

OFFERING PLAN

A PLAN TO CONVERT TO COOPERATIVE OWNERSHIP

Robert Eberhart
208 E 85th Street
New York, NY 10028-3001

Premises at
166 East 78th Street
New York, New York
(10 Residential Apartments)

Total Cash amount of offering (4,240 shares)	\$487,600
Mortgage Indebtedness	450,000
Total Purchase Price	937,600
Less Reserve Fund to be Retained by Apartment Corporation	10,000
Net Purchase Price of Property to Sponsor	927,600

NAME AND ADDRESS OF APARTMENT CORPORATION
WHOSE SHARES ARE OFFERED:

166 Owners Corp.
c/o Goldstick, Weinberger, Feldman, Alperstein & Taishoff, P.C.
261 Madison Avenue, New York, New York 10016

NAME AND ADDRESS OF SPONSOR:

Rose Balaban
166 East 78th Street, New York, New York

NAME AND ADDRESS OF SELLING AGENT:

Rose Balaban
166 East 78th Street, New York, New York

NAME AND ADDRESS OF MANAGING AGENT:

Richard Eberhart
208 E. 85th Street, New York, New York 10028

THE PRICE FOR THESE APARTMENTS MAY BE CHANGED FROM TIME TO TIME DURING THIS OFFERING, SO THAT PRIOR OR SUBSEQUENT PURCHASERS MAY PAY OR MAY HAVE PAID LESS OR MORE THAN THE SUBSCRIBERS FOR SIMILAR APARTMENTS. THE EFFECT OF SUCH IS SET FORTH ON PAGE 6.

SEE INSIDE FRONT COVER FOR SPECIAL RISK FACTORS

The approximate date of first offering
of this Plan is July 24, 1981

Robert Eberhart
208 E 85th Street
New York, NY 10028-3001

This Plan may not be used after a date seven months thereafter unless amended or extended.

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.

Robert Eberhart
208 E 85th Street
New York, NY 10028-3001

RISK FACTORS

THE SUBSCRIPTION AGREEMENT IS NOT CONTINGENT UPON THE OBTAINING OF FINANCING. IF A PURCHASER WHO IS DEPENDENT UPON FINANCING IN ORDER TO PAY ALL OR PART OF THE BALANCE OF THE PURCHASE PRICE IS UNABLE TO OBTAIN IT, HE MAY LOSE HIS DOWN PAYMENT. (See Paragraphs 3 and 12 of the Subscription Agreement.)

ELECTION BY SENIOR CITIZEN

I, _____, residing
at _____, New York,
apartment # _____ hereby certify that I was born on _____,
in the County of _____ State of _____.

I further certify that:

- (1) I have occupied these premises as my principal residence;
- (2) That I am the tenant of record (or the spouse of the tenant of record) entitled to the possession of said apartment; and that I have been in possession of said premises for at least 2 years prior to the approximate date of first offering set forth on the front cover of the offering plan for such premises;
- (3) That the combined annual income of all occupants of said dwelling unit for the income tax year or calendar year immediately preceding the filing of the offering plan for said premises was less than \$50,000. The term "Annual Income" shall include all income of all tenants or occupants of the unit, from whatever source derived.

I hereby elect:

- (1) To be classified as an eligible senior citizen pursuant to subdivision 1 paragraph A of Section 352-eeee of the General Business Law and I understand that among other rights, I may not be evicted except for non-payment of rent, or failure to permit the landlord access to my apartment at reasonable hours, or illegal use and occupancy or similar breach, and that my rent shall not be unconscionably increased, if it is not subject to government regulation. This election shall not diminish any rights I may have pursuant to Section 61 of the Rent Stabilization Code or Section 55 of the Rent Control and Maintenance Regulations or any other applicable law or regulation.
- (2) Not to purchase my apartment on the specific understanding that I may rescind this election at any time prior to the sale of my apartment to another person and at such time as I elect to purchase I shall be entitled to purchase during the first 90 days of the offering on the same terms available to other tenants in occupancy and thereafter on such terms then provided for in the prospectus or offering plan;
- (3) I understand that this election must be made within 60 days from the approximate date of first offering set forth on the cover of the offering plan.

This statement is made under penalty of law and is made pursuant to the terms of Article 23-A of the General Business Law and may subject the undersigned to penalties under such Article 23-A of the General Business Law of New York.

Tenant

Tenant

Received by sales agent on _____ 19____ at _____ am(pm) and a copy given to the tenant.

Tenant

Sales Agent

Tenant

**HANDICAPPED PERSON ELECTION
NOT TO PURCHASE
(General Business Law §352-eeee)**

I, _____, the tenant of Apartment No. _____
in premises _____, Borough of _____,
New York City, elect not to purchase this apartment pursuant to the conversion plan for the building.

I certify that I am a handicapped person eligible to remain as a non-purchasing tenant of said apartment as follows:

1. I am the tenant entitled to possession of the apartment.
2. I have resided in the building or group of buildings or development in which the apartment is located as my primary residence for at least two years prior to the date the Attorney General accepted the plan of conversion for filing.
3. I have an impairment which results from anatomical, physiological or psychological abnormalities (other than an addiction to alcohol, gambling, or any controlled substance) which (1) is demonstrable by medically acceptable clinical and laboratory diagnostic techniques, (2) is expected to be permanent and (3) prevented me from engaging in any employment or other gainful activity on the date the Attorney General has accepted the plan for filing.

I understand that this election form must be signed and delivered by me to the office of the Sponsor of the conversion plan within sixty (60) days after the plan was accepted for filing by the Attorney General.

I understand that this election does not preclude me from subsequently becoming a purchaser of the apartment, pursuant to Section 352-eeee of the General Business Law.

Dated: New York, _____, 19_____.

TENANT

Received by Sponsor this _____ day of _____, 19_____, and a signed copy given to the tenant.

FOR SPONSOR

Copy received such date.

TENANT

NOTE: A signed copy of this form, as completed by the tenant and furnished to the Sponsor, must be given to the tenant.

TABLE OF CONTENTS

PART I

	PAGE
Introduction	1
Schedule A	3
Changes in Cash Purchase Prices and Apartment Sizes and Layouts	5
Schedule B	7
Letter of Adequacy	10
Certified Statement of Income and Expenses	11
Counsel's Tax Opinion	12
Letter Concerning Reasonable Relationship	15
Summary of Rights of Senior Citizens and Handicapped Persons	16
Summary of Rights of Rent-Controlled Tenants	17
Summary of Rights of Rent-Stablized Tenants	18
Assignment of Subscription Agreements	18
Conditions of Purchase	19
Effective Date of the Plan and Closing Date	19
Obtaining Possession of Apartments; Obligations of Purchasers of Occupied Apartments	20
Interim Leases	21
Apartment Corporation	22
Unsold Shares	23
Reserve Fund	24
Procedure to Purchase	24
Financial Features	25
Terms of the Mortgages Which Will Affect the Property at the Closing of Title	26
Summary of Principal Terms of Proprietary Lease	28
Contract of Sale	30
Sponsor's Profit	33
Management Agreement and Other Contractual Arrangements	34
Identity of Parties	35
Documents to be Received Periodically by Shareholders	35
Documents on File	36
General	36

PART II

	PAGE
Sponsor's Statement of Present Building Condition	37
Proprietary Lease	38
By-Laws	65
Rent-Control Regulation	81
Rent-Stablization Code	83
General Business Law, Section 352-eeee	86
Subscription Agreement	89

PART I

INTRODUCTION

The purchaser of a cooperative apartment buys shares of the Corporation (the Apartment Corporation) which owns the building in which the 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 which 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 of Directors may deem proper.

The prices for the blocks of shares allocated to the various apartments in the building are found beginning at page 3. 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 set forth beginning at page 3 (See also Schedule B, page 7).

Features of Cooperative Ownership Under This Plan

This plan has been designed to give each purchaser the same rights and benefits generally enjoyed by owners of cooperative apartments, including the following:

- (i) the right to exclusive possession of the apartment purchased under a long term lease (the "Proprietary Lease");
- (ii) the right, subject to the conditions contained in the tax opinion set forth at pages 12 to 13, to deduct from his adjusted gross income for Federal, State and City income tax purposes that portion of the maintenance charges paid by him which represents his pro rata share of real estate taxes on the land and building (the "property") and mortgage interest paid or incurred by the Apartment Corporation with respect to the property; (No warranty or representation is made that the taxing authorities will allow such deductions.)
- (iii) the right to decorate his apartment any way he sees fit and, upon consent of the Apartment Corporation (which may not be unreasonably withheld), the right to make any desired alterations, additions or improvements to the apartment;
- (iv) the right as a shareholder to vote annually for the election of the Apartment Corporation's Board of Directors that will conduct the affairs of the Apartment Corporation, including supervision of, and making determinations involving, the property;
- (v) the right to sell his apartment and retain all proceeds of such sale or sublet his apartment and retain the rental from such subletting, provided the prospective purchaser or subtenant is first approved by the Apartment Corporation's Board of Directors or (if they refuse) tenant-shareholders owning at least 65% of the Apartment Corporation's outstanding shares (see "Summary of the Principal Terms of the Proprietary Lease");
- (vi) the right to obtain a loan in any amount, collaterally secured by a pledge of his shares and Proprietary Lease to a recognized lending institution. (Savings and commercial banks in New York State are permitted to finance up to 95% of the purchase price of an apartment for purchasers whose credit, income and reputation are acceptable to the bank making the loan; however, no representation is made as to the terms, conditions or availability of such financing). FURTHER, THE SUBSCRIPTION AGREEMENT IS NOT CONTINGENT UPON THE OBTAINING OF FINANCING. IF A PURCHASER WHO IS DEPENDENT UPON FINANCING IN ORDER TO PAY ALL OR PART OF THE BALANCE OF THE PURCHASE PRICE IS UNABLE TO OBTAIN IT, HE MAY LOSE HIS DOWN PAYMENT. (See Paragraphs 3 and 13 of the Subscription Agreement.); and
- (vii) the right to terminate liability for future maintenance charges by cancelling his Proprietary Lease and surrendering possession of the apartment and related shares to the Apartment Corporation, without compensation, effective on any September 30th after the third anniversary of the consummation of the Plan, upon compliance with certain customary conditions set forth in paragraph 35 of the proprietary lease (popularly known as the "escape clause").

Similar to other cooperative housing corporations, the rent payable under the Proprietary Lease will be based strictly on the projected cash requirements of ownership and operation of the property and may in the discretion of the Apartment Corporation's Board of Directors include a reserve for contingencies, replacements and repairs.

There are 10 apartments and no professional suites in the building which are the subject of this Offering.

4 apartments are rent-controlled. 6 apartments are rent-stabilized. No apartments are decontrolled. The superintendent does not reside in the building. Apartment 1B is occupied by Sponsor. Apartment 1A is occupied by a relative of Sponsor.

The applicable New York City Rent Laws are summarized in Part I at pages 16 to 18 and printed in full in Part II at pages 81 to 88. These laws grant certain rights to tenants whether or not they wish to purchase, and grant special rights to eligible senior citizen.

Starting at Page 37 in Part II there is contained a detailed description of the property which should be carefully reviewed by the prospective purchaser.

Certain Definitions

The term "Closing Date" or "closing" or words of similar import mean the date fee title to the property is acquired by the Apartment Corporation.

The term "date of presentation" or "presentation date" or words of similar import mean the date this Plan is mailed or delivered to the tenants of the building.

The term "Sponsor" refers to the individuals or entities referred to at Page 35 of this Plan under the heading "Identity of Parties", either singly or collectively, as the context may require.

The subscription for, or purchase of, a block of shares and related Proprietary Lease under the Subscription Agreement is sometimes referred to as the "purchase of an apartment"; and the apartment to which it relates is sometimes referred to as "his apartment", the "apartment purchased", the "apartment owned" or by other words of similar import.

The term "purchaser" refers to person(s) named as Purchaser(s) in a Subscription Agreement or to purchaser(s) of an apartment.

The term "Unsold Shares" means those shares of the Apartment Corporation not sold or fully paid for by the Closing Date that are acquired by one or more members of a group consisting of the Sponsor and a person or persons produced by the Sponsor (see "Unsold Shares").

The term "rent laws" refers to the Rent, Eviction and Rehabilitation Regulations of the City Housing and Development Administration, the New York City Rent Stabilization Law of 1969, and the Code adopted pursuant thereto and Section 352-eeee of the General Business Law, singly or collectively, as the context may require.

