisions for renewals, and shall contain such restrictions, limitations and provisions in respect to the assignment thereof, the subletting of the premises demised thereby and the sale and/or transfer of the shares of the Corporation appurtenant thereto, and such other terms, provisions, conditions and covenants as the Board of Directors may determine.

After a proprietary lease in the form so adopted by the Board of Directors shall have been executed and delivered by the Corporation, all proprietary leases (as distinct from the house rules) subsequently executed and delivered shall be in the same form, except with respect to the statement as to the number of shares owned by the lessee, the use of the premisand the date of the commencement of the term, unless any change

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or alteration is approved by lessees owning at least 75% 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 45 days after receipt of said written application.

Where the Sponsor named in the Plan of Cooperative Organization or a nominee of the Sponsor is a lessee, then consent to an assignment or transfer of his lease and the shares appurtenant thereto will be required only from the Managing Agent of the building who shall consent to such assignment or transfer only when the assignee or transferee is a reputable person of good financial standing, which consent shall not unreasonably be withheld.

No person to whom the interest of a lessee or shareholder shall pass by law, shall be entitled to assign any lease,

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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: The Board of Directors shall have authority before an assignment or sublet of a proprietary lease or reallocation of shares takes effect as against the Corporation as lessor, to fix a reasonable fee to cover actual expenses and attorneys' fees of the Corporation, a service fee of the Corporation and such other conditions as it may determine, in connection with each such proposed assignment.

Section 6. Lost Proprietary Leases: In the event that any proprietary lease in full force and effect is lost, stolen, destroyed or mutilated, the Board of Directors may authorize the issuance of a new proprietary lease in lieu thereof, in the same form and with the same terms, provisions, conditions and limitations. The Board may, in its discretion, before the issuance of any such new proprietary lease, require the owner thereof, or the legal representative of the owner, to make an affidavit or affirmation setting forth such facts as to the loss, destruction or mutilation as it deems necessary, and to give the Corporation a bond in such reasonable sum as it directs, to indemnify the Corporation.

Section 7. Regrouping of Space: The Board of Directors, upon the written request of the owner or owners of one or more proprietary leases covering one or more apartments in the apartment building and of the shares issued to accompany the same, may in its discretion, at any time, permit such owner or owners, at his or their own expense -- A: (1) to subdivide any apartment into any desired number of apartments, 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 named in the Plan of Cooperative Organization or the Sponsor's Nominee or the Sponsor's Assignee (who while entitled to occupy any such apartments for his personal use does not do so), such Sponsor, Nominee, or Assignee may, upon the written consent of only the Managing Agent of the Building, change the number of such apartments by increasing or decreasing their size, or change the size, layout or location of any such apartment; but such Sponsor, Nominee, or Assignee shall not have the right to reallot the shares allocated to any of the apartments offered for sale under said Plan, unless such reallocation is designed to reflect a change in the value of the equity in the property attributable to the apartment or apartments to which the block of shares is being reallocated.

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

ARTICLE VI

Capital Shares

Section 1. No shares hereafter issued or acquired by the Corporation shall be issued or reissued except in connection with the execution by the purchaser and delivery by the

Corporation of a proprietary lease of an apartment in the building owned by the Corporation. The ownership of shares shall entitle the holder thereof to occupy the apartment for the purposes specified in the proprietary lease to which the shares are appurtenant, subject to the provisions, covenants and 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.

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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 or any secured party holds thereon may be transferred without the surrender of the certificate representing such shares.

Section 5. Units of Issuance: Except as otherwise provided in Article V, Section 7, unless and until all proprietaleases which shall have been executed by the Corporation, shall

have been terminated, the shares appurtenant to each proprietary lease shall not be sold or assigned except as an entirety to the Corporation or an assignee of such proprietary lease, after complying with and satisfying the requirements of such proprietary lease in respect to the assignment or pledge thereof.

Section 6. Corporation's Lien: The Corporation shall at all times have a first lien upon the shares owned by each shareholder for all indebtedness and obligations owing and to be owing by such shareholder to the Corporation, arising under the provisions of any proprietary lease issued by the Corporation and at any time held by such shareholder or otherwise arising. Unless and until such shareholder as lessee shall default in the payment of any of the rental or in the performance of any of the covenants or conditions of such proprietary lease, and/or unless and until such shareholder shall default in the payment of any indebtedness or obligation owing by such shareholder to the Corporation otherwise arising, such shares shall continue to stand in the name of the shareholder upon the books of the Corporation, and the shareholder shall be entitled to exercise the right to vote thereon as though said lien did not exist. The Corporation shall have the right to issue to any purchaser of such shares upon the enforcement by the Corporation of such lien, or to the nominee of such purchaser, a certificate of the shares so purchased substantially of the tenor of the certificate 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

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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 mutilation as it deems necessary, and to give the Corporation a bond in such reasonable sum as it directs, to indemnify the Corporation.

Section &. 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 Park West Tenants Corp. ("the Corporation") and to all the terms, covenants, conditions and provisions of a cert proprietary lease made between the person in whose nathis certificate is issued, as Lessee, and the Corporation as Lessor, for an apartment in the premises known as 9 Prospect Park West, Brooklyn, New York, which lease limits and restricts the title and right of any transferee hereof. The shares represented by this certificate are transferable only as an entirety and only to an approved assignce of such proprietary lease. Copies of the proprietary lease and the By-L are on file and available for inspection at the office of the Corporation.

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

ARTICLE VII

Indemnification

Section 1. To the extent allowed by law, the Corpor shall indomnify any person, made a party to an action by or in

the right of the Corporation to procure a judgment in its favor by reason of the fact that he, his testator or, intestate, is or was a director or officer of the Corporation, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defense of such action, or in connection with an appeal therein, except in relation to matters as to which such director or officer is adjudged to have breached his duty to the Corporation, as such duty is defined in Section 717 of the Business Corporation Law. To the extent allowed by law, the Corporation shall also indemnify any person, made, or threatened to be made, a party to an action or proceeding other than one by or in the right of the Corporation to procure a judgment in its favor, whether civil or criminal, including an action by or in the right of any other corporation, domestic or foreign, which he served in any capacity at the request of the Corporation by reason of the fact, that he, his testator or intestate was a director or officer of the Corporation or served it in any capacity against judgments, fines, amounts paid in settlement, and reasonable expenses, including attorneys' fees actually and necessarily incurred as a result of such action or proceeding, or any appeal therein, if such director or officer acted, in good faith, for a purpose which he reasonably believed to be in the best interests of the Corporation and, in criminal actions or proceedings, in addition, had no reasonable cause to believe that his conduct was unlawful.

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

ARTICLE VIII

Seal

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

ARTICLE IX

Negotiable Instruments

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

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

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

Section 4. Securities: Such officer or officers as from time to time shall be designated by the Board of Directors shall have power to control and direct the disposition of any bonds or other securities or property of the Corporation deposited in the custody of any trust company, bank or other custodian.

ARTICLE X

Fiscal Year

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

ARTICLE XI

Miscellaneous

Section 1. Salaries: No salary or other compensation for services shall be paid to any director or officer of the

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or alteration is approved by lessees owning at least 75% 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.

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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 45 days after receipt of said written application.

Where the Sponsor named in the Plan of Cooperative Organization or a nominee of the Sponsor is a lessee, then consert on assignment or transfer of his lease and the shares appurtenant thereto will be required only from the Managing Agent of the building who shall consent to such assignment or transfer only when the assignee or transferee is a reputable person of good financial standing, which consent shall not unreasonably be withheld.

No person to whom the interest of a lessee or shareholder shall pass by law, shall be entitled to assign any lease.

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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: The Board of Directors shall have authority before an assignment or sublet of a proprietary lease or reallocation of shares takes effect as against the Corporation as lessor, to fix a reasonable fee to cover actual expenses and attorneys' fees of the Corporation, a service fee of the Corporation and such other conditions as it may determine, in connection with each such proposed assignment.

Section 6. Lost Proprietary Leases: In the event that any proprietary lease in full force and effect is lost, stolen, destroyed or mutilated, the Board of Directors may authorize the issuance of a new proprietary lease in lieu thereof, in the same form and with the same terms, provisions, conditions and limitations. The Board may, in its discretion, before the issuance of any such new proprietary lease, require the owner thereof, or the legal representative of the owner, to make an affidavit or affirmation setting forth such facts as to the loss, destruction or mutilation as it deems necessary, and to give the Corporation a bond in such reasonable sum as it directs, to indemnify the Corporation.

Section 7. Regrouping of Space: The Board of Directors, upon the written request of the owner or owners of one or more proprietary leases covering one or more apartments in the apartment building and of the shares issued to accompany the same, may in its discretion, at any time, permit such comer 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 incor-

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porate 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 named in the Plan of Cooperative Organization or the Sponsor's Nominee or the Sponsor's Assignee (who while entitled to occupy any such apartments for his personal use does not do so), such Sponsor, Nominee, or Assignee may, upon the written consent of only the Managing Agent of the Building, change the number of such apartments by increasing or decreasing their size, or change the size, layout or location of any such apartment; but such Sponsor, Nominee, or Assignee shall not have the right to reallot the shares allocated to any of the apartments offered for sale under said Plan, unless such reallocation is designed to reflect a change in the value of the equity in the property attributable to the apartment or apartments to which the block of shares is being reallocated.

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

ARTICLE VI

Capital Shares

Section 1. No shares hereafter issued or acquired by the Corporation shall be issued or reissued except in connection with the execution by the purchaser and delivery by the

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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: Sheres 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 or any secured party holds thereon may be transferred without the surrender of the certificate representing such shares.

Section 5. Units of Issuance: Except as otherwise provided in Article V, Section 7, unless and until all proprietary leases which shall have been executed by the Corporation, shall

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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 or pledge thereof.

Section 6. Corporation's Lien: The Corporation shall at all times have a first lien upon the shares owned by each shareholder for all indebtedness and obligations owing and to be owing by such shareholder to the Corporation, arising under the provisions of any proprietary lease issued by the Corporation and at any time held by such shareholder or otherwise arising. Unless and until such shareholder as lessee shall default in the payment of any of the rental or in the performance of any of the covenants or conditions of such proprietary lease, and/or unless and until such shareholder shall default in the payment of any indebtedness or obligation owing by such shareholder to the Corporation otherwise arising, such shares shall continue to stand in the name of the shareholder upon the books of the Corporation, and the shareholder shall be entitled to exercise the right to vote thereon as though said lien did not exist. The Corporation shall have the right to issue to any purchaser of such shares upon the enforcement by the Corporation of such lien, or to the nominee of such purchaser, a certificate of the shares so purchased substantially of the tenor of the certificate 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

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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 Park West Tenants Corp. ("the Corporation") 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 the Corporation as Lessor, for an apartment in the premises known as 9 Prospect Park West, Brooklyn, 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 assignce of such proprietary lease. Copies of the proprietary lease and the By-Laws are on file and available for inspection at the office of the Corporation.