The term "Plan", "Offering" or "Offering Plan" refers to this Offering Statement and Prospectus. 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 A

SCHEDULE OF PURCHASE PRICES OF SHARES ALLOCATED TO APARTMENTS (AND RELATED INFORMATION AT THE DATE OF PRESENTATION OF THIS 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 RMS-BTH	SHARE ALLO- CATIONS	CASH PURCHASE PRICE AT \$115.00 PER SHARE (1)	APPROXIMATE AMOUNT OF MORTGAGE ALLOCABLE TO SHARES \$106.13 PER SHARE (2)	ESTIMATED MAINTENANCE CHARGES		ESTIMATED ANNUAL AMOUNT DEDUCTIBLE FOR INCOME TAX PURPOSE \$8.84 PER SHARE (4)
					ANNUAL AT \$12.59 PER SHARE (3)	MONTHLY AT \$1.05 PER SHARE (3)	
3.92 S 1A** 2.5-1		250	28,750.00	26,532.50	3,147.50	262.50	2,210.00
S 1B* 4 -1-P		650	74,750.00	68,984.50	8,183.50	682.50	5,746.00
9.0 S 2A 3 -1		380	43,700.00	40,329.40	4,784.20	399.00	3,359.20
11.2 C 2B 4.5-1		500	57,500.00	53,065.00	6,295.00	525.00	4,420.00
8.7 S 3A 3 -1		370	42,550.00	39,268.10	4,658.30	388.50	3,270.80
11.3 C 3B 4.5-1		480	55,200.00	50,942.40	6,043.20	504.00	4,243.20
C 4A 3 -1		360	41,400.00	38,206.80	4,532.40	378.00	3,182.40
8.3 C 4B 4.5-1		460	52,900.00	48,819.80	5,791.40	483.00	4,066.40
10.9 S 5A 3 -1		350	40,250.00	37,145.50	4,406.50	367.50	3,094.00
S 5B 4.5-1		440	50,600.00	46,697.20	5,539.60	462.00	3,889.60
TOTALS	10	4,240		\$449,991.20		\$4,452.00	
	36.5- 10.0		\$487,600.00		\$53,381.60		\$37,481.60

C- CONTROLLED, S- STABILIZED, * -SPONSOR OCCUPIED ** - OCCUPIED BY RELATIVE OF SPONSOR
P - PATIO (EXCLUSIVE USE OF REAR YARD)
ROOM COUNT IS IN ACCORDANCE WITH THE FORMULA AS SET FORTH BY THE REAL ESTATE BOARD OF THE CITY OF NEW YORK.

SEE PAGE 4 FOR FOOTNOTES APPLICABLE TO THESE PRICES

FOOTNOTES TO SCHEDULE "A"

4 apartments are rent-controlled. 6 apartments are rent-stabilized. Reference is made to the Section of this Plan entitled "RIGHTS OF RENT-CONTROLLED TENANTS" and "RIGHTS OF RENT-STABILIZED TENANTS".

1 Apartments are offered for sale at a total cash price of \$230.00 per share, except that each tenant in occupancy at the date of presentation of the Plan may purchase the apartment occupied by him for a total cash price of \$115.00 per share for the first 90 days after presentation. See pages 17-18. Prices to tenants may be changed prior to the closing of title only by duly filed amendment to this Plan. Prices to non-occupants may be changed at any time as set forth on Pages 5 and 6.

2. Tenant-shareholders will have no personal liability to any mortgagee for any payments to be made under the mortgages herein. Interest and amortization charges are included in monthly maintenance charges. The amount of mortgages shown in this column "2" will be decreased by amortization payments.

3. These amounts are estimated by the Sponsor for the first year of operation of the premises as a cooperative apartment building. These amounts do not include charges for gas and electricity which are paid by the individual apartment owners.

4. The amounts are estimated for the first year in accordance with the Sponsor's estimate. These amounts may vary with changes in real estate taxes and because of mortgage amortization.

CHANGES IN CASH PURCHASE PRICES AND APARTMENT SIZES AND LAYOUTS

Subject to the conditions hereinafter set forth, the approval of the Sponsor and the limitations set forth at page 6, the Apartment Corporation reserves the right, exercisable at any time prior to the closing, to change the amount of the cash purchase price of any of the blocks of shares from the amount shown in the foregoing Schedule "A", the terms of sale and the manner of payment. Consequently, purchasers of shares allocated to apartments affected by such change may pay or may have paid more or less than other purchasers under this Plan for the same number of shares allocated to similar apartments, but this shall not affect any prior or later sale of shares allocated to apartments unaffected by such change. However, no such change will affect the maintenance charges or number of shares allocated to an apartment as to which the amount of the cash purchase price was changed, nor will such change vary the total number of authorized shares which the Apartment Corporation may issue. Changes in the amount of the cash purchase prices to be paid may be made without prior notice or amendment to the Plan, except as to changes in price offered to tenants in occupancy at the date of presentation of this Plan, as to whom all such changes must be made by duly filed amendment to this Plan prior to closing. Furthermore, the Plan will be amended to offer such changes in price to tenants in occupancy at the date of presentation of this Plan if required by the rent laws. Changes in price offered to non-occupants shall be pursuant to the statement as provided at page 6.

No change in the amount of the cash purchase price of any block of shares will be made prior to the closing unless a licensed real estate broker familiar with cooperative offerings of this kind is of the opinion that the new amount of the cash purchase price is not less than an amount bearing a "reasonable relationship" to the portion of the value of the Apartment Corporation's equity in the property attributable to such apartment.

In order to meet the possible varying demands for size and type of apartments or to meet particular requirements of prospective purchasers or for any other reason, the Sponsor reserves the right at any time prior to closing without prior notice or amendment to the Plan to (A) change the size, layout, internal partitioning and number of apartments; (B) subdivide one or more apartments into separate apartments; and (C) combine separate apartments into one or more apartments; provided only that the consent of all governmental authorities having jurisdiction is first obtained (if such approval is required by law). If the size or layout of an apartment is changed, the number of shares allocated to such apartment may be increased or decreased; however, no such reallocation of shares will have the effect of increasing or decreasing the total number of shares allocated to all apartments nor shall any shares be reallocated unless there has first been obtained an opinion of a licensed real estate broker familiar with cooperative offerings of this kind that such "reasonable relationship", as determined on the date that the change is made, has been preserved. Any reallocation of shares will vary the estimated maintenance charges, the mortgage allocations and the estimated amounts deductible for income tax purposes from the amounts set forth in Schedule "A". Any of the foregoing changes will be made by duly filed amendment. No such change, however, will affect the proportion or amount of maintenance charges, proportion of taxes and interest deductible for income tax purposes in respect of any apartment which was not the subject of such change.

After the closing, the holders of Unsold Shares will have the same rights as the Sponsor to either change the size, layout and partitioning of any apartment owned by them and to reallocate shares in connection with such change, provided that the total number of shares reallocated to all apartments which are the subject of such changes will not vary. In addition, the holders of Unsold Shares may resell the apartments held by them for any price, and they may change such price from time to time without prior notice or approval of any other person, except as to changes offered to all the tenants in occupancy on the date of presentation of this Plan, or where required by the rent laws, in which case such change shall be made only by duly filed amendment to this Plan. In any event they shall provide the statement as provided at page 6.

Notwithstanding the foregoing, the total authorized and issued shares may be increased by a duly filed amendment if an existing apartment is enlarged by using space in the building to which no shares of the Apartment Corporation were previously allocated or such space is converted into a new residential apartment. No such increase in shares, however, will occur unless an opinion has first been obtained from a licensed real estate broker familiar with cooperative offerings of this kind that such "reasonable relationship", as determined as of the date when the new shares are issued, is maintained. If it shall be necessary to increase the total number of authorized shares which the Apartment Corporation may issue solely by reason of the foregoing, the Apartment Corporation will cooperate with the holders of Unsold Shares in amending the certificate of incorporation for that purpose. An increase in the total number of shares issued after a duly filed amendment will result in reducing the proportion that the number of shares owned by each shareholder bears to the

total number of shares outstanding, with a concomitant decrease in the amount of the estimated deduction for income tax purposes available to each shareholder. Such decrease may possibly not result in reducing the maintenance charges fixed by the Board of Directors and payable by each shareholder.

No change in the cash purchase price, size or layout of an apartment or in the number of shares allocated thereto will be made with respect to any apartment for which a purchase agreement has been accepted and under which the purchaser is not then in default. However, a change in price made on an "across-the-board" basis may be made only by duly filed amendment. If any apartment is subdivided or if two or more apartments are combined, the Plan will be promptly amended.

Although the schedule price may be changed from time to time during this offering, no price change may be effective without a statement reflecting such price change affixed to the inside cover of the offering plan. Such statement shall be dated and read as follows:

"The price of the apartment(s) set forth below is (are) hereby changed:

Such price change shall be effective on _____ (date)."

No increase in purchase price to tenants in occupancy shall occur during the exclusive periods for purchase by such tenants.

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SCHEDULE B

PROJECTED SCHEDULE OF RECEIPTS AND EXPENSES FOR FIRST YEAR OF OPERATION

RECEIPTS:

Annual Rent (Maintenance Charges)
[4,240 shares at \$12.00 per
share per annum]

53404

\$53,407

Estimated Receipts From Other Sources (1) —0—

TOTAL \$53,407

EXPENSES:

Labor: Including wages, workmen's

compensation, disability and health
insurance and payroll taxes (2)

1260 + 200

\$ 1,626

Heat and Hot Water (Fuel Oil) (3)

6400 + 600 = 7000

7,206

Power, Light and Gas (4)

500 + 1000 + 200 = 1700

508

Water and Sewer Charges (5)

500 + 100 = 600

572

Maintenance of Building (6)

Including general repairs and
maintenance, supplies and sundries,
painting (public areas only)
and building services

1070

1,750

Insurance (7)

1,605

Management (8)

1,250

Legal and Accounting

1,000

Contingencies (9)

200

Taxes:

Real Estate (10)

250 - 200 = 50

10,490

Franchise (11)

200

Mortgage Indebtedness (12)

Interest

1000 + 16000 = 17000

27,000

Amortization

26000

TOTAL \$53,407

135000

FOOTNOTES TO SCHEDULE "B"

2. Payroll is based upon one (1) non-resident superintendent. The total figure of \$1,626.00 includes workmen's compensation of approximately \$92.00 per year, disability and New York State Unemployment Insurance of approximately \$34.00 per year, at a salary of approximately \$1,500.00, including Social Security. Said non-resident superintendent pays his own Federal, State and City taxes.

3. Projected cost of fuel is based upon consumption of 5,765 gallons of No. 2 oil at \$1.25 cents per gallon including sales tax. 5,745 gallons of oil were purchased in 1978, 5,803 gallons in 1979 and 5,846 gallons in 1980.

Due to unforeseeable changes in the economy on fuel oil costs the Sponsor has agreed to place in escrow the sum of \$1,442.00 to be used should the cost of fuel oil exceed the estimated amount projected herein. This sum will be held in escrow for the first year of operation. At the end of that time any monies that have not been used for the purpose escrowed shall be returned to the Sponsor.

4. This category includes electric costs for the public areas in the building including sales tax and an estimated increase over 1980 usage and cost of 15%. This estimate does not include electricity or gas supplied to the apartments to which shares are allocated and which are separately metered. In 1979, 2,590 KWh of electricity were consumed and in 1980, 2,800 KWh were consumed.

5. Water and sewer charges are based upon the actual frontage billed for the water and sewer for the fiscal year 1980-81 in the sum of \$571.55.

6. This estimate does not include repairs, maintenance or supplies to be used in individual apartments which items are to be the responsibility of the individual shareholders.

Service Contracts:

Boiler Service	\$ 350.00
Permits	50.00
General Maintenance and Supplies	1,350.00
TOTAL	\$1,750.00

7. Insurance coverage includes the following: (Estimate furnished by Jacobs & Jacobs)

Special multi-peril (90% co-insurance, agreed amount)	\$ 275,000
Rent	90,943
Boiler and Machinery	100,000
General Liability, including personal injury	1,000,000
Water Damage	25,000

8. See Pg. 34 for the details of the Management Contract to be entered into by the Apartment Corporation at the Closing.

9. This Reserve may be applied at the discretion of the Board of Directors to meet unforeseen expenses or for other appropriate corporate purposes.

10. Based upon 1979-1980 assessed valuation of \$110,000.00 and the current tax rate of \$8.75 per \$100 of assessed valuation. Reflects that premises are subject to a real estate exemption and abatement under §J51-2.5 of the Administrative Code of the City of New York, granted 1975 in the total amount of \$3,000.00, expiring in 1986. During the tax year 1978/79 the amount of the tax due was \$9,625.00 of which \$250.00 was abated. The annual abatement is in the amount of \$250.00 per year. Upon expiration of the abatement, tenant shareholders shall pay an increase per share per month in the amount of \$.0049, in maintenance, as a result of increased real estate taxes. The actual tax data for the current and two (2) preceding tax years with adjustments and tax abatements is as follows:

<u>YEAR</u>	<u>ASSESSED VALUATION</u>	<u>TAX RATE</u>
1979/80	\$110,000	8.750
1980/81	110,000	8.950
1981/82	120,000	8.950

11. Based upon the fair market value of the entire building plus the Reserve Fund at the rate for qualifying cooperative apartment corporations of .0004 City and .0004 State.

12. See Page 26 for a description of the Mortgage Indebtedness.

IN THE OPINION OF THE SPONSOR, THE PROJECTED RECEIPTS ARE ADEQUATE TO MEET THE ESTIMATED EXPENSES FOR THE FIRST FISCAL YEAR OF OPERATION COMMENCING SEPTEMBER 1, 1981. THE FOREGOING SCHEDULE, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY BY ANYONE THAT THE ANNUAL RENT (MAINTENANCE CHARGES) OR OTHER INCOME OR EXPENSES FOR SUCH FISCAL YEAR OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY BY THE APARTMENT CORPORATION WILL BE AS SET FORTH IN SAID SCHEDULE, AND IT IS LIKELY THAT THE ACTUAL MAINTENANCE CHARGES AND OTHER ITEMS OF INCOME AND EXPENSE WILL VARY FROM THE AMOUNTS SHOWN IN THE SCHEDULE.

The Sponsor has reserved the right to modify, renew and replace existing service, maintenance, employment, concessionaire and other agreements and insurance policies and to enter into new agreements and policies that will be binding on the Apartment Corporation on the Closing Date, provided that any material increase in the estimated maintenance charges resulting therefrom will be disclosed in a duly filed amendment to the Plan.