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

ARTICLE VII

Indemnification

Section 1. To the extent allowed by law, the Corporation shall indemnify any person, made a party to an action by or in

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(iv) How the recommendations should be implemented.

- (v) A recommended protocol for the future handling and maintenance of asbestos which will remain in the Building, whether encapsulated, enclosed or left undisturbed.
- 2. Paragraph 3 of Section 7.0 the Asbestos Report contained the following qualification:

"Ten percent of the forty apartments were inspected for asbestos. Asbestos was found in thermal paper insulation in the wooden radiator covers in some apartments. The number of apartments which contained this thermal paper in radiator covers could not be determined since access to remaining privately owned apartments was denied to the KEMRON representative by the Coop board."

The Attorney General's Office found that, since Asbestos Containing Material ("ACM") was found in some apartments, all accessible apartments must be inspected and an amended report submitted within 60 days of the date of this Amendment. A representative of the Coop board has been contacted and requested to arrange for a re-visit to the building by the KEMRON representative. Individual apartment owners and occupants may contact the Sponsor's representative directly at 718-858-2200 to arrange for the inspection of their individual units.

- 3. Purchasers have the right to delay closings on their individual units until 30 days after service of the Amendment containing the amended Asbestos Report.
- 4. A lawsuit was brought to invalidate the Asbestos Regulations promulgated August 8, 1986 and the courts issued opinions invalidating the requirements that Sponsors carry out the recommendations of the Report and escrow money to do so. Consequently, the Sponsor has no obligation to, and will not, carry out the recommendations of the Asbestos Report, nor will the Sponsor provide the moneys for the accomplishment of same.
- 5. The financial statement for the year ended December 31, 1986 is annexed hereto as Exhibit B.

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- 6. No material changes in the terms of the Plan have been made except as set forth herein and in the First Amendment dated October 26, 1978; the Second Amendment dated November 14, 1978; the Third Amendment dated January 4, 1979; the Fourth Amendment dated March 28, 1979; the Fifth Amendment dated May 30, 1980; the Sixth Amendment dated June 24, 1981; the Seventh Amendment dated August 31, 1982; the Eighth Amendment dated March 24, 1983; the Ninth Amendment dated October 6, 1983; the Tenth Amendment dated April 13, 1984; the Eleventh Amendment dated October 11, 1984; the Twelfth Amendment dated September 19, 1985; the Thirteenth Amendment dated April 18, 1986, and the Fourteenth Amendment dated October 15, 1986.
- 7. The Plan, and the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth and Fourteenth Amendments thereto, as modified and supplemented hereby, are incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment not otherwise defined herein shall have the same meanings ascribed to them in the Plan, as amended.

Charles Punia

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EXHIBIT A

Friable Asbestos Survey 9 Prospect Park West Brooklyn, New York

> Conducted for Punia and Marx

February, 1987

Performed by:

KEMRON Environmental Services 755 New York Avenue Huntington, NY 11743 (516) 427-0950

Respectfully Submitted:

Susan Marie Viet, CIH Regional Manager

Lisa G/ Alianti Manager, Field Services

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1.0 Introduction

An inspection of friable asbestos-containing materials (ACM) was performed at 9 Prospect Park West, Brooklyn, NY on February 16, 1987. The purpose of the inspection was to locate, identify and evaluate ACM within the building and to advise as to potential hazards present and abatement actions available.

The survey was requested by Don Greenberg of Punia and Marx. The building superintendent acted as on-site representative during the survey. Eric Telemaque of KEMRON performed the on-site investigation.

2.0 Description of Property

The apartment complex at 9 Prospect Park West was a sixteen and seventeen floor apartment unit. The general construction was concrete and cinderblock with a brick exterior. Steel beams throughout the building were coated with cement. An oil-fired boiler provided hot water to radiator units and for domestic water. Individual window units supplied air conditioning to the apartments. Pipe routing was through perimeter walls. Risers, observed through damaged wall sections, were not insulated. Three elevators serviced the building and no spray-on fireproofing was found in the elevator shafts, nor in any other location in the building.

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the right of the Corporation to procure a judgment in its favor by reason of the fact that he, his testator or, intestate, is or was a director or officer of the Corporation, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defense of such action, or in connection with an appeal therein, except in relation to matters as to which such director or officer is adjudged to have breached his duty to the Corporation, as such duty is defined in Section 717 of the Business Corporation Law. To the extent allowed by law, the Corporation shall also indemnify any person, made, or threatened to be made, a party to an action or proceeding other than one by or in the right of the Corporation to procure a judgment in its favor, whether civil or criminal, including an action by or in the right of any other corporation, domestic or foreign, which he served in any capacity at the request of the Corporation by reason of the fact, that he, his testator or intestate was a director or officer of the Corporation or served it in any capacity against judgments, fines, amounts paid in settlement, and reasonable expenses, including attorneys' fees actually and necessarily incurred as a result of such action or proceeding, or any appeal therein, if such director or officer acted, in good faith, for a purpose which he reasonably believed to be in the best interests of the Corporation and, in criminal actions or proceedings, in addition, had no reasonable cause to believe that his conduct was unlawful.

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

ARTICLE VIII

Seal

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

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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

<u>Miscellaneous</u>

Section 1. Salaries: No salary or other compensation for services shall be paid to any director or officer of the

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peration for services rendered as such officer unless and until the same shall have been authorized in writing or by affirmative vote, taken at a duly held meeting of shareholders, by shareholders owning at least a majority of the then outstanding shares of the Corporation.

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 chares, represented in person or by proxy, provided that the proposed accordment 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 a meeting of the Board of Directors by a majority water, provided that the proposed accordment or the substance thereof shall have been inserted in the notice of meeting or that all of the Directors are present in person, except that the Directors are present in person, except that the Directors as provided above.

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FIRST AMENDMENT, DATED OCTOBER 26, 1978
TO THE PLAN OF COOPERATIVE ORGANIZATION
DATED JULY 31, 1978, FOR
PROSPECT PARK WEST, BROOKLYN, NEW YORK

The Plan of Cooperative Organization (the "Plan")

is amended as follows:

l. The following apartments in the Building are vacant as of the date of this amendment:

16A, Penthouse A, 9B, 14B and 12C

2. No material changes in the terms of the Plan have been made except as set forth above.

PUNIA & MARX, INC., Sponsor

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SECOND AMENDMENT, DATED NOVEMBER 14, 1978
TO THE PLAN OF COOPERATIVE ORGANIZATION
DATED JULY 31, 1978, FOR
9 PROSPECT PARK WEST, BROOKLYN, NEW YORK

The Plan of Cooperative Organization (the "Plan") amended as follows:

- 1. If at least twenty (20) tenants who are presently in possession of apartments in the building execute subscription agreements for the apartments which they now occupy within fifteen (15) days following the distribution of this amendment to all tenants in the building, the Plan shall be deemed amended as follows:
- (a) the reserve fund shall be increased from \$50,000 to \$100,000; and
- (b) the Sponsor shall do the following work at the building at its own cost and expense:
 - (1) upgrade the two oil burners to comply with Local Law 14;
 - (2) repair the crack on the east face of the southeast corner of the building; and
 - (3) paint the outside of all windows and repair all window sashes which require repairs.

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2. No material changes in the terms of the Plan have been made except as set forth above and as set forth in the first amendment to the Plan, dated October 26, 1978.

PUNIA & MARX, INC., Sponsor

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THIRD AMENDMENT DATED JANUARY 4, 1979, TO THE PLAN OF COOPERATIVE ORGANIZATION DATED JULY 31, 1978

FOR

9 PROSPECT PARK WEST BROOKLYN, NEW YORK

The Plan of Cooperative Organization (hereinafter referred to as the "Plan") is amended as follows:

1. Plan Declared Effective. As more than 20 tenants in possession of apartments in the building executed subscription agreements within 15 days following distribution of the Second Amendment to the Plan, the Plan is hereby declared effective in accordance with its terms, as modified by the Second Amendment.

Thirty-four Subscription Agreements have been executed for 17,105 shares allocated to 34 apartments. Annexed hereto is an affidavit of the Sponsor setting forth the names of persons who have executed Subscription Agreements.

- 2. The Closing. The closing is scheduled to be held on or about March 1, 1979, subject to adjournment as provided in the Plan.
- 3. Counsel for Apartment Corporation. The Sponsor has designated Berger, Kramer & Sugerman, Esqs., 377 Bloadway, New York, New York 10013 to act as counsel to the Apartment Corporation until the first meeting of shareholders.
- 4. No material changes in the terms of the Plan have been made except as set forth above and in the First Amendment dated October 26, 1978, and the Second Amendment dated November 14, 1978.

PUNIA & MARX, INC.

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- The following purchasers are related (by blood, marriage or adoption) to or are principals, employees, shareholders, limited partners or business associates of the Sponsor or selling agent: none.
- Upon information and belief, none of the aforementioned purchases were for the purpose of re-selling, subletting, speculation or as an accommodation to the Sponsor, selling agent or any of the principals thereof.
- I hereby submit this affidavit to the Attorney 6. General of the State of New York for the purpose of declaring the aforementioned Plan effective. I understand that any false statement or omission may subject me to civil or criminal prosecution.

Sworn to before me January 67 1979.

GAIL M. HARMON Notary Public, State of New York No. 24-4664362 **Outlified in Kings County**

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FOURTH AMENDMENT

DATED MARCH 28, 1979

TO THE PLAN OF COOPERATIVE ORGANIZATION

DATED JULY 31, 1978

FOR 9 PROSPECT PARK WEST, BROOKLYN, NEW YORK

The Plan of Cooperative Organization (hereinafter referred to as the "Plan") is amended as follows:

- 1. Counsel for Apartment Corporation. Messrs. Berger, Kramer and Sugerman, who had been appointed by the Sponsor as counsel to the Apartment Corporation withdrew as counsel. At the request of the tenants' committee of 9 Prospect Park West, the Sponsor appointed Messrs. Raphael & Marcus, P.C., as counsel to the Apartment Corporation.
- 2. The Closing. The Closing was held on March 1, 1979 and title was conveyed to the Apartment Corporation in accordance with the terms of the Plan, as amended.
- 3. First Meeting of Shareholders. The first meeting of shareholders, pursuant to the terms of the Plan, was held on March 27, 1979. The following persons were elected directors by the shareholders.

Anne Brodsky
Helen B. Feldman
Thomas P. Milton
Leonard Taubenblatt
Jane I. Toussaint

Immediately following the first meeting of shareholders, the board of directors amended the By-Laws of the Apartment Corporation to increase the size of the board to seven persons and named the following people to fill the two additional places on the board:

Abraham M. Lindenbaum Stuart I. Parker

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4. No material changes in the terms of the Plan have been made except as set forth above and in the First Amendment dated October 26, 1978, the Second . Amendment dated November 14, 1978 and the Third Amendment dated January 4, 1979.

PUNIA AND MARX, INC.

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FIFTH AMENDMENT DATED MAY 30, 1980, TO THE PLAN OF COOPERATIVE ORGANIZATION DATED JULY 31, 1978 FOR 9 PROSPECT PARK WEST, BROOKLYN, NEW YORK.

The Plan of Cooperative Organization (hereinafter referred to as the "Plan") is amended as follows:

- 1. The financial report for the apartment corporation, Park West Tenants Corp., for the period March 1, 1979 to December 31, 1979, is included in the Plan. A copy of the report is attached to this Amendment.
- 2. The shares allocated to the following apartments have not been sold as of this date and remain as "Unsold Shares," as such term is defined in the Plan:

 Apartments 7A, 8A, 9A, 15A, 4B and 3C.
- 3. No material changes in the terms of the Plan have been made except as set forth above and in the First Amendment dated October 26, 1978, the Second Amendment dated November 14, 1978, the Third Amendment dated January 4, 1979 and the Fourth Amendment dated March 28, 1979.

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CHARLES PUNIA and WILLIAM MARX

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SIXTH AMENDMENT DATED JUNE 24, 1981, TO THE PLAN OF COOPERATIVE ORGANIZATION DATED JULY 31, 1978, FOR 9 PROSPECT PARK WEST, BROOKLYN, NEW YORK

The Plan of Cooperative Organization (hereinafter referred to as the "Plan") is amended as follows:

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- The financial report for the apartment corporation, Park West Tenants Corp., for the period January 1 to December 31, 1980, is included in the Plan. A copy of the report is attached to this amendment.
- The shares allocated to the following apartments have not been sold as of this date and remain as "Unsold Shares," as such term is defined in the Plan: Apartments 7-A, 8-A, 9-A, 15-A, 4-B and 3-C. The shares allocated to Apartments 9-A, 15-A and 4-B are held by Charles Punia. William Marx, one of the holders of "Unsold Shares," recently died. Accordingly, the shares allocated to Apartments 7-A, 8-A and 3-C are currently owned by the Estate of William Marx.
- No material changes in the terms of the Plan have been made except as set forth above and the First Amendment dated October 26, 1978, the Second Amendment dated November 14, 1978, the Third Amendment dated January 4, 1979, the Fourth Amendment dated March 28, 1979, and the Fifth Amendment dated May 30, 1980.

CHARLES PUNIA and THE ESTATE OF WILLIAM MARX

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SEVENTH AMENDMENT DATED AUGUST31, 1982, TO THE PLAN OF COOPERATIVE ORGANIZATION DATED JULY 31, 1978, FOR 9 PROSPECT PARK WEST, BROOKLYN, NEW YORK

The Plan of Cooperative Organization (hereinafter referred to as the "Plan") is amended as follows:

- The financial statement of Park West Tenants Corp. for the year ending December 31, 1981, is attached to this Amendment and is incorporated into the Plan.
- The shares allocated to the following apartments 2. have not been sold as of this date and remain as "Unsold Shares," as such term is defined in the Plan:

7A 8A 4B

The Unsold Shares allocated to Apartments 7A and 8A are held by the Estate of William Marx. The Unsold Shares allocated to Apartments 15A and 4B are held by Charles Punia.

No material changes in the terms of the Plan have 3. been made except as set forth herein and in the First Amendment dated October 26, 1978; the Second Amendment dated November 14, 1978; the Third Amendment dated January 4, 1979; the Fourth Amendment dated March 28, 1979; the Fifth Amendment dated May 30, 1980; and the Sixth Amendment dated June 24, 1981.

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4. The Plan, and the First, Second, Third, Fourth, rifth and Sixth Amendments thereto, as modified and supplemented hereby, are incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment not otherwise defined herein shall have the same meanings ascribed to them in the Plan, as amended.

Charles Punia

THE ESTATE OF WILLIAM MARX

By: Charles Punia, Executor

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EIGHTH AMENDMENT
DATED MARCH 24, 1983, TO
THE PLAN OF COOPERATIVE ORGANIZATION
DATED JULY 31, 1978, FOR
PROSPECT PARK WEST, BROOKLYN, NEW YORK

The Plan of Cooperative Organization (hereinafter referred to as the "Plan") is amended as follows:

- 1. The budget of Park West Tenants Corp. for the year ending December 31, 1983, is attached to this Amendment and is incorporated into the Plan.
- 2. The shares allocated to the following apartments have not been sold as of this date and remain as "Unsold Shares" as such term is defined in the Plan:

7-A 8-A 15-A 4-B

The Unsold Shares allocated to Apartments 7-A and 8-A are held by the Estate of William Marx. The Unsold Shares allocated to Apartments 15-A and 4-B are held by Charles Punia.

3. No material changes in the terms of the Plan have been made except as set forth herein and in the First Amendment dated October 26, 1978; the Second Amendment dated November 14, 1978; the Third Amendment dated January 4,

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1979; the Fourth Amendment dated March 28, 1979; the Fifth Amendment dated May 30, 1980; the Sixth Amendment dated June 24, 1980; and the Seventh Amendment dated August 31, 1982.

4. The Plan and the First, Second, Third, Fourth, Fifth, Sixth and Seventh Amendments thereto, as modified and supplemented hereby, are incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment not otherwise defined herein shall have the same meanings ascribed to them in the Plan, as amended.

Maly Bellin CHARLES PUNIA

THE ESTATE OF WILLIAM MARX

By:

Charles Punia, Executor

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PARK WEST TENANTS CORP. 9 PROSPECT PARK WEST

BROOKLYN, NEW YORK 11215

Management - 125	0 x 12			\$ 15,000.
Prof. fee - acct	5.	·		1,800.
Office Printing,	Postage			400.
Telephone & Beep	er			900.
Miscellaneous.				375.
Payroll				107.496.
Payroll Taxes				9.729.
Work. Comp. @ 4.		_		4,655.
	816. health x			4,896.
	e - 12. per veek			3,744.
	\$3. per qtr per	ran .		72.
Uniforms	_			700.
Electricity 1128				12,023.
Fuel 011 8,000 @				8,000.
Gas Pilot light				_
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· · · · · · · · · · · · · · · · · · ·	574)	•		
Licenses & permi	ts			450.
Water & Sever				7,812.
Other				
Materials & supp	lies			10,000.
Repairs & mainte	Dance			15,000.
Elevator	6000 + 2500	•		8,500.
Mortgage	Punia & Marx	$5250 \times 2 = 10500$		
		5542 x 10= 55420		65,920.
Second mtge.	5 mos.	<u>7 mos</u> .	amort.	
Btar	5119	7210	4375 (7500x7/12)	
Brodsky	1750	2400	1042 (2500x5/12)	24,130
Helfenstein	688	963	583 (1000x7/12)	
Real estate	500,000 AT €	0.95 (per attorney)		44.750.
Corp. taxes	,			1,000.
Insurance	•			4,500.
Sub-total	•			402,014.
Less interest an	d dividends			2,000.
Cooperator maint				\$400,014
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\$400.014 = \$18.77 per share 21,309 shares

Budget represents 19.4% increase in maintenance

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NINTH AMENDMENT
DATED OCTOBER 6, 1983, TO
THE PLAN OF COOPERATIVE ORGANIZATION
DATED JULY 31, 1978, FOR
PROSPECT PARK WEST, BROOKLYN, NEW YORK

The Plan of Cooperative Organization (hereinafter referred to as the "Plan") is amended as follows:

1. The shares allocated to the following apartments have not been sold as of this date and remain as "Unsold Shares" as such term is defined in the Plan:

	No. of
Apt. No.	Shares
8-A	375
15-A	. 684
4-B	359

The Unsold Shares allocated to Apartment 8-A is held by the Estate of William Marx. The Unsold Shares allocated to Apartments 15-A and 4-B are held by Charles Punia.

- 2. One of the members of the Board of Directors is controlled by the Sponsor.
- have been made except as set forth herein and in the First
 Amendment dated October 26, 1978; the Second Amendment dated
 November 14, 1978; the Third Amendment dated January 4,
 1979; the Fourth Amendment dated March 28, 1979; the Fifth
 Amendment dated May 30, 1980; the Sixth Amendment dated June
 24, 1981; the Seventh Amendment dated August 31, 1982; and
 the Eighth Amendment dated March 24, 1983.

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4. The Plan and the First, Second, Third, Fourth, lifth, Sixth, Seventh and Eighth Amendments thereto, as modified and supplemented hereby, are incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment not otherwise defined termin shall have the same meanings ascribed to them in the clan, as amended.

CHARLES PUNIA

THE ESTATE OF WILLIAM MARX

Charles Punia, Executor

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TENTH AMENDMENT DATED APRIL 13, 1984, TO THE PLAN OF COOPERATIVE ORGANIZATION DATED JULY 31, 1978, FOR PROSPECT PARK WEST, BROOKLYN, NEW YORK

The Plan of Cooperative Organization (hereinafter referred to as the "Plan") is amended as follows:

- 1. The budget for Park West Tenants Corporation is attached to this Amendment and is incorporated into the Plan.
- . 2. The shares allocated to the following apartments have not been sold as of this date and remain as "Unsold Shares" as such term is defined in the Plan:

Apartment No.	No. of Shares
15-A	684
4-B	359

- 3. No members of the Board of Directors are controlled by the Sponsor.
- 4. No material changes in the terms of the Plan have been made except as set forth herein and in the First Amendment dated October 26, 1978; the Second Amendment dated November 14, 1978; the Third Amendment dated January 4, 1979; the Fourth Amendment dated March 28, 1979; the Fifth Amendment dated May 30, 1980; the Sixth Amendment dated June 24, 1981; the Seventh Amendment dated August 31, 1982; the

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Eighth Amendment dated March 24, 1983; and the Ninth Amendment dated October 6, 1983.

. 5. The Plan and the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, and Ninth Amendments thereto, as modified and supplemented hereby, are incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment not otherwise defined herein shall have the same meanings ascribed to them in the Plan, as amended.