The Supreme Court in Westchester County sustained a real estate tax assessment of a cooperative building in Bronxville, New York which was based on 80% of the aggregate market value of the apartments. The result is that the real estate taxes for any building converted to cooperative status may be substantially increased. This decision is being appealed. The Sponsor is unable to determine whether the real estate tax of the subject building will be affected by this decision. It is recommended that any person interested in purchasing an apartment should consult an attorney about the legal effect of this decision. The Appellate Division, Second Department, reversed the determination of the Supreme Court and remanded the matter for further hearings.

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LETTER OF ADEQUACY

FRANCES FREEDMAN ASSOCIATES, INC.
Real Estate Broker
524 East 82nd Street
New York, New York 10028

February 10, 1981

166 Owners Corp.
c/o Goldstick, Weinberger, Feldman, Alperstein
& Taishoff, P.C.
261 Madison Avenue
New York, New York 10016

Gentlemen:

The undersigned has reviewed the foregoing Projected Schedule of Estimated Income and Expenses for First Year of Operation (the "schedule") which is to appear in the Offering Plan—A Plan to Convert to Cooperative Ownership premises at 166 East 78th Street, New York, New York.

In our opinion, the estimates contained in the schedule are reasonable and adequate under existing circumstances, and the estimated receipts shown therein will be sufficient to meet the normal anticipated operating expenses for such first year of operation. However, because of the possibility of unforeseeable changes in the economy or increases or decreases in expenses of operation and the current energy situation and related governmental restrictions or preemptions, shortages of labor and other circumstances beyond the control of the Sponsor or the undersigned, these estimates are not and should not be taken as representations, guarantees or warranties. They are not so intended. There is no assurance (and none can be given) that the actual expenses or income of your corporation for the first year or any subsequent period of operation will not vary from the amounts shown, or that your Board of Directors may not provide for reserves not reflected in the schedule, or that the normal maintenance charges for any period may not vary from the amounts shown therein. It may be expected, based on current trends, that such items of expenses as real estate taxes, fuel, maintenance, repair, labor and other related items will change in the future.

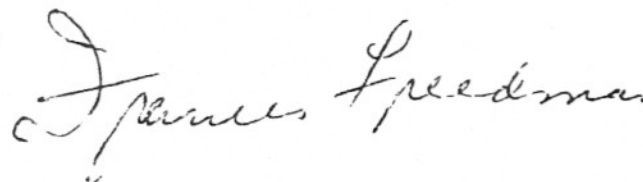
This opinion is based upon our experience in managing similar buildings. We have been engaged in the operation and management of residential buildings in New York City for approximately 15 years.

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

Very truly yours,

Frances Freedman Associates, Inc.

By:

A handwritten signature in cursive script, reading "Frances Freedman". The signature is written in dark ink and is positioned to the right of the word "By:".

CERTIFIED STATEMENT OF
INCOME AND EXPENSES
TANKLOW & HOLLENDER
CERTIFIED PUBLIC ACCOUNTANTS
450 SEVENTH AVENUE
NEW YORK, N. Y. 10001
PHONE (212) 594-7520

October 16, 1979

To The Owner Of
166 East 78th Street
New York, N.Y.

Dear Mrs. Balaban:

We have examined the accompanying report of income and certain operating expenses relating to the property located at 166 East 78th Street, New York, New York for the years ended December 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 auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying report fairly presents the indicated income and expenses of the property located at 166 East 78th Street, New York, New York for the years ended December 31, 1978, 1977 and 1976, prepared on a basis consistently applied.

Tanklow, Hollender & Company

October 16, 1979

Tanklow, Hollender & Company

166 East 78th Street, New York, N.Y.

Statement of Rental Income and

Certain Operating Expenses

For the Years Ended

	D e c e m b e r 1978	31, 1977	1976
Rental Income (Note 1)	<u>\$ 26,923</u>	<u>\$ 25,896</u>	<u>\$ 24,159</u>
Certain Operating Expenses			
Painting	1,055	80	590
Plumbing repairs	365	112	420
Other repairs	566	876	1,237
Superintendent (Note 2)	1,020	1,000	850
Fuel	3,613	3,853	3,452
Utilities	359	360	219
Insurance	1,132	817	817
Real estate taxes	9,118	8,943	8,666
Water and sewer taxes	465	466	466
Management (Note 3)	<u>1,346</u>	<u>1,295</u>	<u>936</u>
Total of Certain Operating Expenses	<u>\$ 19,039</u>	<u>\$ 17,802</u>	<u>\$ 17,653</u>

The accompanying notes are an integral part of this statement.

166 East 78th Street, New York, N.Y.

Notes To Statement of Rental Income
and Certain Operating Expenses

For the Years Ended December 31, 1978, 1977 and 1976

1. Rental Income

No income is received from Owner Occupied apartment representing approximately 12-1/2% of rentable space.

2. Superintendent

Since January 1, 1977 the Superintendent of this property has been engaged as an independent, outside contractor.

3. Management

The Management of this property is unrelated to the owner and receives 5% management fee.

TANKLOW, HOLLENDER & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

480 SEVENTH AVENUE

NEW YORK, N. Y. 10001

PHONE (212) 594-7520

To The Owner Of

166 East 78th Street
New York, N.Y.

Dear Mrs. Balaban:

We have examined the accompanying report of income and certain operating expenses relating to the property located at 166 East 78th Street, New York, New York for the year ended December 31, 1979.

Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying report fairly presents the indicated income and expenses of the property located at 166 East 78th Street, New York, New York for the year ended December 31, 1979, prepared on a basis consistently applied in prior years.

New York, N.Y.
September 26, 1980

Tanklow, Hollender & Company

166 EAST 78th STREET, NEW YORK, N.Y.
STATEMENT OF RENTAL INCOME AND
CERTAIN OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1979

Rental Income (Note 1)	<u>\$ 28,927</u>
Certain Operating Expenses	
Painting	\$ 475
Plumbing repairs	354
Other repairs	846
Superintendent (Note 2)	1,020
Fuel	3,476
Utilities	373
Insurance	1,163
Real estate taxes	9,375
Water and sewer taxes	466
Management (Note 3)	<u>1,460</u>
Total of Certain Operating Expenses	<u>\$ 19,008</u>

The accompanying notes are an integral part of this statement.

166 EAST 78th STREET, NEW YORK, N.Y.
NOTES TO STATEMENT OF RENTAL INCOME
AND CERTAIN OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1979

1. Rental Income

No income is received from Owner Occupied apartment representing approximately 12-1/2% of rentable space.

2. Superintendent

Since January 1, 1977 the Superintendent of this property has been engaged as an independent, outside contractor.

3. Management

The Management of this property is unrelated to the owner and receives 5% management fee.

TANKLOW, HOLLENDER & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

480 SEVENTH AVENUE

NEW YORK, N. Y. 10001

PHONE (212) 594-7520

To The Owner Of
166 East 78th Street
New York, N.Y.

Dear Mrs. Balaban:

We have examined the accompanying report of income and certain operating expenses relating to the property located at 166 East 78th Street, New York, New York for the year ended December 31, 1980.

Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying report fairly presents the indicated income and expenses of the property located at 166 East 78th Street, New York, New York for the year ended December 31, 1980, prepared on a basis consistently applied.

New York, N.Y.
February 4th, 1981

Tanklow, Hollender & Company

Tanklow, Hollender & Company

166 EAST 78th STREET, N.Y.C.
STATEMENT OF RENTAL INCOME AND
CERTAIN OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1980

Rental Income (Note 1)	<u>\$ 31,067</u>
------------------------	------------------

Certain Operating Expenses

Painting and Pointing	6,015
Plumbing repairs	358
Other repairs	973
Superintendent (Note 2)	1,140
Fuel	5,744
Utilities	417
Insurance	1,034
Real Estate taxes	9,375
Water and sewer taxes	572
Management (Note 3)	<u>1,553</u>

Total Of Certain Operating Expenses	<u>\$ 27,181</u>
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The accompanying notes are an integral part of this statement.

166 East 78th Street, New York, N.Y.
Notes To Statement of Rental Income
and Certain Operating Expenses
For The Year Ended December 31, 1980

1. Rental Income

No income is received from Owner Occupied apartment representing approximately 12-1/2% of rentable space.

2. Superintendent

Since January 1, 1977 the Superintendent of this property has been engaged as an independent, outside contractor.

3. Management

The Management of this property is unrelated to the Owner and receives 5% management fee.

GOLDSTICK, WEINBERGER, FELDMAN, ALPERSTEIN & TAISHOFF, P.C.
ATTORNEYS AT LAW
261 Madison Avenue
New York, New York 10016
(212) 687-3440

January 10, 1981

166 Owners Corp.
c/o Goldstick, Weinberger, Feldman, Alperstein
& Taishoff, P.C.
261 Madison Avenue
New York, New York 10016

Gentlemen:

Pursuant to your request, we have prepared this tax opinion concerning the proposed Offering Plan ("Plan") pursuant to which you will purchase for cooperative ownership the building known as 166 East 78th Street, New York, New York. We have been advised by the Sponsor and Frances Freeman that in their opinion the price of each block of shares set forth in the Plan represents that portion of the fair market value of the property attributable to the apartment to which the shares are allocated as determined on the date of presentation of the Plan. Based upon this advice and our review of the Plan, assuming it is declared effective and is consummated in accordance with its terms, we present our opinion as to whether under present tax laws and regulations you will qualify as a cooperative housing corporation as defined in §216 of the Internal Revenue Code and your shareholders will be entitled to deduct for Federal, State and City income tax purposes their proportionate share of the real estate taxes and mortgage interest paid or incurred by you.

If you acquire title to the property and contemporaneously all your shares shall be issued to individuals on terms hereinafter described who shall have executed proprietary leases to all apartments in the building to which shares have been allocated, all strictly in accordance with the terms of the Plan, it is our opinion that:

(1) You will qualify as a cooperative housing corporation as presently defined in §216; and

(2) Any taxable year in which at least 80% of your gross income is derived from qualified tenant-stockholders (as defined herein), each tenant-stockholder may, under present tax laws and regulations, deduct from his adjusted gross income for Federal, State and City income tax purposes that portion of the maintenance charges paid or incurred to you that represents his proportionate share of (a) real estate taxes on the property, and (b) interest or indebtedness contracted in the acquisition of the property or in the acquisition, construction, alteration, rehabilitation or maintenance of the building paid or incurred by you within the taxable year of such tenant-stockholder. Note, however, that for Federal, State and City income tax purposes, a tenant-stockholder having "tax preference income" in excess of a certain amount may not be entitled to the full deduction for his share of such taxes and interest. We further note that this deduction will be available only to those taxpayers who elect to itemize their deductions and whose aggregate itemized deductions exceed the so-called "zero-bracket amount."

Under §216, to qualify as a cooperative housing corporation:

(1) You may have only one class of stock outstanding.

(2) Each stockholder must be entitled, solely by reason of his ownership of your shares, either to occupy or lease for dwelling purposes an apartment in the building. The stockholder is not required to occupy the premises. The right as against you to occupy the premises is sufficient.

(3) No stockholder is entitled, either conditionally or unconditionally, to receive any distribution not out of earnings and profits of the corporation except on your complete or partial liquidation.

(4) 80% or more of your gross income for the taxable year in which such taxes and interest are paid or incurred is derived from tenant-stockholders.

Three distinct, but related, tests must be met to satisfy the last condition.

The first is that a tenant-stockholder must be an individual. In the case of *Eckstein v. United States*, 452 F. 2d 1036 (Ct. Cl., 1971), the United States Court of Claims found, in part, that an individual who owns shares of a cooperative housing corporation as nominee for another corporation was not considered to be a tenant-stockholder within the meaning of §216 and income received by the cooperative corporation from such a nominee could not be credited towards the 80% gross income required to be derived from tenant-stockholders. However, pursuant to §531 of the Revenue Act of 1978, the Sponsor of the Plan may hold and own your shares for three years from the date the Sponsor acquires such shares, even though the Sponsor is not an individual, without disqualifying the Sponsor as a tenant-stockholder. This applies both to Unsold Shares and shares reacquired as the result of a foreclosure by the Sponsor of any purchase money lien which the Sponsor may receive upon the sale of shares. We note that your Plan does not provide for Sponsor financing. In addition, a bank or other lending institution which forecloses a mortgage or other lien upon an apartment is treated as a tenant-stockholder for three years after it acquires the shares allocated to such apartment. Treatment as a tenant-stockholder in this context applies only to qualification of such stockholders for income tax purposes.

The second criterion requires that the shares held by such stockholder must be fully paid in an amount not less than an amount which bears a reasonable relationship to the fair market value, as of the date of the original issuance of such stock, of your equity in the property which is attributable to his apartment. Assuming the correctness of the opinion of the Sponsor and Frances Freedman, but without passing upon the accuracy of such opinion, and having regard to that portion of the Plan that provides that no change in such stock allocation may be made without a further opinion which states that the aforesaid "reasonable relationship" has been maintained, we believe that this test has been met.

In addition, if your total income from all sources exceeds the aggregate of your expenses attributable to earning such income, and depreciation on the building, it is likely that such excess income will be taxable to you.

The current provisions of the New York State Tax Law and New York City Administrative Code do not contain any separate independent requirements in order to be qualified to take the above-described tax deduction. Rather, these statutes permit tenant-stockholders to automatically deduct for State and City income tax purposes deductions that are allowed under §216.

The actual amount of any income tax deduction may increase or decrease as the amount of such taxes or interest paid by you changes. The exact amount of any tax savings to any individual will depend upon his individual tax bracket, the manner in which he reports his income, and his individual tax situation. No warranty or representation is given that any taxing authority will allow the deductions discussed herein, or that the tax laws and regulations of any taxing authority may not change so as to disallow or modify the deductions described herein in whole or in part; and the undersigned will not be liable if for any reason you do not now or hereafter meet the requirements of the Internal Revenue Code or the New York State or New York City tax laws or any present or future amendments thereof.