By: Varis running Copy Junky 4111-11.
CHARLES PUNIA, GENETAY PAYTHER, FOR
by: DONALD GREENEERG, Apporney-In-Fact

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	8UDCET 1984		
/		Actual 1983	Budget 1984
	Income		
	Tenant stockholder assessments Interest and dividends Miscellaneous	\$ 380,654 1,075 300	\$ 381,000 1,000
	Total income	382,029	382,000
	Expenditures Administrative Expenses		
•	Management fees Professional fees Office, printing, postage Telephone Miscellaneous	15,000 3,948 389 733 357	15,000 3,000 600 800 100
	Total administrative expenses	20,427	19,500
	<u>Payroll</u>		
	Building wages Payroll taxes Employees pension and welfare	117,006 10,081 9,278	126,498 11,223 8,784
	Total payroll expenses	136,365	146,505
	Operating Expenses		
	Uniforms Electricity Gas Oil License and permits Water and sewer	1,029 12,955 36,446 10,131 856 8,255	600 13,400 43,000 5,200 600 8,800
	Total operating expenses	69,672	71,600
	Repairs and Maintenance		
	Materials and supplies Repairs and maintenance	4,748 23,453	7,000 23,000
	Total repairs and maintenance	28,201	30,000
	Financial Expenses, Tax and Insurance		
	Mortgage interest Mortgage amortization Real estate tax Corporation taxes Insurance	{ 75,479 14,404 41,411 1,308 8,104	93,846 35,844 1,200 8,100
	Total financial expenses, taxes and insurance	140,706	138,990
	Total operating expenses	•	406,595
	Operating Loss		(\$24,595)
	Note:		

This budget projects a 6.5% operating deficit. The Board of Directors instituted a 10% carrying characterive January 1, 1984 in order to create a re-

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ELEVENTH AMENDMENT DATED OCTOBER 11, 1984, TO THE PLAN OF COOPERATIVE ORGANIZATION DATED JULY 31, 1978, FOR PROSPECT PARK WEST, BROOKLYN, NEW YORK

The Plan of Cooperative Organization (hereinafter referred to as the "Plan") is amended as follows:

- 1. The financial statement for the years ended December 31, 1983 and December 31, 1982 is attached to this Amendment and is incorporated into the Plan.
- 2. The shares allocated to the following apartments have not been sold as of this date and remain as "Unsold Shares" as such term is defined in the Plan:

Apartment No.	No. of Shares
15-A	684
4-B	359

- 3. No members of the Board of Directors are controlled by the sponsor.
- 4. No material changes in the terms of the Plan have been made except as set forth herein and in the First Amendment dated October 26, 1978; the Second Amendment dated Kovember 14, 1978; the Third Amendment dated January 4, 1979; the Fourth Amendment dated March 28, 1979; the Fifth Amendment dated May 30, 1980; the Sixth Amendment dated June 24, 1981; the Seventh Amendment dated August 31, 1982; the Fighth Amendment dated March 24, 1983; the Ninth Amendment dated October 6, 1983; and the Tenth Amendment dated April 1984

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5. The Plan and the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, and Tenth Amendments thereto, as modified and supplemented hereby, are incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment not otherwise defined herein shall have the same meanings ascribed to them in the Plan, as amended.

By: LICH DUNIA
CHARLES PUNIA

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- 6. No material changes in the terms of the Plan have been made except as set forth herein and in the First Amendment dated October 26, 1978; the Second Amendment dated November 14, 1978; the Third Amendment dated January 4, 1979; the Fourth Amendment dated March 28, 1979; the Fifth Amendment dated May 30, 1980; the Sixth Amendment dated June 24, 1981; the Seventh Amendment dated August 31, 1982; the Eighth Amendment dated March 24, 1983; the Ninth Amendment dated October 6, 1983; the Tenth Amendment dated April 13, 1984; the Eleventh Amendment dated October 11, 1984; the Twelfth Amendment dated September 19, 1985; the Thirteenth Amendment dated April 18, 1986, and the Fourteenth Amendment dated October 15, 1986.
- 7. The Plan, and the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth and Fourteenth Amendments thereto, as modified and supplemented hereby, are incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment not otherwise defined herein shall have the same meanings ascribed to them in the Plan, as amended.

Charles Punia

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TWELFTH AMENDMENT DATED SEPTEMBER 19, 1985, TO THE PLAN OF COOPERATIVE ORGANIZATION DATED JULY 31, 1978, FOR 9 PROSPECT PARK WEST, BROOKLYN, NEW YORK

The Plan of Cooperative Organization (hereinafter referred to as the "Plan") is amended as follows:

1. The shares allocated to the following apartments are owned by Charles Punia and have not been sold as of this date and remain as "Unsold Shares" as such term is defined in the Plan:

Apartment Number	Number of Shares			
15-A	684			
4-B	359			

No "Unsold Shares" have been sold since the Eleventh Amendment to the Plan was accepted for filing.

- 2. No members of the Board of Directors are controlled by the sponsor.
- 3. No material changes in the terms of the Plan have been made except as set forth herein and in the First Amendment dated October 26, 1978; the Second Amendment dated November 14, 1978; the Third Amendment dated January 4, 1979; the Pourth Amendment

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dated March 28, 1979; the Pifth Amendment dated May 30, 1980; the Sixth Amendment dated June 24, 1981; the Seventh Amendment dated August 31, 1982; the Eighth Amendment dated March 24, 1983; the Ninth Amendment dated October 6, 1983; the Tenth Amendment dated April 13, 1984; and the Eleventh Amendment dated October 11, 1984.

4. The Plan and the First, Second, Third, Fourth, Pifth, Sixth, Seventh, Eighth, Ninth, Tenth and Eleventh Amendments thereto, as modified and supplemented hereby, are incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment not otherwise defined mer in shall have the same meanings ascribed to them in the elen, as amended.

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THIRTEENTH AMENDMENT DATED APRIL 18, 1986 TO THE PLAN OF COOPERATIVE ORGANIZATION DATED JULY 31, 1978, FOR PROSPECT PARK WEST, BROOKLYN, NEW YORK

The Plan of Cooperative Organization (hereinafter referred to as the "Plan") is amended as follows:

- 1. The budget for Park West Tenants Corporation is attached to this Amendment and is incorporated into the Plan.
- 2. The shares allocated to the following apartments are owned by Charles Punia and have not been sold as of this date and remain as "Unsold Shares" as such term is defined in the Plan:

Apartment Number	Number of Shares
15-A	684
4-R	359

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No "Unsold Shares" have been sold since the Twelfth Amendment to the Plan was accepted for filing.

- 3. No members of the Board of Directors are controlled by the sponsor.
- 4. No material changes in the terms of the Plan have been made except as set forth herein and in the First Amendment dated October 26, 1978; the Second Amendment dated November 14, 1978; the Third Amendment dated January 4, 1979; the Fourth Amendment dated March 28, 1979; the Fifth Amendment dated May 30, 1980; the Sixth Amendment dated June 24, 1981; the Seventh Amendment

to the Sponsor's representative of a certified check payable to the Commissioner of Finance. The RPT Tax is payable on the sale of shares allocated to a cooperative apartment at the rate of one (1%) percent of the sum of (i) the consideration paid by the purchaser for such shares plus (ii) the pro rata portion of the mortgage indebtedness encumbering the premises allocable to such For the purpose of computing the actual amount of the RPT Tax due for a particular transaction, in instances where the purchaser pays the RPT Tax, the amount of the RPT Tax is deemed to be included as additional consideration paid by the In some instances a credit (the "Credit") will be allowed as a result of the payment of the RPT Tax by the Sponsor in connection with the transfer of title to the Building to the Apartment Corporation. To the extent that a Credit is allowed, at the closing of the sale of shares of the Apartment Corporation allocated to a cooperative apartment, purchasers will deliver to the Sponsor's representative the follwoing checks: certified check, payable to the Commissioner of Finance, in the amount of the RPT Tax less the Credit, and (ii) a check payable to the order of the Sponsor, in the amount of the Credit.

5. . (a) The Asbestos Regulation

The following is presented pursuant to the provisions of 13 NYCRR 18.7(aa), a regulation promulgated by the Department of Law on August 8, 1986.

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(b) Asbestos Statement:

Sponsor shall perform such tests as are necessary to determine whether Asbestos Containing Material ("ACM") is present in insulating or fireproofing material anywhere in the Building, and shall disclose such results in a duly-filed amendment to the Plan no later than February 8, 1987.

(c) Asbestos Report

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If ACM is present, Sponsor shall have a person who is qualified to render an opinion on asbestos prepare a report on the asbestos in the Building(s) (the "Asbestos Report"). Such Asbestos Report shall contain at least the following information:

- (i) The qualifications of the person preparing the report.
- each apartment and in all other areas of the property, including the location, amount of ACM, type and concentration of asbestos in the ACM, and condition; whether the presence of any of the ACM poses an immediate health or safety hazard; which apartments, if any, were not examined and a description of efforts made to gain access to any such apartments.
- (iii) Recommendations for handling each and every item of the asbestos inventory, i.e., removal, enclosure, encapsulation, or leaving undisturbed.
- (iv) How the recommendations should be implemented, whether apartments must be vacated or whether use of

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POURTEENTH AMENDMENT DATED OCTOBER 15, 1986, TO THE PLAN OF COOPERATIVE ORGANIZATION DATED JULY 31, 1978, FOR 9 PROSPECT PARK WEST, BROOKLYN, NEW YORK

The Plan of Cooperative Organization (hereinafter referred to as the "Plan") is amended as follows:

1. The shares allocated to the following apartments are owned by Charles Punia and have not been sold as of this date and remain as "Unsold Shares" as such term is defined in the Plan:

Apartment Number	Number of Shares			
	· ·			
15-A	684			
4-B	359			

No "Unsold Shares" have been sold since the Thirteenth Amendment to the Plan was accepted for filing.

- 3. No members of the Board of Directors are controlled by the Sponsor.
- 4. All purchasers of shares of stock in the Apartment Corporation from the Sponsor or a Holder of Unsold Shares will be obligated to complete, at the closing, a New York City Real Property Transfer Tax Return and pay the New York City Real Property Transfer Tax (the "RPT Tax") due in connection with the transfer of the shares of stock allocated to their respective apartments. The RPT Tax shall be payable by the purchaser at the time of the transfer of the shares to the purchaser by delivery

the closing has not occurred or if Sponsor is in control of the Board of Directors.

- 6. No material changes in the terms of the Plan have been made except as set forth herein and in the First Amendment dated October 26, 1978; the Second Amendment dated November 14, 1978; the Third Amendment dated January 4, 1979; the Fourth Amendment dated March 28, 1979; the Fifth Amendment dated May 30, 1980; the Sixth Amendment dated June 24, 1981; the Seventh Amendment dated August 31, 1982; the Eighth Amendment dated March 24, 1983; the Ninth Amendment dated October 6, 1983; the Tenth Amendment dated April 13, 1984; the Eleventh Amendment dated October 11, 1984; the Twelfth Amendment dated September 19, 1985; and the Thirteenth Amendment dated April 18, 1986.
- 7. The Plan, and the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth and Thirteenth Amendments thereto, as modified and supplemented hereby, are incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment not otherwise defined herein shall have the same meanings ascribed to them in the Plan, as amended.