We consent to the inclusion of this letter in the Plan.

Very truly yours,

Goldschick Weinberger Feldman Alperstein & Taishoff
P.C.
GOLDSTICK, WEINBERGER, FELDMAN,
ALPERSTEIN & TAISHOFF, P.C.

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

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**LETTER CONCERNING REASONABLE
RELATIONSHIP**

**FRANCES FREEDMAN ASSOCIATES, INC.
524 East 82nd Street
New York, New York 10028**

February 10, 1981

166 Owners Corp.
c/o Goldstick, Weinberger, Feldman, Alperstein
& Taishoff, P.C.
261 Madison Avenue
New York, New York 10016

Gentlemen:

The undersigned has reviewed the allocation of shares and the total cash payments for apartments shown in the schedule of purchase prices in the Offering Plan — A Plan to Convert to Cooperative Ownership premises at 166 East 78th Street, New York, New York.

In my opinion, the total cash payment to be paid in respect of each block of shares allocated to the respective apartments set forth in said schedule is not less than an amount which bears a reasonable relationship to the portion of the value of your equity to be acquired in the aforesaid land and building attributable to each apartment to which such blocks of shares are allocated.

I have been a licensed real estate broker for 12 years and have been active in the sale of cooperative apartments in New York City for 12 years.

We have been advised that your corporation will use this letter as part of the aforesaid Offering Plan and we consent to its inclusion therein.

Very truly yours,

Frances Freedman Associates, Inc.

By:

A handwritten signature in cursive script, appearing to read "Frances Freedman". The signature is written in dark ink and is positioned to the right of the word "By:".

SUMMARY OF SPECIAL RIGHTS OF SENIOR CITIZENS AND HANDICAPPED PERSONS

Pursuant to Section 352-eeee of the General Business Law (GBL), eviction proceeding will not be commenced against eligible senior citizens or handicapped persons. Eligible senior citizens are non-purchasing tenants who are 62 years of age or older on the date of acceptance of filing and the spouses of any such tenants on such date who have resided in the building for at least two years prior to the date this Plan was accepted for filing, who have an annual income of less than \$50,000.00 and who have elected with 60 days of the date this Plan was accepted for filing to become non-purchasing tenants under the provisions of the GBL. Eligible handicapped persons are non-purchasing tenants who have an impairment which results from anatomical, physiological or psychological abnormalities, other than addiction to alcohol, gambling, or any controlled substance, which are demonstrable by medically accepted clinical and laboratory diagnostic techniques, and which are expected to be permanent and which prevent the tenant from engaging in any employment or other gainful activity on the date this Plan was accepted for filing, and the spouses of any such tenants on such date, who have resided in the building as their primary residence for at least two years prior to the date this Plan was accepted for filing and who have elected within 60 days of the date this Plan was accepted for filing to become non-purchasing tenants under the provisions of the GBL. Such election by an eligible senior citizen or handicapped person shall not preclude any such tenant from subsequently becoming a purchaser.

Any disputes over an election by an eligible senior citizen or handicapped person shall be submitted for a determination by the Attorney General within 30 days of receipt of the election form.

The rentals of eligible senior citizens and handicapped persons who live in dwelling units which are not subject to government regulation or which cease to be regulated after the Plan has become effective will not be subject to unconscionable increase beyond ordinary rentals for comparable apartments during the period of their occupancy. They may be evicted only for non-payment of rent or a breach of other obligation of their tenancy. For further details, appropriate parts of Section 352-eeee of the General Business Law, which are reproduced in Part II of this Plan, should be referred to.

Eligible senior citizens and handicapped persons who reside in dwelling units subject to government regulation as to rentals and continued occupancy shall continue to be subject thereto.

The rights granted under this Plan to eligible senior citizens and handicapped persons may not be abrogated or reduced regardless of any expiration of or amendment to Section 352-eeee of the General Business Law.

Each purchaser of a block of shares (including the purchaser(s) of Unsold Shares) allocated to an apartment occupied by an eligible senior citizen or handicapped person shall be bound by the provisions of the GBL.

The foregoing provisions of this section are set forth in compliance with the GBL, it being intended that the rights of tenants of the Building contained in this section of the Plan shall be no greater than those set forth in the GBL and no rights independent of the GBL are being created under this Plan.

Eligible Senior Citizens and Handicapped Persons are urged to submit election forms promptly to insure resolution of disputes, if any, prior to expiration of the exclusive purchase period.

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SUMMARY OF RIGHTS OF RENT-CONTROLLED TENANTS

As of the date of presentation of the Plan, the apartments designated by "C" in Schedule A are controlled housing accommodations subject to the Rent, Eviction and Rehabilitation Regulations of the City Housing and Development Administration, and a copy of the applicable portions of §55 of such Regulations is set forth in Part II.

In accordance with such Regulations:

(a) Each tenant in occupancy of a controlled apartment in a building will have an exclusive right for a period of 90 days from the date of presentation of the Plan to purchase the shares allocated to his apartment at the price set forth in Schedule A.

(b) The Plan will not be declared effective as complying with such Regulations (and will be abandoned insofar as such Regulations are concerned) unless within six months from the date of its presentation shares of the Apartment Corporation have been sold in good faith without fraud or duress and with no discriminatory inducement to at least 35% of the tenants in occupancy of the controlled apartments at the date of presentation of the Plan (excluding vacant apartments and apartments subsequently vacated unless purchased for personal occupancy by a tenant of a controlled apartment). Section 352-eeee(6) of the General Business Law may affect the calculation of the base. See Page 88 which concerns the method of determining the number of purchased apartments to be counted for eviction purposes.

(c) After the date the Plan is declared effective (if declared effective under the terms of such Regulations), the tenants of controlled apartments will be served with a written notice that the Plan has been declared effective and setting forth the terms of sale and the names of the tenants of the controlled apartments who have purchased the shares allocated to their apartments or to vacant apartments (if any), and the names and addresses of other purchasers (if any) of vacant apartments. The tenants of controlled apartments who have not then purchased will still have the exclusive right for a period of 30 days from the date of the service of the notice referred to in this clause (c) to purchase the shares allocated to their apartments on the terms previously offered to the tenants.

(d) If the tenant in occupancy of a controlled apartment does not purchase the shares allocated to his apartment within said periods, then such shares may be offered to others at such prices as the Apartment Corporation, with the Sponsor's consent, may determine.

(e) If the stock allocated to a controlled apartment shall be offered for sale by the Apartment Corporation, the Sponsor or the holder of Unsold Shares to a purchaser in good faith for his personal occupancy at terms more favorable than those previously offered to the tenant of such apartment, the latter must first be given a written notice of the new terms and 15 days within which to elect to purchase at such new terms.

THE ABOVE PROVISIONS MUST BE COMPLIED WITH ONLY IF THE PLAN IS DECLARED EFFECTIVE AS COMPLYING WITH SUCH REGULATIONS.

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SUMMARY OF RIGHTS OF RENT-STABILIZED TENANTS

As of the date of the presentation of the Plan, the apartments designated by "S" in Schedule A are subject to the New York City Rent Stabilization Law of 1969 and the Code adopted pursuant thereto. In accordance with §61 of the Code, a copy of which appears in Part II:

(a) Each tenant in occupancy of a stabilized apartment at the date of presentation of this Plan will have the exclusive right to purchase the shares allocated thereto for a period of 90 days from the date of presentation of the Plan at the price set forth in Schedule "A".

(b) The Plan will not be declared effective as complying with the Code (and will be abandoned insofar as the Code is concerned) unless within 18 months from the date of its presentation at least 35% of the residential tenants in occupancy of apartments in the building on the date of its acceptance for filing by the Attorney General, as computed in accordance with §61 of the Code, have signed Subscription Agreements to purchase shares allocated to dwelling units without discriminatory repurchase agreements or other discriminatory inducements. In computing the minimum number required, eligible senior citizens and handicapped persons as defined at page 16 shall not be included in the base.

(c) After the expiration of the 90 day exclusive right to purchase set forth in subparagraph (a) above, a tenant in occupancy of a stabilized apartment at the date of presentation of the Plan who has not purchased or waived in writing his right to purchase, will be given the exclusive right for an additional period of 6 months from said expiration date to purchase the shares allocated to his apartment on the same terms and conditions contained in an executed purchase agreement (which may be in the form of a lease with an option to purchase) made between the Sponsor and a bona fide purchaser. The tenant must be given 15 days in which to exercise such right to purchase from the date of mailing by registered mail of notification of the execution of a purchase agreement. The notification shall include a copy of the executed purchase agreement.

(d) A non-purchasing tenant in occupancy of a stabilized apartment at the date of presentation of the Plan shall be entitled to remain in possession (except for non-payment of rent or other default) without any increase in rent until the latest of the following dates:

- (i) One year from the date of presentation of the Plan;
- (ii) The date on which the Plan is declared effective; or
- (iii) The expiration date of his lease, as accelerated by any cancellation clause permitted by the New York City Rent Stabilization Law and Code.

Thereafter, he may be removed by the owner of the building or the purchaser of the shares allocated to his apartment.

(e) A sub-tenant will have no right to purchase unless approved by the tenant of record. The tenant of record is considered the tenant in occupancy where there has been a lawful sub-letting.

(f) If the Plan is abandoned, any tenant of a stabilized apartment whose lease has theretofore expired may demand a renewal lease in compliance with the provisions of the New York City Rent Stabilization Law and Code.

THE ABOVE PROVISIONS MUST BE COMPLIED WITH ONLY IF THE PLAN IS DECLARED EFFECTIVE AS COMPLYING WITH SUCH REGULATIONS.

ASSIGNMENT OF SUBSCRIPTION AGREEMENTS

The Subscription Agreement to be signed by purchasers under this Plan is not assignable and is not conditioned upon the obtaining of any financing from a bank or other source. Purchasers who desire to obtain financing should make their own arrangements in this regard. Any purchaser wishing to assign his Subscription Agreement must first obtain the written consent of the Sponsor. Counsel for the Apartment Corporation may charge a fee of not more than \$250 for processing such application.

CONDITIONS OF PURCHASE

Notwithstanding anything to the contrary contained in this Plan, any offering made to a tenant in occupancy is an offering only to those tenants who actually occupy their apartment AS THEIR PRIMARY RESIDENCE. Subtenants shall have none of the rights of tenants in occupancy unless the overtenant shall have waived his or her rights in writing and then only if the apartment is the principal residence of the subtenant. Overtenants who have lawfully sublet their apartments in compliance with the terms of their leases or tenancies shall also have the rights of tenants in occupancy under this Plan.

The exclusive rights of tenants to purchase as to rent-controlled tenants and as to rent-stabilized tenants which is for 90 days ceases at the end of the 90 day period. The Sponsor has the right to refuse to accept any Subscription Agreement after the expiration of the exclusive period.

Closing of title to the shares and the related proprietary leases will take place at the office of Goldstick, Weinberger, Feldman, Alperstein & Taishoff, P.C., 261 Madison Avenue, New York, New York 10016. Purchasers desiring to arrange for such closing to take place at another place in New York City should promptly notify Counsel for the Apartment Corporation at that address, and, in addition, will be responsible for the payment of an attendance fee to such Counsel of not more than \$250. If a purchaser defaults in performance of his Subscription Agreement and thereafter cures it, or closes at a later date than the closing, the purchaser will pay a fee of \$100 to such Counsel at the closing of his apartment.

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

No tenant in occupancy will have any exclusive or preferential right to purchase any vacant apartment or apartment occupied by another. Any exclusive right granted to tenants hereunder shall apply only to purchases by tenants in occupancy of the apartment actually occupied by them. However, rent-controlled or rent-stabilized tenants in occupancy as of the date of presentation of the Plan may, if they wish, enter into Subscription Agreements for vacant apartments or apartments occupied by another, on the same footing as if they were non-occupants of the building. The Sponsor is under no obligation to accept Subscription Agreements from rent-controlled or rent-stabilized tenants for vacant apartments or apartments occupied by others.

EFFECTIVE DATE OF THE PLAN AND CLOSING DATE

The following provisions will determine whether, and when, the Plan will be declared effective for the purpose of closing:

- 1) The Plan may be declared effective as to rent-controlled tenants if within 6 months from the date of its presentation to the tenants at least 35% of the rent-controlled tenants in occupancy at the date of presentation of the Plan have signed Subscription Agreements. One half eligible senior citizens and handicapped persons (pg. 16) shall not be included in the base in computing the required minimum.
- 2) The Plan may be declared effective as to rent-stabilized tenants if within 18 months from the date of its presentation to the tenants at least 35% of the tenants in occupancy as of date of acceptance for filing by the Attorney General (including at least 35% of the tenants of rent-stabilized apartments) have signed Subscription Agreements. In computing the required minimum number, eligible senior citizens and handicapped persons as defined at page 16 shall not be included in the base. Purchasers of shares of Apartments 1A and 1B shall not qualify in computing the 35%.
- 3) The Plan may be declared effective if within 18 months from the date of its presentation to the tenants Subscription Agreements are executed and accepted for (a) 15% or more of the shares offered under this Plan or (b) two or more apartments, provided, however, the Plan may not be declared effective solely as a result of the sale of shares of Apartment 1B. IN SUCH EVENT, THE PLAN SHALL FIRST HAVE BEEN AMENDED TO PROVIDE THAT RENT-CONTROLLED OR RENT-STABILIZED TENANTS WHO DO NOT AGREE TO PURCHASE MAY NOT BE EVICTED FROM THEIR APARTMENTS ON ACCOUNT OF SUCH DECLARATION OF EFFECTIVENESS OR THE SUBSEQUENT CLOSING OF TITLE TO THE APARTMENT CORPORATION.

When Subscription Agreements have been executed and accepted for the sale to purchasers of 80% of the Apartment Corporation's shares offered hereby and the conditions of clauses 1 and 2 above have been met, the Plan must be declared effective. The Sponsor may abandon the Plan at any time before then.

The Sponsor will notify all tenants and purchasers when 35% of the tenants then in occupancy of apartments have signed Subscription Agreements. The Sponsor shall on the 30th, 60th, 88th and 90th day following date of presentation of the plan until the plan is declared effective or is abandoned, as the case may be, file written statements, under oath, setting forth the percentage of purchasers who have agreed in writing to purchase under the Plan as of the date of such statements, and, before noon on each day that such statement is filed, post a copy thereof in a prominent place accessible to all tenants in each building covered by this Plan. Similar notice will be given when 15% of the shares or 2 of the apartments have been sold. Copies of notices shall be available for inspecting and copying at the offices of the Sponsor and the State of New York Department of Law.

If the Plan is not declared effective within 18 months after the date of presentation, the Plan will be deemed abandoned and all monies paid by purchasers will be refunded to them in full with interest earned thereon, if any. The Sponsor shall not be obligated to place any monies in an interest bearing account.

The Plan will be declared effective by written notice to all purchasers and tenants in the building. Immediately, but no less than 5 days thereafter, an amendment will be filed to the Plan to the effect that it has been declared effective.

After the Plan has been declared effective, title to the property will be conveyed to the Apartment Corporation on a date to be fixed by the Sponsor, which date will not be less than 30 nor more than 180 days thereafter. The Sponsor may elect to accelerate the date of closing of title to the Apartment Corporation, but in such event no purchaser will be obligated to pay the balance due under his Subscription Agreement until a date which is at least 30 days after he was given notice that the Plan was declared effective.

The Sponsor may, at its option, declare the Plan abandoned for any reason whatsoever before any of the quotas referred to in the foregoing clauses have been reached. Once the Plan has been declared effective and notice thereof given to tenants and purchasers, the Plan may not be thereafter abandoned, except in the event of (i) the existence of a defect in title which cannot be cured without cost or litigation; (ii) the existence of work orders of any mortgagee or insurance carrier or violations of record which cannot be cured or complied with at a cost of less than \$5,000 in the aggregate (as reasonably estimated by the Sponsor); (iii) the damage or destruction of the building by fire or other casualty, or (iv) the taking of any portion of the property by condemnation or eminent domain. There will be no obligation on the part of the Sponsor to incur expenses or engage in litigation to cure title defects or to comply with work orders or to remove violations of record above the amount of \$5,000.

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 leases will be issued to the purchasers as of the Closing Date and will be delivered promptly thereafter.

OBTAINING POSSESSION OF APARTMENTS; OBLIGATIONS OF PURCHASERS OF OCCUPIED APARTMENTS

All of the residential apartments offered hereby are covered by either the Rent Control Law or the Rent Stabilization Law and Code (the "rent laws"); the tenants in occupancy of residential apartments are, therefore, either "rent-controlled" or "rent-stabilized" tenants and their rights are protected by the rent laws. In addition eligible senior citizens and handicapped persons have special rights to continued occupancy. See page 16.

Consequently, a purchaser of the shares allocated to an apartment of which he is not in possession will obtain the proprietary lease for the apartment subject (a) to the lease for the apartment then in effect (and any renewal of the terms thereof effected after the date of presentation of this Plan but prior to the date on which purchaser's executed Subscription Agreement is delivered to the Sponsor), (b) to any existing occupancy of the apartment, (c) to the right of any existing tenant (who has not purchased the shares allocated to his apartment) to remain in possession of the apartment in accordance with the rent laws, including his right to a renewal lease, (d) to all other rights of any existing tenant under the rent laws, and (e) restrictions upon eviction of eligible senior citizens and handicapped persons. (see page 16).

If a tenant or other person occupying an apartment does not voluntarily vacate such apartment by the date on which his lease (as the same may be renewed) expires or the date when his right to continue the occupancy under the rent laws terminates, whichever is later, a purchaser, in order to gain occupancy of the apartment, may be required, at his own ex-

pense, to institute a summary dispossess proceeding or other action in Court. No representation or warranty is made as to the length of time which may elapse before actual possession of any apartment may be obtained.

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

All costs and expenses incurred in connection with the ownership of an apartment occupied by another (including, without limitation, legal fees and litigation expenses for enforcing the lease and/or obtaining possession of the apartment) will be borne entirely by the purchaser.

A purchaser who acquires the shares allocated to an apartment occupied by a tenant will be required to pay to the Apartment Corporation the maintenance charges for such apartment, whether the same are greater or less than the rent received from the tenant in occupancy. By reason of the terms of the purchaser's proprietary lease, the rent laws, and any other applicable laws, regulations, and rules, the purchaser will also be responsible for the due performance of all of the obligations of the landlord under the lease with, or tenancy of, the tenant, which may include obligations to maintain, repair and replace plumbing fixtures, refrigerator, range, lighting fixtures and other equipment in the apartment and to paint the apartment, among other things.

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, and any renewal thereof, but also 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 recommended that every such person consult an attorney in order to become fully apprised of the effect of the rent laws on his right 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 §7-103 of the New York General Obligations Law.

No representation, guaranty or warranty of any kind as to the requirements of the rent laws is made except as set forth herein with respect to the Plan.

No representation, guaranty or warranty is made that the rent laws will or will not continue to apply to any apartments or that there will not be any further amendments thereto. In the event of any amendment to the rent laws, the Plan will be deemed amended to conform to such amendment.

INTERIM LEASES

Any non-occupant purchaser who signs a Subscription Agreement which is accepted by the Sponsor prior to the closing of title under this Plan must enter into an Interim Lease on the terms set forth in this section, which lease shall be signed simultaneously with the Subscription Agreement.

The lease shall be prepared on the standard form of apartment lease currently published by the Real Estate Board of New York, Inc. The rent payable thereunder shall be negotiated by Sponsor and purchaser, but in no event shall it exceed the legal maximum rent. The term of such lease shall be for a period which will expire on the date of closing of title in the event this Plan shall have been declared effective or two years after the date of execution of such lease if this Plan shall not have been theretofore declared effective in accordance with its terms. If this Plan is abandoned, the purchaser, as tenant under such lease may, at any time at his sole option, cancel such lease and vacate the premises upon 90 days' prior written notice to the Sponsor sent to the address set forth on the cover page of this Plan.

It shall be a default under the Interim Lease if the purchaser-tenant thereunder fails to comply with all of his obligations under the Subscription Agreement for said apartment. A default in the performance or observance of the terms and

conditions of the Interim Lease would also be a default under the terms of the Subscription Agreement and will permit the Apartment Corporation to cancel the same in accordance with its terms.

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

The Sponsor does not presently offer the right to rescind the Subscription Agreement or the Interim Lease. However, should such right be offered in the future, and exercised by purchaser, then the purchaser's right to rescind will be conditioned upon his surrendering possession of the apartment and leaving the same vacant, in good condition and broom clean. He must also pay any rent due under his Interim Lease. Nothing contained herein shall relieve any purchaser of liability for damage caused to the apartment or any liability under the Subscription Agreement.

APARTMENT CORPORATION

The Apartment Corporation was formed on June 5, 1980 under the Business Corporation Law of the State of New York. It has only one class of stock consisting of an authorized capital of 5,000 common shares of the par value of \$1.00 each, of which 4,240 shares are to be issued under this Plan and 760 are to remain unissued.

By-laws adopted by the Apartment Corporation are reproduced in Part II. The by-laws require not less than 3 nor more than 7 directors. The first Board to be elected by the tenant-shareholders shall consist of seven members. The present officers and directors, each of whom were selected by the Sponsor, are:

David T. Goldstick, President - Director

Arnold S. Alperstein, Secretary - Director

Howard L. Grossman, Director

These officers and directors will resign in favor of directors elected by the shareholders at a meeting to be held approximately 30 days after the closing. Directors shall be elected by a plurality of votes cast at a meeting at which a quorum shall be present. The entire number of directors to be elected shall be voted for at one and the same time and not separately. All of the holders of Unsold Shares shall be entitled to vote their shares at all elections. However, the by-laws provide that at least a majority of directors to be elected must be residents of the building (that is, if seven directors are to be elected, at least 4 directors must reside in the building). Accordingly, the holders of Unsold Shares will not have control of the Board of Directors immediately after the closing.

The Apartment Corporation will have a lien on the shares of each shareholder to secure payment of maintenance charges and other indebtedness under the proprietary lease as well as the faithful performance and observance of all the terms, covenants and conditions of such lease.

So long as holders of Unsold Shares continue to own at least 25% of the then outstanding capital shares of the Apartment Corporation, for three (3) years from closing, the Board of Directors may not, without the consent of such holders having first been obtained:

- 1) increase the number of or change the type of employees from that described in this Plan in the Schedule of Projected Receipts and Expenses for the First Year of Operation;

- 2) provide for new or additional services other than those indicated in said Schedule unless the annual cost of such new or additional services, when added to the annual cost of the services being provided, is no greater than the amount set forth in said Schedule; or

- 3) undertake any capital or major improvement or addition unless required by law.

The by-laws may be amended, altered, repealed and added to by vote of shareholders holding at least 2/3 of the then outstanding shares or 2/3 of the Board of Directors, except the Directors may not amend, repeal or alter certain by-law provisions and except further that so long as there are any Unsold Shares outstanding, the by-laws may not be altered, amended, repealed or added to without the unanimous consent of all shareholders.

UNSOLD SHARES

If on the Closing Date all of the shares allocated to all apartments offered hereunder have not been sold and fully paid for, the Sponsor will, at its sole option, either:

A) take title to such shares and their accompanying proprietary leases and perform all of Lessee's obligations under each such lease, or cause the present owner of the property to do so, or

B) produce an individual person or persons, resident in the State of New York, to whom all of such Unsold Shares will be issued and who will enter into proprietary leases for the apartments to which such shares have been allocated, but no such holder will execute a lease for an apartment except when he also holds the shares allocated thereto.

The Sponsor may at any time after the closing assign some or all of such blocks of shares and proprietary leases to individuals designated by it as holders of Unsold Shares. No later than the third anniversary of the closing, the Sponsor must have caused the assignment of all Unsold Shares then remaining to an individual person or persons in the manner described in clause B) above. Both the Sponsor and the individual holders of Unsold Shares shall have identical rights both under their proprietary lease and the by-laws, and under the provisions of this section. No fee of any kind shall be payable on account of any transfer by Sponsor or holders of Unsold Shares to purchasers.

The Sponsor has agreed that if a holder of Unsold Shares fails to fulfill his obligation under his proprietary lease, including the payment of all maintenance charges thereunder, the Sponsor will be liable for such obligations and the Apartment Corporation will have a lien upon the shares to secure the payment of all obligations of the holder of Unsold Shares. No bond or other security will be furnished by the Sponsor except as specifically provided herein, and the Sponsor's ability to perform will depend upon his financial condition and the terms of the escrow described at page 24 at the time Sponsor is called upon to perform. Any Unsold Shares and leases acquired by a holder of Unsold Shares may be sold or assigned by him at such prices as he may determine or his apartment may be sublet by him.

In connection with the sale by Sponsor or any holder of Unsold Shares which will be financed by a lender, the Apartment Corporation will, on request, promptly execute and deliver to a bank or other lender the standard recognition agreement then being used by banks or other lenders. A holder of Unsold Shares may elect to become the occupant of the apartment covered by his proprietary lease, and, from the time that he becomes the occupant thereof, the Sponsor shall no longer be responsible for the performance of his proprietary lease.

If any apartment occupied by a non-purchasing tenant shall be the subject of a rent exemption order under §51-5.0(n) of the New York City Administrative Code or any similar provision of law, and if such apartment shall have been allocated shares which are held by a holder of Unsold Shares, the Apartment Corporation shall apply for tax abatement pursuant to §51-5.1(c) of the New York City Administrative Code or any similar provision of law, and the amount of maintenance charges payable by such holder of Unsold Shares in respect of such apartment shall be reduced to the extent of any tax abatement received as a result of such application. The Apartment Corporation shall not be obligated to engage in litigation to secure such tax exemption. The maintenance charges payable by any such holder of Unsold Shares shall continue to be reduced by the amount of such tax abatement for as long as such tax abatement shall continue.

If the maximum legal rent for any apartment occupied by a non-purchasing tenant is increased by reason of any act of the Apartment Corporation, including, without limitation, major capital expenditures for improvements or increased services provided by the Apartment Corporation, or increases in operating costs for which pass-alongs or increases in rent may be granted or allowed by any provision of law, the Apartment Corporation will cooperate with the holders of Unsold Shares to secure such increases in rent, and the Apartment Corporation will provide and file such documentation and will provide such information as is reasonably necessary or required by law to obtain such increases. The Apartment Corporation will not be obligated to engage in litigation or to take any action to insure such increases, other than to pro-

vide and file such information as is reasonably necessary or required by law to permit the holders of Unsold Shares to secure such increases. The holders of Unsold Shares will be under no obligation to account to the Apartment Corporation for any rents received from non-purchasing tenants. The Apartment Corporation, in addition, will provide such holders with any contractor's certificate which may be required to obtain any such increase; and if an extra charge is made therefor, such holders will reimburse the Apartment Corporation to the extent thereof.