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certain rooms will be limited and the projected duration thereof and whether the work must be performed in compliance with New York City Local Law 76 of 1985 or any other applicable laws.

(v) A recommended protocol for the future handling and maintenance of asbestos which will remain in the Building, whether encapsulated, enclosed or left undisturbed.

The Asbestos Report will be disclosed in a suly-filed amendment to the Plan by February 8, 1987.

(d) The Right to Postpone Closings:

Subscribers (or purchasers) have the right to delay closings on their individual units until thirty (30) days after the amendment containing the asbestos statement and habestos Report is served.

(e) Litigation Disclosure:

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The regulations promulgated on August 8, 1986, contained the following additional language:

In addition, the offering plan must state that the recommendations of the Asbestos Report will be expeditiously carried out by the Sponsor if the closing has not the Apartment occurred, OI Corporation if the closing has occurred but the Sponsor is in control, and that it will be the responsibility of the Apartment Corporation to monitor and, whenever necessary, to treat or remove ACM which remains in the Building(s) after the conversion to a cooperative.

If any closings take place prior to the completion of asbestos removal and treatment work, Sponsor shall

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place in escrow a sum of money sufficient to pay for said work, the amount to be determined by a person qualified to render an opinion on asbestos, but in no event less than \$2,500.00 per unit.

A lawsuit was brought to invalidate the emergency asbestos regulations -- Application of Council For Owner Occupied Housing Inc. v. Robert Abrams, Supreme Court, Albany County, Index Number 9505-86. On October 6, 1986, Justice John G. O'Connor issued an opinion upholding that part of the regulations set out in paragraphs (b) and (c). The decision invalidated that part of the regulations set out in this paragraph.

The Attorney General has appealed that part of the decision invalidating that part of the regulations set forth in this paragraph.

(f) Update:

1)

This Plan will be amended to disclose the outcome of this litigation as well as its ramifications on Sponsor's obligations in this offering plan. If the final court determination or stipulation upholds the decision invalidating the provisions of the regulations set forth in paragraph (e), Sponsor will have no obligation to carry out the recommendations of the Asbestos Report or to escrow a sum of money sufficient to pay for said work. If the final court determination reverses the decision invalidating the provisions of the regulations set forth in paragraph (e), Sponsor will have the obligation to perform such work and to escrow money sufficient to pay for said work, if

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FIFTEENTH AMENDMENT DATED JUNE , 1987, TO THE PLAN OF COOPERATIVE ORGANIZATION DATED JULY 31, 1978, FOR PROSPECT PARK WEST, BROOKLYN, NEW YORK

The plan of cooperative organization, as amended (the "Plan") for the premises known as 9 Prospect Park West, Brooklyn, New York, is further amended as follows:

1. (a) The Asbestos Regulation

The following is presented pursuant to the provisions of 13 NYCRR 18.7(aa), a regulation promulgated by the Department of Law on August 8, 1986.

(b) Asbestos Statement

Sponsor has performed or caused the performance of such tests as are necessary to determine whether Asbestos Containing Material ("ACM") is present in insulating or fireproofing material anywhere in the Building, the results of which are herein disclosed in this Fifteenth Amendment to the Plan. Annexed hereto as Exhibit A is the required asbestos survey and report (the "Asbestos Report"), conducted on February 16, 1987 by Kemron Environmental Services.

(c) Asbestos Report

Among other things, the Asbestos Report contains the following information:

- (i) The qualifications of person(s) preparing the report.
- (ii) A detailed inventory of the asbestos in each apartment and in all other areas of the property to which access was obtained, including the location, amount of ACM, type and concentration of asbestos in the ACM, and condition; whether the presence of any of the ACM poses an immediate health or safety hazard; which apartments were examined and a description of efforts made to gain access to any apartments which were not examined.
- (iii) Recommendations for handling each and every item of the asbestos inventory, i.e., removal, enclosure, encapsulation, or leaving undisturbed.

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3.0 Background

Asbestos has been known to man since antiquity, but the mineral came into widespread use less than a hundred years ago when its strength and resistance to heat, fire and corrosion made it the ideal choice for insulating the machines of the industrial revolution. Asbestos found its way into many building materials for the purpose of insulation and fireproofing.

Decades ago, respiratory disease (asbestosis) had been noted in asbestos workers. An increased incidence of lung cancer and mesothelioma had also been linked to asbestos exposure. Real evaluation of asbestos hazards has been complicated by the variable nature of asbestos-related work activities and exposures.

In view of the potential health and safety impact on individuals in buildings containing ACM, the Attorney General of the State of New York has amended Parts 18, 20 and 21 of Title 13 of the New York State regulations. This amendment states that offering plans for converting buildings to cooperative or condominium ownership must include an asbestos report with the following information:

- 1) Qualifications of the person preparing the report
- 2) An inventory of ACM in all areas of the property
- 3) Recommendations for handling ACM in the inventory
- 4) Recommended protocol for future handling and maintenance of ACM

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4.0 Field Survey Procedures

The surveys were performed in accordance with Environmental Protection Agency recommended procedures found in EPA-450/2-78-014 (Parts I and II) and EPA 560/5-85-024. These procedures call for the visual inspection of the building for suspect friable material and collection and analysis of representative samples of suspect material. Due to the fact that even small airborne concentrations may be a risk, care must be taken during asbestos surveys.

Areas of the building that were examined included the laundry room, boiler room, storage rooms and hallways. Ten percent of the apartments (4) were examined for asbestos. Access to roof and penthouse areas was denied. Samples were collected from pipes and molded pipe elbows, as well as boiler insulation, boiler breeching and thermal paper coating the inside of radiator covers. An attempt was made to sample in remote, unobservable or already damaged areas. The actual sampling site was sealed with duct tape where possible.

Yellow or pink fibrous material was assumed to be fiberglass and was not sampled. However, fiberglass insulation was penetrated with a knife to the substrate to observe homogeneity of the material. Samples were not collected from floor tile.

Representative samples were collected of each distinct material, i.e., material similar in appearance and texture. This yields an index of the

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general presence of asbestos materials rather than a positive identification of each individual pipe, valve, ceiling tile, etc. Samples were put into zip-loc plastic bags, labeled with a unique identification number and submitted to the laboratory with chain of custody forms. Samples are retained in the laboratory for three months at which time they are discarded.

5.0 Analytical Methods

All bulk samples collected were analyzed in accordance with Environmental Protection Agency - Research Triangle Method "Interim Method for the Determination of Asbestos in Bulk Insulation Samples". This method utilizes polarized light microscopy and dispersion staining techniques to identify asbestos fibers.

All analyses were performed in KEMRON's New York laboratory which is accredited by the American Industrial Hygiene Association (Number 169) and which successfully participates in the EPA-RTI Quality Assurance Program for bulk identification of asbestos.

6.0 The Property Survey Report

The results of the asbestos survey are presented in Table 1. The location column in Table 1 identifies the general physical location within the property where material similar in texture and appearance was found. The

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location is described by floor and name of room or area. The sample description column gives specific detail concerning which material in the location was sampled or quantitated.

In the Percent Asbestos column is found the averaged percent of asbestos found in the series of samples collected for any given area. The type of asbestos present is indicated by a letter, the designation of which is explained at the bottom of the table. Approximate quantities of material were visually estimated or calculated from known building dimensions. These numbers are subject to some error in situations such as where pipes or duct work could not be followed or where several styles of ceiling tile were used randomly throughout a building.

The last column in Table 1 lists the recommended corrective action to reduce the release of airborne fibers from the material. There are four basic abatement alternatives in a situation where asbestos is present: deferred action, encapsulation, enclosure and removal. No action would be recommended where no asbestos was present. Deferred action is normally recommended where risk of exposure to airborne asbestos fibers is negligible by virtue of the inaccessible location or good condition of the material. Enclosure and encapsulation are procedures for physically or chemically sealing asbestos fibers to reduce or prevent fiber release to the air. Removal constitutes total deletion of asbestos material from a given location.

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Table 1 (p. 1 of 4)

RESULTS OF FRIABLE ASBESTOS SLRVEY for PUNIA and MARX

by KEMRON Environmental Services, 755 New York Avenue, Huntington, NY 11743

Property: 9 Prospect Location: Brooklyn, W-6107-87	t Park West New York		Inspector: Date Performed:	ET February 16, 1987
Location	Sample Description	Percent Asbestos	Approximate Quantities	Recommended Abatement Actions
Boiler Room	Boiler insulation (solid white over aircell)	5A, 60C	628 ft ²	Repair Damage/ Remove Debris
	Water tank insulation (solid white)	600	502 ft ²	Repair Damage
	DHW and heating pipe insulation	60C	175 ft	Remove Damage
	DHW and heating pipe elbow insulation (gray)	60C	18	Remove Damage
	DHW and heating pipe joint insulation	600	15	Enclose Damage
	Breeching insulation on new boiler	0	50 ft ²	No Action Require
·	Breeching insulation on old boiler (gray)	5C	300 ft ²	Repair Damage/ Remove Debris
	Pipe elbow insulation (fiberglass straight section)	0	30	No Action Require
	Pipe joint insulation (fiberglass straight section)	0	N/A	No Action Require
	ON pipe insulation (tan layered paper	·) 5C	50 ft	Remove Damage
	Ow pipe elbow insulation (solid white	e) 60C	5	Remove
	Od pipe joint insulation (solid white	e) 60C	3	Remove

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RESULTS OF FRIABLE ASBESTOS SURVEY for PUNIA and MARX

by KEMRON Environmental Services, 755 New York Avenue, Huntington, NY 11743

Property: 9 Prospect Procession: Brooklyn, New W-6107-87			Inspector: Date Performed:	ET February 16, 1987
Location	Sample Description	Percent Asbestos	Approximate Quantities	Recommended Abatement Actions
Room Above Boiler Room	Pipe insulation (solid white)	60C	20 ft	Enclose Damage
	Oil pipe insulation (tan layered paper) 5C	40 ft	Remove Damage
	Oil pipe elbow insulation (solid white) 60 C	5	Enclose Damage
	Pipe insulation (aircell)	6000	40 ft	Enclose Ends
. •	Pipe elbow insulation (gray)	600	5	Defer Action
Basement Hallway	Ow pipe insulation (tan layered paper) 50	110 ft	Defer Action
	Oil pipe elbow insulation (solid white) 60C	14	Defer Action
	Pipe insulation (aircell)	600	80 ft	Defer Action
·	Pipe elbow insulation (gray)	6000	14	Defer Action
	Pipe insulation (solid white)	6000	16 ft	Defer Action
	Pipe elbow insulation (solid white)	600	4	Defer Action
Laundry Room/Storage	Pipe insulation (solid white)	600	15 ft	Defer Action
	Pipe elbow insulation (solid white)	600	2	Defer Action
	OHM pipe insulation (aircell)	600	16 ft	Enclose Ends
	OHM pipe elbow insulation (gray)	600	. 7	Defer Action