The Sponsor has agreed that if by the Closing Date more than 50% of the shares allocated to all apartments have not been sold under the terms of this Plan, the remaining shares, designated as "Unsold Shares", will be deposited in escrow at the closing to insure to the Apartment Corporation that the Sponsor and each and every holder of Unsold Shares will fulfill their obligations (including Sponsor's obligations in respect of the performance by holders of Unsold Shares) under their proprietary leases, including the payment of all maintenance charges thereunder. The escrow agreement will be executed by the Sponsor, each holder of Unsold Shares, the Apartment Corporation, and the Escrow Agent. The Escrow Agreement shall be for a term of five (5) years, unless prior to the end of that time, fewer than twenty-five (25%) percent of the Apartment Corporation's outstanding shares are 'Unsold Shares'. If, at the end of five (5) years, more than twenty-five (25%) percent of the Apartment Corporation's outstanding shares are Unsold Shares, the Apartment Corporation at its sole option may continue the Agreement in full force and effect from year to year until such time as fewer than twenty-five (25%) percent of the Apartment Corporation's outstanding shares are 'Unsold Shares'. Any purchaser from a holder of Unsold Shares for his own personal occupancy or that of any member of his immediate family will receive title to the shares and proprietary lease free and clear of the Escrow agreement. The Escrow Agent shall, so long as the maintenance charges due under the proprietary leases held by such holders have been paid, remit monthly to the holders 95% of the proceeds of each sale of Unsold Shares provided that while and so long as the Escrowee has accumulated and holds two (2) months' maintenance charges on all unsold apartments, 100% of such proceeds shall be remitted to such holders. If the holder of Unsold Shares does not meet his obligations under his proprietary lease, the Escrow Agent will be authorized to use all sums accumulated from sales to pay monthly maintenance, to vote the Unsold Shares and to have 30 days after prior written notice to cure any default. Compensation of the Escrow Agent will be paid in each case by the Sponsor or holders of Unsold Shares.

The Apartment Corporation will provide those services required by the rent laws except those for which a tenant is responsible under the proprietary lease. All dwelling units occupied by non-purchasing tenants shall be managed by the same managing agent who manages all other dwelling units in the building or group of buildings or development. Such managing agent shall provide to non-purchasing tenants all services and facilities required by law on a non-discriminatory basis. The offeror shall guarantee the obligation of the managing agent to provide all such services and facilities until such time as the offeror surrenders control of the board of directors or board of managers.

RESERVE FUND

On the Closing Date, from the amount of cash raised by this offering, the Apartment Corporation will retain the sum of \$10,000.00 as a reserve fund for working capital (plus or minus closing adjustments) and for repairs and other appropriate corporate purposes as determined by the Board of Directors. 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. At the closing any net adjustments in favor of the Sponsor will be paid out of the Reserve Fund. In no event will closing adjustments reduce the Reserve Fund below \$5,000 in cash. Any excess will be treated as set forth at page 25.

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

Anything to the contrary in this Plan notwithstanding, as to those adjustments which affect prepaid expenses that will be incurred during the first year of operation of the Apartment Corporation, the Sponsor may elect, rather than having the adjustment paid in cash at the closing, to have it paid in equal monthly installments by the Apartment Corporation during its first year of operation. If the Sponsor so elects, the Apartment Corporation's obligation will be evidenced by a series of promissory notes payable on the first of each month following the day of closing, without interest.

PROCEDURE TO PURCHASE

A person desiring to purchase shares of the Apartment Corporation will be required to execute a Subscription Agreement in the form contained in Part II of this Plan, and to return it to Goldstick, Weinberger, Feldman, Alperstein & Taishoff, P.C., 261 Madison Avenue, New York, New York 10016, together with a check for 10% of the purchase price drawn to the order of "GWFAT 166 Special Account."

TRUST FUNDS

The Sponsor will hold all monies received by it directly or through its agents, employees or escrow agents, in trust, in a special non-interest bearing escrow account pending delivery of the apartment and the related proprietary lease, at Citibank, 230 Park Avenue, New York, New York, entitled GWFAT 166 Special Account or similar name. If insufficient funds are raised through the Offering, or if the Plan is abandoned or withdrawn for any reason, or if title to the property is not acquired by the Apartment Corporation within two years from the date of First Offering of this Plan as set forth on the cover page thereof for any reason whatsoever, such money shall be fully returned to the purchasers with interest earned thereon, if any. The amounts paid by the purchasers will be handled in accordance with the provision of §352- e(2-b) and §352-h of the New York General Business Law.

Notwithstanding any other provision of the Plan or of the Subscription Agreement to the contrary, any portion of the purchase price to be financed by a bank, trust company or other lending institution may be paid on the Closing Date from the proceeds of the loan; provided, however, that by the date such balance of the purchase price is due, the Sponsor shall have been furnished with a copy of a written commitment from the lending institution (in form satisfactory to counsel for Sponsor) for the portion of the purchase price to be financed. Of course, that portion of the purchase price which is not being financed must be paid within the time set forth in the Subscription Agreement.

FINANCIAL FEATURES

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

Total cash amount of offering (4,240 shares)	\$487,600
Mortgage Indebtedness	450,000
Total Purchase Price	937,600
Less Reserve Fund to be retained by Apartment Corporation	10,000
Net Purchase Price of Property to Sponsor	927,600

The net purchase price set forth above will be reduced by the amount of certain expenses incurred by the Apartment Corporation (See Contract of Sale, Page 30) after deducting therefrom the aggregate amount forfeited by purchasers who default under their Subscription Agreements.

The net purchase price also is subject to increases or decreases if changes are made in the aggregate purchase price required for the shares offered under the Plan. The aggregate purchase prices of shares offered under this Plan may be changed by the Sponsor at any time pursuant to the terms of this Plan; and in the event of any such change, the net purchase price set forth herein will change accordingly.

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

The premises are presently subject to a first mortgage held by Rose Balaban in the face amount of \$60,000, which mortgage will be satisfied or taken by assignment and extended at closing.

Commencing with the closing date, the mortgage indebtedness of the Apartment Corporation will be \$450,000, with a maturity date at least 10 years from the Closing Date. Payments required of the Apartment Corporation in respect of such mortgage indebtedness in an aggregate amount of \$450,000 will not exceed \$2,250 each month prior to its maturity. Each payment shall be applied to interest at the rate of 6% per annum. If all payments are timely made, then, on a day 10 years from the Closing Date, there will be due and payable from the Apartment Corporation to the holders of such mortgage indebtedness when it becomes due, approximately \$450,000 or \$106.13 per share. If the Apartment Corporation does not make other arrangements in respect of such mortgage(s), or if the Apartment Corporation is then unable to refinance or extend such mortgage indebtedness when it becomes due, it may be necessary to increase maintenance charges or make a special assessment of the tenant-shareholders or make a special assessment for the purpose of paying the outstanding balance of such mortgage indebtedness. The Sponsor represents and warrants that it will make all arrangements necessary to accomplish the foregoing.

The Sponsor makes no representation as to the cost, terms, or availability of refinancing such mortgage indebtedness. Any mortgage(s) provided by the Sponsor in accordance with this Plan will permit prepayment at any time on any interest day after the end of the calendar year in which the closing takes place, provided at least 90 days' prior written notice thereof is given to the holder of such mortgage(s) and mortgagor pays, in addition to the principal and accrued interest due thereon, a sum equal to 3% of the unpaid principal.

The Sponsor reserves the right to provide either a first mortgage on the terms above described or a first and second mortgage with junior and senior participation interests, or to take, by assignment, the existing first mortgage and extend it upon terms which, when taken together with a second purchase money mortgage to be executed by the Apartment Corporation, will result in a mortgage indebtedness aggregating no more than \$450,000 whose terms shall require monthly payments not in excess of the amount set forth above.

Any mortgages to be provided hereunder shall be drawn on a form of the New York Board of Title Underwriters or one used by a banking institution in the City of New York for loans of like lien.

Each mortgage provided or accepted by the Sponsor hereunder shall stipulate that the indebtedness secured thereby shall bear interest at the rate of 1% per month from and after the date of any default thereunder until such default is cured.

SUMMARY OF PRINCIPAL TERMS OF PROPRIETARY LEASE

The proprietary lease is for a term ending on December 31, 2080, but may be extended by the vote of the holders of at least a majority of the Apartment Corporation's issued and outstanding shares. As lessees, every shareholder of the Apartment Corporation will be obligated to pay the maintenance charges for his apartment as fixed by the Board of Directors based upon the Board's determination as to the Apartment Corporation's cash requirements.

Each shareholder will also have the following rights and obligations under his proprietary lease:

1. He may, if not in default under the proprietary lease, cancel his lease and surrender his shares and possession of the apartment to the Apartment Corporation (without receiving any compensation), effective on any September 30 after the third anniversary of the consummation of this Plan, on at least six (6) months' prior notice to the Apartment Corporation. If he elects to cancel, he will have no liability for payment of maintenance charges after the effective date of the cancellation, but will remain liable for any indebtedness owing prior to such effective date. Reference should be made to paragraphs 35 and 36 for other prerequisites to be met to cancel the lease. This provision (generally known as the "escape clause") may be availed of by any shareholder, including the holders of Unsold Shares. However, a holder of Unsold Shares may not so cancel unless (i) the owners of a majority of all outstanding shares (other than the Unsold Shares) have elected to cancel their proprietary leases or (ii) the Unsold Shares constitute 15% or less of the outstanding shares, at least five (5) years have elapsed since the Apartment Corporation became the owner of the property and, on the effective date of cancellation, the holder of Unsold Shares pays to the Apartment Corporation a sum equal to the product of the then current monthly maintenance charge for the apartment or apartments being surrendered multiplied by 24.

2. The shares may not be sold or the proprietary lease assigned, nor the apartment sublet, without first obtaining the consent of the Board of Directors or, if the Board shall have failed or refused to give its consent, the written consent or vote of shareholders owning at least 65% of the Apartment Corporation's outstanding shares. Such consent may be arbitrarily refused, provided such refusal is not based upon race, color, creed or other ground proscribed by law. An assignment may not be effected without complying with additional requirements of the proprietary lease (see paragraph 16 thereof); and with respect to a subletting, the Board or shareholders may impose such conditions as they desire. In addition, a charge determined by the Board of Directors may be imposed to cover reasonable legal fees and other expenses of the Apartment Corporation (including charges of the managing agent) in connection with such assignment or subletting. The foregoing provisions are not applicable to the holders of Unsold Shares who may freely sell the Unsold Shares and appurtenant proprietary leases or sublet their apartments without payment of any charges or the consent of any person.

3. He will be responsible for the cost of interior repairs (including maintenance and replacement of all appliances, plumbing fixtures and other fixtures and equipment) and decorating in his apartment. The consent of the Apartment Corporation is required before alterations or additions may be made in the apartment or to its fixtures and equipment (which consent may not be unreasonably withheld). Notwithstanding the foregoing, a holder of Unsold Shares may make alterations or additions in or to his apartment (and to its fixtures and equipment) without obtaining the Apartment Corporation's consent.

4. He may use his apartment for (i) any home occupation use permitted under applicable zoning law, building code or other rules and regulations of governmental authorities having jurisdiction and (ii) residential purposes, and for no other purpose unless otherwise consented to in writing by the Apartment Corporation. The foregoing is not applicable to the holders of Unsold Shares, each of whom may also use their apartments as models and offices in connection with the offering of such apartments for sale or rent or any other lawful purpose.

5. On the happening of any of the following events of default, the Apartment Corporation may terminate the lease:

- (i) the lease and appurtenant shares are not owned by the same person;
- (ii) certain acts of bankruptcy or insolvency of the lessee;
- (iii) as assignment of the lease or subletting of the apartment without compliance with the terms of the lease or an unauthorized occupancy of the apartment which continues for ten (10) days after written notice;
- (iv) failure to pay rent or other charges for one month which is not cured within ten (10) days after written notice;
- (v) failure to perform any other covenant of the lease which is not cured within thirty (30) days after written notice; or
- (vi) a determination by two-thirds of the Board of Directors that lessee's tenancy is undesirable.

Upon occurrence of any such default which is not cured within the applicable grace period, if any, the Apartment Corporation may take possession of the apartment and, at its option, relet it for the account of the defaulting proprietary lessee. Notwithstanding such reletting or termination, the lessee will continue to be liable for the payment of rent until his apartment is sold; and if the proceeds of such sale are insufficient to pay his indebtedness to the Apartment Corporation, he will remain liable for the deficiency. Any surplus will be paid over to the lessee after payment of all liens on his stock or apartment of which the Apartment Corporation has notice in the order of their priority. Reference should be made to paragraph 31 of the proprietary lease as to other conditions under which it may be terminated by the Apartment Corporation.

6. The proprietary lease and related shares may be pledged to a recognized lending institution. If prior written notice of such pledge is received from the lender, the Apartment Corporation will notify the lender of any default by the lessee under his proprietary lease and the lender will have an additional period of time equal to the time originally given the lessee within which to cure such default. If the lessee defaults under the loan, the Apartment Corporation will, on notice from the lender, transfer the proprietary lease and shares of the defaulting lessee to the individual produced by the lender, provided the lender shall have first paid all rent and other arrearages due from the defaulting lessee. If the lease is so transferred, the individual produced by the lender will have all of the rights afforded a holder of the Unsold Shares under the proprietary lease so long as the apartment is not personally occupied by him or a member of his family.

7. The terms of the proprietary lease may be changed only by the approval of lessees owning at least $\frac{2}{3}$ of the Apartment Corporation's outstanding shares, except no change shall be made which affects the rights of a holder of Unsold Shares without his consent.

The form of proprietary lease is printed in full in Part II to which reference should be made for its full details.

CONTRACT OF SALE

By agreement ("Contract of Sale") dated November 21, 1979, the Sponsor has contracted with the Apartment Corporation to sell the premises known as and by street number 166 East 78th Street, New York, New York. The Contract of Sale provides for title to be conveyed to the Apartment Corporation by Bargain and Sale Deed with Covenants against Grantor's Acts, subject to all the terms and conditions of this Offering Plan, and further subject only to the following exceptions:

(a) Mortgage indebtedness hereinabove described under the heading "Terms of the Mortgages which will Affect the Property at the Closing of Title" and "Short-Term Mortgage" and U.C.C. filings in connection therewith.

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

(c) Any state of facts shown on a survey made by Earl B. Lovell, L.S., on May 23, 1931, and any changes since that date, provided such changes do not render title unmarketable.

(d) Zoning regulations and ordinances, as the same may be amended between the date of presentation of this Plan and the Closing Date, provided they do not prohibit the existence or present use of the building.

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

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

(g) Union contract and management and service agreements referred to on Page 34.

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

(i) Variations between record lines and fences, hedges, retaining walls and tax lots.

(j) The following standard printed exceptions contained in the form of title insurance policies: (i) defects and encumbrances arising or becoming a lien after the date the policy becomes effective, except as therein provided; (ii) consequences of the exercise and enforcement or attempted enforcement of any governmental war or police powers over the premises; (iii) judgments against the insured or estates, interests, defects, objections, liens or encumbrances created, suffered, assumed or agreed to, by or with the privity of the insured; (iv) title to any property beyond the lines of the premises, or title to areas within or rights or easements in any abutting streets, roads, avenues, lanes, ways or waterways, or the right to maintain therein vaults, tunnels, ramps or any other structure of improvement, unless the policy specifically provides that such titles, rights, or easements are insured (notwithstanding any provisions of this clause (iv) to the contrary, the policy, unless otherwise excepted, will insure the ordinary rights of ingress and egress belonging to abutting owners); (v) compliance by the building or other structures upon the premises or their use with federal, state and municipal laws, regulations and ordinances; and (vi) title to any personal property, whether attached to or used in connection with the premises or otherwise.

The terms and conditions of this Plan and the exceptions subject to which the Apartment Corporation is to take title may be omitted from the deed, but they shall, nonetheless, survive the closing.

The Sponsor will provide the Apartment Corporation with a copy of the survey above referred to at or prior to closing.

With regard to violations of record upon the premises as of the Closing Date, the Sponsor will convey title to the premises free of all such violations except as provided at Page 37.

The Apartment Corporation's title will be insured at the closing by The Title Guarantee Company or such other duly licensed title insurance company as Sponsor may designate.

The sale will include all of the Sponsor's fixtures and 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. If a non-purchasing tenant vacates his apartment prior to closing and removes a kitchen stove or refrigerator belonging to him, the Sponsor will at its own expense provide a replacement which may not be new, but which will be in good working order and will be similar in size and quality to the appliances presently contained in such apartment at the date of presentation of this Plan.

The Contract of Sale provides that the following items will be apportioned at the closing between the Sponsor and the Apartment Corporation as of the date preceding the closing: (a) real estate taxes, (b) water and sewer charges, (c) fuel, (d) prepaid insurance premiums, (e) payments under service and union contracts, including pension and welfare fund contributions, (f) mortgage interest, (g) wages and payroll expenses, including vacation accruals in accordance with the standard union contract, (h) rents, if any, (i) fees for assignable permits and licenses, if any, (j) escrow deposits, if any, with the holder of the first mortgage and (k) real estate tax benefits by reason of senior citizens' exemptions.

The security deposits, if any, of tenants who purchase will be refunded to each tenant within 15 days after the closing if the tenant is not in default under the terms of his lease or tenancy. The security deposit of a non-purchasing tenant who is not in default under the terms of his lease or tenancy will be transferred after the closing to the purchaser of shares allocated to his apartment to be held in accordance with §7-103 of the General Obligations Law.

The Sponsor is authorized, under the Contract of Sale, to continue any proceedings brought during the year in which title closes for the reduction of the assessed valuation of the property for real estate tax purposes and to litigate or settle such proceeding in Sponsor's sole discretion. The net refund, if any, for any fiscal year for which the Apartment Corporation is entitled to a share shall be divided in accordance with the apportionment of real estate taxes made at the closing, after deducting all expenses, including, without limitation, counsel fees necessarily incurred in obtaining such reduction. The Apartment Corporation will deliver to the Sponsor, upon demand, receipted bills and cancelled checks used in payment of such taxes and shall execute any and all consents and other documents and do any other act or thing necessary for the collection of such refund by the Sponsor.

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

If any item to be apportioned cannot be adjusted on the Closing Date because it is not fully ascertainable, then such item or items shall be apportioned and adjusted at the closing to the extent reasonably possible, and the balance as soon thereafter as the undetermined amounts can be ascertained.

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

The Sponsor reserves the right to renew, extend and modify existing leases and to enter into new leases at any time prior to the closing on such terms and rental (but not to exceed the maximum legal rent, if any) as Sponsor deems desirable for any residential, office or commercial space (including any space vacant on the date of this Plan or which becomes vacant thereafter), except an apartment for which a Subscription Agreement is in force and effect (unless entered into with the purchaser(s) of such apartment). The Sponsor further reserves the right, prior to the Closing Date, to renew, extend or modify the existing service, maintenance and concessionaire contracts, and to enter into new service, maintenance and concessionaire contracts in place of present contracts on such terms as the Sponsor deems desirable (except that if the terms of the service, maintenance and concessionaire agreements which are to be binding on the Apartment Corporation at closing are substantially different from that set forth in the "Schedule of Projected Receipts and Expenses for First Year of Cooperative Operation", the Plan will be amended to reflect such difference). No new contract will be made which will materially reduce existing services or materially raise the estimated maintenance charges without the written consent of a majority of the then existing purchasers (other than the holders of Unsold Shares). The Sponsor also reserves the right to evict any tenant who defaults under his lease or tenancy, subject to and in accordance with the rent laws.

The Sponsor will not be obligated to rent any apartment which is now or hereafter becomes vacant; and it is likely that any such vacancies will not be offered for rent except to a purchaser of the block of shares allocated to such apartment. A current rent roll is available for inspection by prospective purchasers and their representatives at Sponsor's office.

If the property is damaged by fire or other casualty prior to the Closing Date, the Sponsor may, but is not obligated under the Plan, to repair the damage. If the Sponsor elects to repair the damage: (i) the expense of the repair will be borne entirely by the Sponsor who shall retain all insurance proceeds resulting from the casualty, (ii) the damage shall be substantially repaired prior to the Closing Date to as near its former condition as is reasonably practicable, and (iii) the two year period from the presentation date of this Plan within which title is to be transferred to the Apartment Corporation shall be tolled pending completion of the repair, but not longer than nine months. Sponsor and the Apartment Corporation will in no event be liable to purchasers under this Plan, and Sponsor will not be liable to the Apartment Corporation, in the event of any delay in repairing the damage.

Under no circumstances shall a purchaser of an apartment affected by such casualty be required to pay the balance due under his Subscription Agreement unless and until (i) the damage to his apartment has been substantially repaired to as near as reasonably practicable to its condition immediately prior to the casualty and (ii) its essential services (such as gas, electricity and heat) and reasonable means of ingress and egress to the street have been restored.

If Sponsor elects not to repair the damage, the Plan will be abandoned, in which case all Subscription Agreements will be deemed automatically cancelled and purchasers in good standing will be refunded their deposits with interest, if any, earned thereon. Upon such refund being made, the Apartment Corporation and Sponsor will be relieved and discharged of all contractual liability under the Plan and Subscription Agreements.

The acceptance of a deed by Apartment Corporation shall be deemed an acknowledgement that the Sponsor has performed and discharged every agreement and obligation on the part of the Sponsor to be performed under the Plan except those (if any) which may be expressly stated in the Plan to survive delivery of the deed, and those provided in General Business Law §352-e.

The price for the property is payable as follows:

A. by payment of an amount equal to the entire cash proceeds received by the Apartment Corporation up to and including the Closing Date under this Plan from the sale of its shares, less \$10,000, which will constitute the reserve fund of the Apartment Corporation;

B. by the issuance of Unsold Shares in accordance with this Plan;

C. by acceptance of title subject to the existing mortgage(s) described in this Plan; and

D. by the Apartment Corporation executing, acknowledging and delivering to the Sponsor or its designee bond(s) or, at the option of the Sponsor, note(s), secured by purchase money mortgage(s) on the property, as described in this Plan.

The price payable to the Sponsor will be reduced by sums retained by the Apartment Corporation for:

i) all closing expenses (other than items customarily adjusted between sellers and purchasers of real property) including, without limitation, the cost of title insurance and mortgage taxes;

ii) all expenses incurred in connection with its organization, the preparation and presentation of the Plan and the sale of shares prior to the Closing Date, including, without limitation, the following, all of which are obligations of the Apartment Corporation:

1. Cost of fee title policy in favor of the Corporation (and searches and surveys).
2. Printing and document reproduction.
3. Typing, stenographer, and messenger services.

4. Advertising and mailing.
5. Organizational costs (including incorporation, books, records, stock certificates).
6. Legal fees and disbursements.
7. Accounting and auditing fees.
8. Government filing fees.
9. Recording charges.
10. Architectural and engineering costs.
11. Selling Agent consultation fees and commissions.
12. Other consultation fees.

iii) all sums paid to or at the direction of the Selling Agent pursuant to an agreement with it over the aggregate of all amounts forfeited by purchasers under the terms of Subscription Agreements then in default. The Apartment Corporation will cause a forfeiture of the down payment made by any defaulting subscriber, unless such forfeiture is waived by the Sponsor.

SPONSOR'S PROFIT

The Sponsor is Rose Balaban.

The Sponsor acquired the property on December 1, 1971, from Goldwep Realty Corp.

The exact profit to be realized by the Sponsor upon the sale of the property to the Apartment Corporation cannot now be determined and may increase or decrease depending upon such variable factors as future market conditions, losses which may be sustained by reason of Sponsor's responsibility for the performance of terms of proprietary leases acquired by holders of Unsold Shares, changes in prices as set forth at page 5-6, and the length of time required to sell all of the shares offered under this Plan.

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MANAGEMENT AGREEMENT AND OTHER CONTRACTUAL ARRANGEMENTS

On the Closing Date, the Apartment Corporation will enter into an agreement with Richard Eberhart to act as managing agent of the property for a period of two (2) years after the closing, which agreement may be terminated at the option of either party at the end of any calendar month after the first year of its term on at least thirty (30) days prior written notice. Such managing agent shall receive compensation of \$104.16 a month.

The fees of the managing agent will be payable monthly out of maintenance charges collected. The agreement will not be assignable by the managing agent without the consent of the Apartment Corporation and will not be unilaterally cancellable by the Apartment Corporation or the managing agent before the end of its initial term except if the Apartment Corporation shall be in default under the terms of the agreement, or shall fail or refuse to comply with or abide by any rule, order, determination, ordinance or law of any federal, state or municipal authority, in which event the contract will be cancellable by the managing agent upon two days' prior written notice.

The services to be rendered by the managing agent will include billing and collection of maintenance charges, hiring and discharging of employees and filing of all employment tax returns and other employment data, supervision of routine building maintenance and repairs, purchase of supplies for the building (which will be paid for by the Apartment Corporation), and attendance at directors' and shareholders' meetings. The managing agent will make no repair expenditures for any single item or class of work in excess of \$500 without the authorization of the Board of Directors of the Apartment Corporation, except in the case of emergencies.

The Apartment Corporation, at its own expense, will retain a certified public accountant to maintain its corporate books and records and to prepare annual financial reports and tax statements, copies of which are to be furnished to its shareholders.

All dwelling units occupied by non-purchasing tenants will be managed by the same managing agent who manages all other dwelling units in the building. Such managing agent will provide to non-purchasing tenants all services and facilities required by law on a non-discriminatory basis. The Sponsor will guarantee the obligation of the managing agent to provide all such services and facilities unless the Board of Directors is responsible for the failure to provide the same and a majority of the Board is composed of persons other than the Sponsor or individuals designated by the Sponsor.

Other Contractual Arrangements:

Expense Contracts

Name of Contractor	Services	Payment	Expiration Date
Rockaway Fuel Oil Corp.	Boiler Service	\$350/yr.	mo. to mo.

Income Contracts

Name of Contractor	Services	Payment	Expiration Date
None			

IDENTITY OF PARTIES

The Sponsor is Rose Balaban.

Goldstick, Weinberger, Feldman, Alperstein & Taishoff, P.C., 261 Madison Avenue, New York, New York 10016 represent the cooperative corporation in this matter and has prepared the Plan and related documents.

The Sponsor is represented by Jack Weprin, Esq. of the firm of Goldberg, Weprin & Ustin, 1501 Broadway, New York, New York 10036.

Kenneth Ross, 152 West 42nd Street, New York, New York 10036, a registered architect, registered with the State of New York, prepared the Sponsor's statement of present building conditions.

Richard Eberhart is a professional managing agent and is the current manager of the building.

Sponsor, as Executrix of the estate of Morris Balaban deceased, is an owner and sponsor of an Offering Plan to convert to cooperative ownership premises at 529 East 88th Street, New York, New York, which has not been accepted for filing as of the approximate date of the first offering of this Plan.

DOCUMENTS TO BE RECEIVED PERIODICALLY BY SHAREHOLDERS

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

a) Statement of amounts deductible for income tax purposes prepared within three (3) months of the end of each calendar year.