A = Amosite Asbestos · C = Orrysotile Asbestos

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RESULTS OF FRIABLE ASBESTOS SURVEY for PUNIA and MARX

by KEMPON Environmental Services, 755 New York Avenue, Huntington, NY 11743

Property: 9 Prospect F Location: Brooklyn, Ne W-6107-87			Inspector: Date Performed:	ET February 16, 1987
Location	Sample Description	Percent Asbestos	Approximate Quantities	Recommended Abatement Actions
Laundry Room/Storage (con't) Pipé insulation (tan layered paper)	5C	16 ft	Repair Damage
	Pipe elbow insulation (solid white)	600	5	Repair Damage
Meter Room	Oil pipe insulation (tan layered paper) 5C	25 ft	Defer Action
	ON pipe elbow insulation (solid white) 60C	3	Enclose Damage
	Pipe insulation (aircell)	6000	3 ft	Defer Action
	Pipe elbow insulation (gray)	600	2	Enclose Damage
Locker Room	Steam pipe insulation (aircell)	60C	8 ft	Defer Action
Storage off Locker Roo	m ON pipe insulation (tan layered paper) 5C	20 ft	Defer Action
	Oil pipe elbow insulation (white)	60C	3	Enclose Damage
	Pipe insulation (aircell)	600	20 ft	Defer Action
	Pipe elbow insulation (gray)	600	2	Enclose Damage
Storage Room	Steam pipe insulation (aircell)	60C	175 ft	Enclose Damage
	Pipe elbow insulation (gray)	60C	40 .	Enclose Damage
	HW pipe insulation (aircell)	600	50 ft	Enclose Ends
	•		•	

A = Amosite Asbestos · C = Chrysotile Asbestos

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Table 1 (p. 4 of 4)

RESULTS OF FRIABLE ASBESTOS SURVEY for PUNIA and MARX

by KEMPON Environmental Services, 755 New York Avenue, Huntington, NY 11743

Property: 9 Prospect F Location: Brooklyn, No N-6107-87	erk West W York			ET February 16, 1987
Location	Sample Description	Percent Asbestos	Approximate Quantities	Recommended Abatement Actions
Storage Room (con't)	HW pipe elbow insulation (gray)	600	8	Defer Action
	Of pipe insulation (tan layered paper) 5C	50 ft	Enclose Damage
	(W pipe elbow insulation (white)	60C	8	Enclose Damage
Basement Elevator Motor Room	Ow pipe insulation (tan layered paper Pipe elbow insulation (white)	·) 5C	10 ft 1	Defer Action Defer Action
Apartment 1C	No Suspect ACM			
Apartment 1A	No Suspect ACM	•		
Apartment 48	Thermal paper insulation in radiator enclosure (gray solid)	600	4 ft ²	Remove
Apartment 15A	Thermal paper insulation in radiator enclosure	600	4 ft ²	Renove

A = Amosite Asbestos C = Orrysotile Asbestos

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7.0 Discussion of Results and Recommendations

New breeching insulation on the new boiler and molded pipe fittings on fiberglass insulated lines were not asbestos-containing. All other forms of insulation throughout the basement were found to contain asbestos. Where damage to straight sections of insulation and molded pipe elbows was severe we recommended removal. For those areas where damage was not as severe we recommend repairing the damaged areas. Repairing damage consists of either replacing insulation or relagging damaged areas.

In some cases, insulation was in good condition and deferred action was recommended. For those locations we suggest implementing periodic inspections to insure that material remains in good condition.

Ten percent of the forty apartments were inspected for asbestos. Asbestos was found in thermal paper insulation in the wooden radiator covers in some apartments. The number of apartments which contained this thermal paper in radiator covers could not be determined since access to remaining privately owned apartments was denied to the KEMRON representative by the Coop board.

The approximate cost for the removal and repairs recommended in all areas is estimated at \$14,000. Costs for asbestos abatement now vary significantly depending on time constraints, insurance, specification requirements and so on. All work should be performed incompliance with New York City Local Law 76 of 1985 as well as EPA, OSHA and State regulations.

It should be noted that, in some cases, it may ultimately be more economical and efficient to remove all asbestos material rather than just that material recommended for removal or repair in a given location. For example, while the pipe run in a given area may be in excellent condition and not require any corrective action, the elbow or joint insulation may be severely deteriorated. In these cases, it would be reasonable to opt for removal of both pipe and elbow insulation.

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APPENDIX

Qualifications for Asbestos Services

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ASBESTOS SERVICES

KEMRON's Huntington, New York facility has provided asbestos-related services to schools, private owners, architects and engineers for over seven years. These services have ranged from exposure assessment surveys and national building inspections to complete monitoring abatement activities to training sessions in handling asbestos.

KEMRON laboratories in Huntington, NY, Farmington Hills, MI and Baton Rouge, LA are accredited by the American Industrial Hygiene Association. This credential requires strict adherence to standards of analytical performance, personnel qualification and quality control.

QUALITY ASSURANCE

Analytical performance is monitored through the Proficiency Analytical Testing (PAT) program. This is a quarterly administered round of blind samples submitted to participating labs for analysis. One of the analytical parameters is airborne asbestos fibers. KEMRON has had superior ratings on its PAT rounds for over six years.

Also included in our credentials is participation in the EPA Research Triangle quality assurance program for identification of asbestos materials in bulk samples. KEMRON has successfully identified the unknown materials submitted for over four years. Both our PAT and EPA performance records are available to any client upon request.

PERSONNEL

KEMRON employs a staff of trained and experienced industrial hygiene technicians working under the supervision and review of a Certified Industrial Hygienist. Technicians are baccalaureate degreed environmental scientists. They are familiar with the field techniques and procedures recommended by NIOSH for air monitoring of asbestos, and by EPA for inspection of school buildings for asbestos exposure. In their work, they have observed the requirements of OSHA Standard 1901.1001 and EPA National Emission Standards for Asbestos.

Lastly, to support our involvement in the asbestos abatement field, we are members of the National Asbestos Council, the American Wall and Ceiling Asbestos Committee and the New York Committee on Occupational Safety and Health. These organizations provide up-to-date information and support regarding asbestos and its control.

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HISTORY

KEMRON Environmental Services has a long history of contributions to the environmental field. Beginning in 1952 as KEM-TECH, Inc. in Baton Rouge, LA, air monitoring and analysis procedures were developed which have become standard throughout the nation. These procedures include the famous West-Gaeke sulfur dioxide method, the Alizarin complexone fluoride method, and the state-of-the-art data acquisition and control system known as the KEMPUTER. The following summarizes the major events in KEMRON's history.

- 1952 Formation of KEM-TECH laboratories in Baton Rouge, LA, to provide ambient air monitoring for Standard Oil Company and Ethyl Corporation.
- 1956 Ambient air study of North Baton Rouge was begun for an association of 14 local chemical industries.
- 1960 KEM-TECH built the first mobile laboratory for air monitoring for the U.S. Air Force.
- 1965 Significant expansion of personnel, ambient air contracts and analytical capabilities.
- 1967 Purchase of over 6 acres on Highland Road in Baton Rouge and construction of a 12,000 sq. ft lab and office.
- Industrial hygiene services were established by Dr. Ralph Smith, an internationally known figure in the field of industrial hygiene and a past president of the American Industrial Hygiene Association (AIHA).
- 1974 KEM-TECH was purchased by Borg-Warner Corporation. A branch laboratory was located in Port Neches, TX, to serve the Golden Triangle area.
- 1978 Corporate offices and laboratory were established in Marietta, OH. Rosner-Hixon Laboratories of Chicago, IL, prominent in the food, drug and toxicological analyses, was acquired. Environmental Health Laboratories of Farmington Hills, MI, was acquired to expand KEMRON's industrial hygiene and occupational health programs.
- After the addition of a New York industrial hygiene laboratory, KEMRON was purchased by Mr. Juan Gutierrez, a Washington, D.C., investor, who owns Interamerica, Inc. Through the resources and ability of Mr. Gutierrez, significant investment in instrumentation and personnel was made possible.
- 1986 KEMRON continues to develop new services, attract talented personnel and acquire new instrumentation to service the growing number of clients.

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LOCATIONS AND CONTACTS

FACILITY	ADDRESS	CONTACTS
Corporate Operations	200 Putnam St., Suite 200 Marietta, OH 45750 (614) 373-4071	Mr. Dave Yandenberg Manager of Operations
Baton Rouge Area Laboratory	16550 Highland Road Baton Rouge, LA 70808 (504) 293-8650	Mr. Warren King Analytical Services Manager Mr. Barry Gipson Emission Testing Manager Mr. Wade Latham Ambient Air Manager Mr. Bob Sprick, CIH Industrial Hygiene Manager Mr. Chuck Bragg Mr. Dwight Herbert Technical Service Rep.
New York Area Laboratory	755 New York Avenue Huntington, NY 11743 (516) 427-0950	Ms. Susan Viet, CIH Regional Manager or Mr. Charles Pittman Technical Service Rep. Mr. Bill Long Corporate Relations
Detroit Area Laboratory	32740 Northwestern Hwy. Farmington Hills, MI 48018 (313) 626-2426	Mr. Thomas Brown Regional Manager or Mr. Paul Suriano Technical Service Rep.
Houston Area Laboratory	1216 Port Neches Avenue Port Neches, TX 77651 (409) 727-1661	Mr. Greg Haynes Regional Manager Mr. Wayne McCann Technical Service Rep. Mr. Roger Williams Technical Service Rep.
Ohio Valley Area Laboratory	901 Highland Avenue Williamstown, WV 26187 (304) 375-5800	Ms. Jean Anderson Regional Manager or Mr. Ralph Fleming Technical Service Rep.

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Marin, Stylman, Prisand & Montanye

Certified Public Accountants

14 Vanderventer Avenue, Port Washington, N.Y. 11050-3763. (516) 944-5700 • (718) 347-8600

MARTIN M. MARIN, CPA DAVID STYLMAN, CPA HORMAN PRISAND, CPA RICHARD MONTANYE, CPA

February 18, 1987

To The Board of Directors PARK WEST TENANTS CORPORATION Brooklyn, New York 11215

We have examined the balance sheet of PARK WEST TENANTS CORPORATION as of December 31, 1986 and 1985 and the related statements of operations and accumulated deficit, and changes in financial position for the years then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of PARK WEST TENANTS CORPORATION at December 31, 1986 and 1985 and the results of its operations and changes in its financial position for the years then ended in conformity with generally accepted accounting principles applied on a consistent basis.

Respectfully submitted,

MARIN, STYLMAN, PRISAND & MONTANYE

Certified Public Accountants

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BALANCE SHEET

DECEMBER 31, 1986 and 1985

ASSETS

Current Assets	<u>.</u> 1986	1985
Cash in banks - reserve Due from tenant stockholders Due from city collector Accrued interest receivable Prepaid insurance Prepaid water and sewer Prepaid interest Mortgage escrow (Note 4) Total Current Assets	\$ 56,208 16,572 70 251 10,413 5,229 87 17,099	\$ 108,328 7,337 -0- 502 6,965 4,757 108 18,043
Fixed Assets (Note 2) Land Building Equipment and improvements	245,169 858,091 685,937	245,169 858,091 601,266
Less: accumulated depreciation Net Fixed Assets	1,789,197 529,576	1,704,526 453,677 1,250,849
Other Assets		
Deposit Unamortized mortgage finance costs (Note 5) Total Other Assets	1,000 3,431 4,431	1,000 4,307 5,307
TOTAL ASSETS	\$ 1,369,981	\$ 1,402,196

The accompanying notes are an integral part of this statement.



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BALANCE SHEET

DECEMBER 31, 1986 and 1985

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities		1986		1985
Cash overdraft Accounts payable (Note 3) Payroll taxes payable Corporation taxes payable Accrued interest payable Advance rent from cooperators Security deposit payable	\$	866 25,920 1,420 1,262 6,503 870 2,000	\$	451 39,388 4,280 1,317 6,580 1,313 1,000
Total Current Liabilities		38,841		54,329
Long Term Liabilities				
Mortgage payable - Punia and Marx (Note 4) Mortgage payable - Crossland (Note 5)		647,451 200,000		658,420 200,000
Total Long Term Liabilities	•	847,461	********	858,420
Total Liabilities		886,302		912,749
Stockholders' Equity				
Common Stock, \$1 par value, 21,309 shares issued and outstanding Contributed capital (Note 6) Accumulated deficit	· (21,309 976,808 514,438)	(21,309 901,922 433,784)
Total Stockholders' Equity	-	483,679		489,447
Total Liabilities and Stockholders' Equity	<u>\$ 1</u>	,369,981	<u>\$ 1</u>	,402,196

The accompanying notes are an integral part of this statement.



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PARK WEST TENANTS CORPORATION

STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT

FOR THE YEARS ENDED DECEMBER 31, 1986 AND 1985

INCOME	1986	1985
Tenant stockholder assessments (Note 7)	\$ 459,774	\$ 451,284
Less: Amount contributed for mortgage amortization	(10,959)	(19,619
Net maintenance income	448,815	431,665
Interest and dividend income	6,071	815
<pre>Insurance refund, late charges, T.V. antenna and laundry</pre>	3,949	8,76
Total Income	458,835	441,24
Expenses Administrative		
Management fees Professional fees	15,000 21,340	15,000 7,199
Office, printing and postage Telephone and beeper	1,746 950	1,16 1,10
Total Administrative Expenses	39,036	24,46
Payrol1	•	
Building wages Payroll taxes Employees' pension and welfare	144,130 14,810 10,259	137,879 13,91 13,26
Total Payroll Expenses	169,199	165,05
Operating Expenses		
Uniforms Electricity Gas Oil License and permits Water and sewer	2,115 12,543 27,833 1,432 716 10,110	1,13 11,94 35,02 2,95 85 9,51
Total Operating Expenses	54,749	61,43

The accompanying notes are an integral part of this statement.



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STATEMENT OF OPERATIONS AND ACCUMULATED DEFICES

FOR THE YEARS ENDED DECEMBER 31, 1986 AND 1985

(Continued)

	1986	1985
Repairs and Maintenance		
Materials and supplies Repairs and maintenance (Note 8)	8,582 37,736	10,231 30,546
Total Repairs and Maintenance	46,318	40,777
Financial Expenses, Taxes and Insurance		
Mortgage interest Other interest Real estate tax Corporation taxes Vault tax Insurance Total Financial Expenses, Taxes and Insurance	78,468 822 37,597 1,078 122 35,325	74,990 865 43,427 1,302 -0- 18,756
Total Expenses	462,714	431,076
(Loss)/Profit Before Depreciation	(3,879)	10,165
Depreciation and Amortization		
Depreciation expense Amortization - mortgage finance costs Total Depreciation and Amortization	75,899 876 76,775	73,721 73 73 794
Net (loss) for the year Add: accumulated deficit, beginning of year	(80,654) (433,784)	(63,629) (370,155)
Accumulated Deficit, End of Year	(\$ 514,438)	(\$ 433,784)

The accompanying notes are an integral part of this statement.



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STATEMENT OF CHANGES IN FINANCIAL POSITION

EXHIBIT 5

FOR THE YEARS ENDED DECEMBER 31, 1986 AND 1985

	1986	1985
Sources of Funds Net (loss) for the year Add: non cash charge - depreciation and amortization	(\$ 80,654) 76,775	(\$ 63,629) 73,794
Funds (Absorbed) Provided by Operations	(3,879)	10,165
Other Sources of Funds Contributed capital - mortgage amortization Special assessment - improvements (Notes 6 & 7) Mortgage - Crossland Savings Bank	10,959 63,927 	19,619 -0- 200,000
Total Other Sources of Funds	<u>74,886</u>	219,619
Total Sources of Funds	71,007	229,784
Uses of Funds Building improvements (Note 2) Amortization of first mortgage payable Amortization of second mortgages Repayment of second mortgages Net transfer of current portion of mortgage Mortgage finance costs Total uses of funds (Decrease) Increase in Working Capital	84,671 10,959 -0- -0- -0- 95,630 (\$ 24,623)	29,542 10,069 9,550 83,533 (13,066) 4,380 124,008 \$ 105,776
RECONCILIATION OF CHANGES IN I		
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	<u>1986</u>	<u>1985</u>
Current assets	\$ 105,929	\$ 146,040
Current liabilities	38,841	54,329
Net Working Capital	\$ 67,088	\$ 91,711
(Decrease) Increase in Working Capital	(<u>\$ 24,623</u>)	\$ 105,776

The accompanying notes are an integral part of this statement.



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WORKING CAPITAL FLOW STATEMENT OF INCOME AND EXPENDITURES

For The Year Ended December 31, 1966

	For The	Year	Prior Year	Next 1
	January 1, 1986 -De	cember 31, 1986	January 1, 1985 -	January 1
			December 31, 1985	
	Budget (3)	Actual	Actual	Eudi
INCOME				
Tenant stockholder assessments	\$ 460,000	\$ 459,774	\$ 451,254	\$ 464
Special assessment	63,927(1)	63,927	- 0-	15
Interest and dividends	7,500	6,071	815	
Miscel laneous	3,600	. 3,949	8,761	
TOTAL INCOME	535,027	533,721	460,860	479
EXPENDITURES				
Management fees	20,000	15,000	15,000	16
Professional fees	10,000	21,340	7,199	14
Office, printing and postage	1,200	1,746	1,167	1
Telephone -	1,200	950	1,103	1
Miscel (aneous	500	-0-	- 0-	2
Building wages	142,000	144,130	137,875	155
Payroli taxes	15.600	14,810	13,912	15
Employee benefits	15,000	10,259	13,266	12
Uniforms	1,500	2,115	1,138	
Electricity	12,000	12,543	11,944	14
Gas and oil	44,600	29,265	. 37,983	46
Licenses and permits	500	716	858	
Water and sewer	9,500	10,110	9,514	11
Materials and supplies	(7,500	(8,582	(10,231	(, 29
Repairs and maintenance	(34,000	(37,736	(30,545	*. (
Mortgage interest and principal	90,000	89,427	94,609	123
Other Interest	-	822	865	
Real estate tax	64,000	37,597	43,427	42
Yault tax	- 0-	122	-0-	
Corporation taxes	1,200	1,078	1,302	_1
Insurance	26,000	35,325	18,756	
TOTAL EXPENDITURES	496,300	473,673	450,695	543
BUDGETED SURPLUS (DEFICIT)	<u>\$ 38,727</u>			(\$ 64
SURPLUS BEFORE FUNDS TRANSFERRED FOR CAPTITAL IMPROVEMENTS		. 60,048	-0-	
FUNDS TRANSFERRED FOR CAPITAL IMPROVEMENTS		(63,927)	-0-	
DEPRECIATION PER EXHIBIT B		(\$ 3,879)	\$ 10,165	



⁽¹⁾ The special assessment equals \$1 per share during each of the months January, February, and March 1986.

⁽²⁾ The 1986 and 1987 budgets do not evaluate any capital improvements at the building.

⁽³⁾ Prepared by the Board of Directors.

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PARK WEST TENANTS CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 1986 AND 1985

Note 1 - The Corporation

Park West Tenants Corporation is a residential cooperative housing corporation as defined in Section 216(b)(1)(d) of the Internal Revenue Code of 1954. It contains 44 apartment units.

Note 2 - Fixed Assets

All fixed assets are valued at cost less an appropriate allowance for depreciation. The building is depreciated over a 25 year life. Equipment and improvements are depreciated over lives ranging from 10-19 years.

During 1986 and 1985 the following building equipment and improvements were acquired:

	1986	1985		
Waterproofing and roofing Concrete and sidewalk Plumbing and water tank Mail boxes	\$ 83,927 -0- -0- 744	\$ 6,041 11,800 11,701 		
Total	<u>\$ 84,671</u>	\$ 29,542		

Note 3 - Accounts Payable

The December 31, 1986 and 1985 financial statements, do not reflect \$15,923 of bills which are being disputed by the Housing Company.

Note 4 - First Mortgage Payable

The first mortgage is held by Punia and Marx, Inc. It provides for monthly payments of \$5,542 from March 1, 1983 through March 1, 1989 which shall apply first to interest at the rate of 8 1/2% per annum with the balance as reduction of principal. The mortgage matures on March 1, 1989.

In addition, the terms of the mortgage require monthly deposits to an interest bearing escrow account held by the mortgagee for payment of real estate taxes, water and sewer charges. At December 31, 1986, \$17,099 was on deposit in the escrow account.

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PARK WEST TENANTS CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 1986 AND 1985

Note 5 - Second Mortgages Payable/Mortgage Payable - Crossland

During 1981 the Corporation borrowed \$110,000 under the following second mortgages:

Mortgagee	Amount	Inception Date
Star Registry for Nurses, Inc. Employees Profit Sharing Trust Anne and Abraham Brodsky Mary Helfenstein	\$ 75,000 25,000 10,000	May 1, 1981 July 1, 1981 May 27, 1981
	\$110,000	

Each second mortgage had a term of five years. Payments of interest at 16 1/2% per annum (interest only) were required for the first two years. Thereafter, principal has been repaid at the rate of ten percent of the original mortgage per year, payable in equal monthly installments. Interest payments were calculated on the declining principal remaining.

During November 1985, the three second mortgages were refinanced and paid o

A new \$200,000 mortgage was taken with Crossland Savings Bank. The new obligation has a five year term from November 14, 1985 and bears interest payments only at 11 1/2% per annum.

In connection with this transaction, \$4,380 of mortgage financing costs hav been deferred and are being written off over the 60 month term of the obligation.

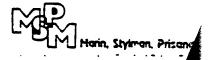
Note 6 - Contributed Capital - Schedule

	1986	<u> 1985</u>
Balance - beginning of year Contributed capital for mortgage	\$ 901,922	\$ 882,303
amortization Special assessments - improvements	10,959 63,927	19,619
Balance - end of year	\$ 976,808	\$ 901,922

Note 7 - Tenant Stockholder Assessments

During the year ending December 31, 1986 the Corporation received \$64,479 from cooperator special assessments. Such assessments are reported as contributions to capital and were used to make necessary major repairs and improvements to the building.

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PARK WEST TENANTS CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 1986 AND 1985

Note 8 - Schedule of Repairs and Maintenance				
	_	1986	_	1985
Elevator Plumbing, boiler, heating Plastering, painting and tile Electrical and intercom Window repairs House pump repairs Miscellaneous	\$	13,955 18,062 1,046 1,776 983 1,250 664	\$	8,004 13,971 5,773 1,693 -0- -0- 1,105
Total	\$	37,736	<u>\$</u>	30,546

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SIXTEENTH AMENDMENT DATED MAY 10, 1988, TO THE PLAN OF COOPERATIVE ORGANIZATION

DATED JULY 31, 1978, FOR 9 PROSPECT PARK WEST, BROOKLYN, NEW YORK

The plan of cooperative organization, as amended (the "Plan") for the premises known as 9 Prospect Park West, Brooklyn, New York, is further amended as follows:

l. Paragraph 3 of Section 7.0 the Asbestos Report annexed as Exhibit A to the Fifteenth Amendment contained the following qualification:

"Ten percent of the forty apartments were inspected for asbestos. Asbestos was found in thermal paper insulation in the wooden radiator covers in some apartments. The number of apartments which contained this thermal paper in radiator covers could not be determined since access to remaining privately owned apartments was denied to the KEMRON representative by the Coop board."

The Attorney General's Office found that, since Asbestos Containing Material ("ACM") was found in some apartments, all accessible apartments must be inspected and an amended report submitted.

A representative of the Coop board was contacted on behalf of the Sponsor and requested to arrange for a re-visit to the building by the KEMRON representative. Individual apartment owners and occupants were advised in the Fifteenth Amendment that they might contact the Sponsor's representative directly at 718-858-2200 to arrange for the inspection of their individual units.

Neither the Coop board nor any individual apartment owner or occupant has contacted the KEMRON representative or the Sponsor's representative to arrange for the inspection. Accordingly, attached hereto as Exhibit A is Sponsor's affidavit to that effect, which is submitted herewith in lieu of an amended Asbestos Report.

2. The financial statement for the year ended December 31, 1987 is annexed hereto as Exhibit B.

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- 3. No material changes in the terms of the Plan have been made except as set forth herein and in the First Amendment dated October 26, 1978; the Second Amendment dated November 1978; the Third Amendment dated January 4, 1979; the Fourth Amendment dated March 28, 1979; the Fifth Amendment dated 30, 1980; the Sixth Amendment dated June 24, 1981; the Sev 11 Amendment dated August 31, 1982; the Eighth Amendment dated August 31, 1982; the Eighth Amendment dated Amendment dated October 6, 1983; the Tenth Amendment dated April 13, 1984; the Eleventh Amendmen dated October 11, 1984; the Twelfth Amendment dated Septembe 19, 1985; the Thirteenth Amendment dated April 18, 1986; the Fourteenth Amendment dated October 15, 1986 and the Fifteenti Amendment dated June 2, 1987.
- 4. The Plan, and the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth, Fourteenth and Fifteenth Amendments thereto, as modified and supplemented hereby, are incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment not otherwise defined herein shall have the same meanings ascribed to them in the Plan, as amended.

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SEVENTEENTH AMENDMENT DATED JUNE 30, 1989, TO THE PLAN OF COOPERATIVE ORGANIZATION DATED JULY 31, 1978, FOR PROSPECT PARK WEST, BROOKLYN, NEW YORK

The plan of cooperative organization, as amended (the "Plan") for the premises known as 9 Prospect Park West, Brooklyn, New York, is further amended as follows:

- l. Charles Punia, the Holder of Unsold Shares, recently died. The estate of Charles Punia has been substituted as the Holder of Unsold Shares.
- 2. The Shares allocated to the following apartments are owned by the estate of Charles Punia and have not been sold as of this date and remain as "Unsold Shares" as such term is defined in the Plan:

Apartment Number	Number of Shares
15A	684
4B	359

- 3. The financial statement for the year ended December 31, 1988 is annexed hereto as Exhibit A.
- 4. No material changes in the terms of the Plan have been made except as set forth herein and in the First Amendment dated October 26, 1978; the Second Amendment dated November 14, 1978; the Third Amendment dated January 4, 1979; the Fourth Amendment dated March 28, 1979; the Fifth Amendment dated May 30, 1980; the Sixth Amendment dated June 24, 1981; the Seventh Amendment dated August 31, 1982; the Eighth Amendment dated March 24, 1983; the Ninth Amendment dated October 6, 1983; the Tenth Amendment dated April 13, 1984; the Eleventh Amendment dated October 11, 1984; the Twelfth Amendment dated September 19, 1985; the Thirteenth Amendment dated April 18, 1986; the Fourteenth Amendment dated October 15, 1986; the Fifteenth Amendment dated June 2, 1987 and the Sixteenth Amendment dated May 10, 1988.
- 5. The Plan, and the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth, Fourteenth, Fifteenth and Sixteenth Amendments thereto, as modified and supplemented hereby, are incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment not otherwise defined herein shall have the same meanings ascribed to them in the Plan, as amended.

THE ESTATE OF CHARLES PUNIA

B.,

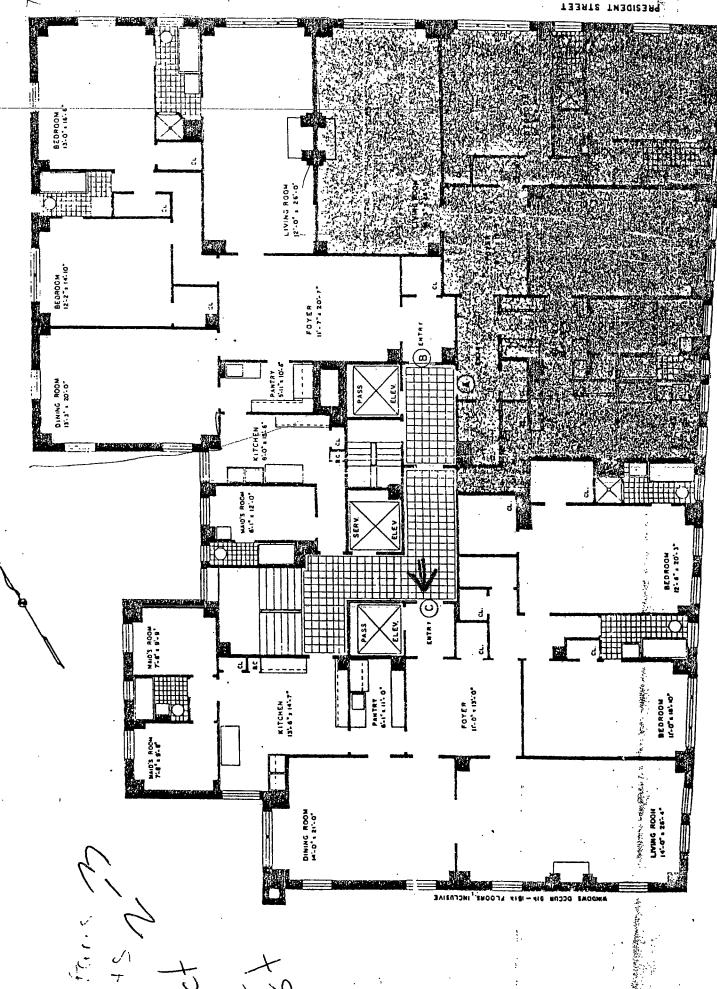
Bonald Greenberg, Executor

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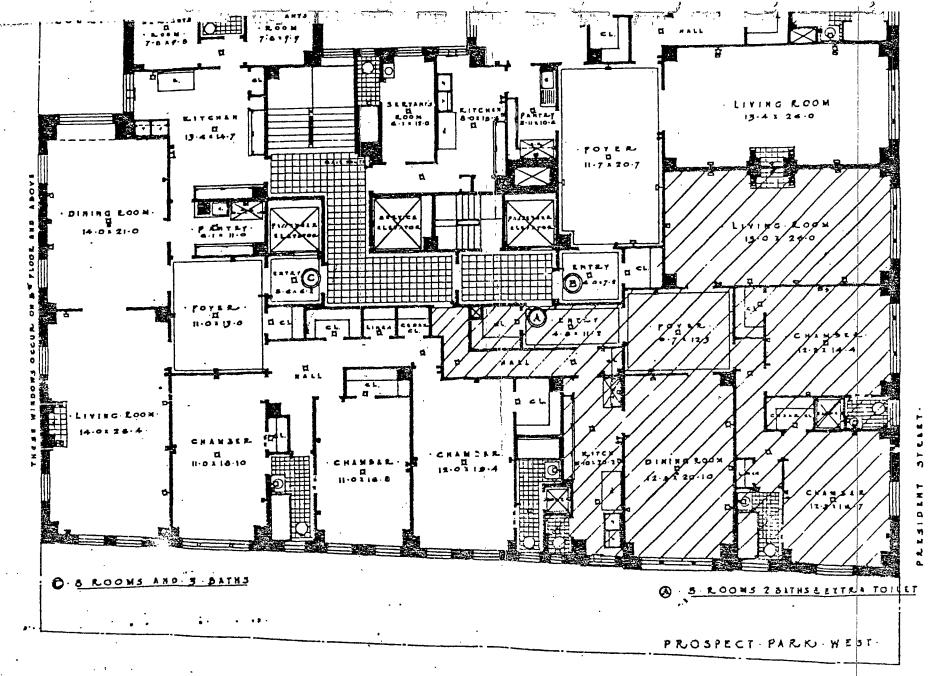
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