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Next Page is 36

b) An annual audited financial statement prepared by an independent certified public accountant within four (4) months of the end of each calendar year.

c) Notice of each annual meeting of shareholders for the purpose of electing a Board of Directors and conducting such other business as may lawfully come before such meeting.

The aforesaid dates may be changed at a later time pursuant to the by-laws.

DOCUMENTS ON FILE

In accordance with §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 offices of Goldstick, Weinberger, Feldman, Alperstein & Taishoff, P.C., 261 Madison Avenue, New York, New York 10016, and shall remain available for such inspection for a period of six years.

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 law of the State and City of New York, the Sponsor represents that the Sponsor, the Apartment Corporation and the Selling Agent will not discriminate against any person because of his or her sex, 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 this Plan, neither the Sponsor nor the Selling Agent or any of their representatives or agents has raised funds or made any preliminary offering to or binding agreement with tenants, subtenants, or non-resident prospective purchasers with respect to the purchase of apartments in the building.

The Sponsor reserves the right, from time to time prior to the Closing Date, without obtaining the consent of purchasers or others, to revise the terms and conditions on which the shares offered hereby are to be sold, including changes affecting the rights, obligations and liabilities of purchasers and the Apartment Corporation. All substantive or material revisions will be contained in a duly filed amendment to this Plan. If a material revision adversely affecting the rights, obligations or then liabilities of then existing purchasers of the Apartment Corporation, or reducing the undertakings or obligations of the Sponsor, purchasers will be given the right to rescind their Subscription Agreements and to receive a refund of their down payment (with interest, if any, earned thereon) within 30 days after the presentation of the amendment. However, such rescission, as to purchasers who first became tenants of the building after the Plan was originally presented, shall be conditioned on the cancellation of any Interim Lease and surrender of possession of their apartments.

No person has been authorized to make any representation which is not expressly contained herein. This Plan may not be changed or modified orally, and no notice need be given prior to the filing of an amendment to this Plan.

Dated: July 24, 1981


Sponsor

**SPONSOR'S STATEMENT OF PRESENT BUILDING
CONDITION, INCLUDING AGE AND DESCRIPTION
OF BUILDING, APARTMENTS AND IMPROVEMENTS**

The Sponsor makes the following representations concerning the description and condition of the building and its improvements (including size of the parcel of land on which it stands and other information relating thereto). With reference to the Sponsor's preparation of such material, Sponsor consulted with Kenneth H. Ross, Architect, and commissioned a report from him. His report is set forth on the following pages, which report the Sponsor adopts in full.

The Sponsor represents that Sponsor does not know of any defects or need for repair or existing condition in the building which is not set forth in the report and that to the best of Sponsor's knowledge the following description set forth in such report accurately states the condition of the building and its equipment.

The property is offered in its current condition, reasonable wear and tear excepted. Neither the Sponsor nor the Apartment Corporation will have any obligation to make any repairs or improvements or do any other work except as specifically 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 this Plan and will cure or cause to be cured all violations of record against the property on the Closing Date, except violations caused by acts of omissions of tenants.

The Sponsor represents that at or prior to closing the expired Fire Department Certificate of Operations will be renewed and in full force and effect.

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Kenneth H. Ross

Architect

1466 Broadway

New York

NY 10036

(212) 398-0877

166 East 78th Street

Addendum to Architect's Report on Building Condition

An additional inspection of the property was made on July 1, 1981 and no significant changes were noted in the general condition of the building.

As of April 16, 1981 there were no violations on record in the Department of Buildings, Department of Air Resources, Fire Department, and Department of Rent & Housing Maintenance.

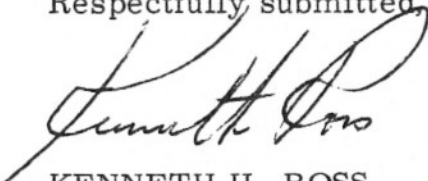
The present condition of the following areas of the building is as noted:

<u>Apartment</u> floors	- good	<u>Heating System</u> Boiler (H. B. Smith)-good
walls	- good	Burner - good
ceilings	- good	Tanks - good

Piping (where visible) - no leaks evident

Apartment 1R has been substantially rewired to accomodate a multitude of electrical fittings and fixtures installed by the occupant. This is in contrast to all of the other apartments in the building which have minimum service and distribution. However, the circuits in these other apartments are protected as noted in the original report by 2 @ 40 Amp circuit breaker disconnects.

Respectfully submitted,



KENNETH H. ROSS
ARCHITECT



166 East 78th Street

GENERAL REPORT

The following report was prepared by the office of Kenneth Ross, Architect during the month of August, 1979.

Address:	166 East 78th Street
Block No:	1412
Lot No:	45
Zoning:	R-8
New Building No:	524-84
Certificate of Occupancy:	23056 of 1937

This building is designated by the New York City Building Department as a Old Law Tenement.

ALTERATIONS

P and D #1414/37 - filed with Alt. 1540-37 to correct yard, area drains, and vent lines, and to add two sinks on the first floor.

Alt. #1540/37 - "Remove present partitions and erect new partitions as shown, new brick and stucco on front, new fire escape; new plumbing, fixtures and kitchens; new floors, plaster, trim, steel stairs, doors and windows."

Certificate of Occupancy 23056-37

Cellar -- Boiler Room and Storage.

First to Fifth Story -- Two Apartments on each floor.

Misc. 251/54 - Installation of an 1080 gallon fuel oil tank to existing oil burner system.

Misc. 860/62 - Burner replacement and change grade of oil from #2 to #4.

166 East 78th Street

CLASS OF CONSTRUCTION

This building is of non-fireproof masonry bearing wall construction, considered as Class Three in the New York City Building Code.

SITE

Location

Number 166 is located on the south side of East 78th Street, between Lexington and Third Avenue, 195'-0" West of Lexington Avenue.

The lot is rectangular with 25'-0" frontage on East 78th Street and a depth to the south of 102'-0". The building which is the sole occupant of the lot is 25'-0" wide and fronts on the north property line. It is 85'-0" deep with the south facade of the building approximately 17'ft. wide. Air shafts are located along both the east and west property lines are located approximately 1/3 of the way back from the north property line. The building is 60' high with the rear yard dimensions approximately 25'-0" wide and 17'-0" deep. Two side yards, east and west are approximately 4'-0" wide and 20'-0" deep. The northern end of the side yards widen out another three feet + and create a small court with south facing windows on the main building structure.

Streets

East 78th Street is publicly owned, macadam paved and is four lanes wide. Two lanes are lightly travelled with traffic going one way, east, and two lanes are usually occupied with parked cars. East 78th Street slopes down towards the east with rain water draining along the curb and running into typical New York City catch basins on Third Avenue. The curb is steel and the sidewalk is paved with concrete. Minor cracks and buckling has occurred in places, however, some of the cracks have been patched with cement.

166 East 78th Street

SITE - Streets (Cont'd)

Street lighting is provided by the City of New York on aluminum stanchions, the nearest one, located approximately sixty feet east of 166 East 78th Street on the same side of the street. A fire hydrant is located approximately sixty feet west on the opposite side.

Drives

There are no drives.

Parking Areas:

This building has no off street parking. Street parking is allowed at all times except 8 AM to 11 AM Mondays and Thursdays on the north side of East 78th Street and 8 AM to 11 AM Tuesdays and Fridays on the south side.

Utilities:

Electricity and gas are supplied by Consolidated Edison Company of New York. Street and sanitary sewerage is provided and maintained by the City of New York. Water is also supplied by New York City. Telephone service is provided by the New York Telephone Company. All these utilities except the telephone service enter the building below grade from East 78th Street. Telephone service comes in through the rear yard. Cable TV enters the building from the roof where cables have been installed and run down the shafts into various apartments.

Subsoil Conditions

Conditions of the subsoil are indeterminable but there is no indication of water seepage into the cellar.

166 East 78th Street

Landscaping

There is essentially no landscaping on the lot. However, one tree, and patches of ivy surrounded by a low metal bar fence is located on the sidewalk in front of the building near the west property line. Additional trees with similar planters are located on both sides of the street.

Adjacent Structures: Buildings

Buildings on East 78th Street and to the south on East 77th Street are generally four story walk up type residential structures. There are, however, two ten story apartment buildings on East 78th Street. One located adjacent to number 166 on the east, and the other is located across the street to the north.

OCCUPANCY

The building contains ten residential apartments.

The cellar, in addition to the rooms described on the certificate of occupancy, contains a meter room located in the front of the building under the dropped portion of first floor. The boiler room is located in the rear.

All the floors, one through five contain two apartments. The "F" apartments are located in the northern end of the building while "R" apartments are located in the southern end of the building. Apartments on the first floor vary in size from the ones above due to space required for the entry vestibule and the steps leading up from street level. The first floor front apartment has a single bedroom with a dropped living room level with street grade. The rear apartment takes up the remainder of the floor not occupied by stairs or hallways. This rear apartment has a door opening up on the east to the side yard which continues to the rear yard. The rear apartment differs from those

166 East 78th Street

OCCUPANCY (Cont'd)

above in that it has been extensively renovated with new electrical appliances and cabinets in the kitchen as well as through the wall combination air conditioners and resistance heaters.

Apartments on floors two through five are identical in plan.

STRUCTURE

The building's foundation walls are stone set on undisturbed soil. Typical floors have 3" x 10" or 3" x 12" wood beams spanning between exterior masonry bearing walls. Although it cannot be ascertained exactly, it can be assumed that there is a center wood stud bearing wall running the entire height of the building and resting on a fireproofed wood beam located in the cellar ceiling. This beam is supported on brick piers running down to stone footings. The interior partitions are plastered wood studs walls, except for the cellar walls which are made of terra-cotta block or wood planks over wood studs. When the building was renovated in 1937, new steel lally columns were installed in the cellar to support the revised entry in the front of the building.

EXTERIOR OF BUILDING

The street face of #166 has been renovated to include soft burned molded brick set in flemish bond at the first floor level, while the upper portions have concrete stucco, simulating brownstone, applied over the original brickwork. A band of headers and soldiers run at the base of the building and also under the brownstone stucco. Three masonry arches with concrete keystones are the dominant

166 East 78th Street

EXTERIOR OF BUILDING (Cont'd)

feature of the first floor. The two eastern arches each have stucco infill around a single rectangular window. The western arch contains a paladian wood door and transom which fill the entire arch. At the top of this facade are six double hung windows in line which change to four windows on each of the floors below. A small masonry parapet rises above the top windows.

The sewer trap, fresh air intake and a hose bib connection are located near the west property line. A steel fire escape with drop ladder is secured to the east side of the front facade and runs from the second to fifth floor. Ivy has crept onto the north face from the neighboring building to the west.

The south, east and west faces as well as the air shafts of the building are soft burned brick set in flemish bond, with windows at each floor level from the ground floor to the roof. On the south and east faces the brickwork is painted white at the first floor level. A steel fire escape with drop ladder, located on the south face runs from the second floor to the roof. Minor settlement cracks are evident under the southeast windows. The brickwork on the south, east and west faces as well as the air shafts has deteriorated near the upper floors. This deterioration includes loose mortar joints, cracked and spalled bricks and missing bricks in a few locations.

THIS
WAS
REMARKS

WINDOWS

The apartment windows are typically six over six double hung wood sash in wood frames, except for the fifth floor north face which has eight over eight sash. Window glass is double strength. The first floor windows are protected with exposed iron security bars. The window sills vary between concrete, brick and stone, while the lintels are

166 East 78th Street

WINDOWS (Cont'd)

*Caulked
→ Painted* [brick arches with wood infill facia. All the windows are the same size except on the fifth floor north facade, where they are narrower and the bathroom and kitchen windows which are smaller. The bathroom windows have obscure glass. Some of the rear and side window sashes and frames have peeling paint and the caulking is missing in places. Approximately four sash and frames on the fifth floor are no longer operable and are in a serious state of decay.

YARDS AND COURTS

*NOT
done* Access to the rear yard is gained from the cellar by ascending a set of nine brick risers with concrete treads. These steps are protected by a painted steel "Bilco" stair cover which slants up against the rear wall. Yard access is also possible from the first floor rear apartment through a glass paneled wood door which is protected with an iron gate. This yard is one step below the first floor level which is approximately four and a half feet above the front sidewalk. The west side yard steps down to street level from the rear yard. The rear yard is enclosed on all sides by a painted wood plank fence with two wood plank doors, one leading to the west side yard steps and the other to the rear yard of the East 77th Street property. The rear and west side yards are paved with concrete and pitched to a yard drain. The concrete is cracked and buckling in places.

REPAIRED A Sumak tree is growing near the southern most end of the rear yard. Attached to the south wall in the rear yard is a hose bib connection and an area way for the boiler room window. The yard is used exclusively by the resident of Apt. 1R.

PARTY WALLS

Both the eastern and western property line walls are party walls shared with the adjacent buildings. They are each broken by air shafts located near the front thirdpoint

166 East 78th Street

PARTY WALLS (Cont'd)

of the building. Although both these walls were originally used to support the buildings on both sides, this is only true now of the west wall which holds the wood beams of No. 166 and 164. The east wall only supports the beams of No. 166. The taller building to the east has a completely independent structural system but uses the wall as a filler up to the height of the walls original construction. Above that point the adjacent building overlaps the party wall up to the exact property line.

PARAPETS AND COPINGS

A brick parapet wall, of varying height runs on all sides of the building. The parapet has been covered with roofing felt on the inside surface. This is delaminating and open in many places. — ?

The brickwork along the exterior of the parapet has deteriorated mortar joints as well as bricks which are spalled, cracked, and missing in places. } repaired

The coping is salt glazed terra-cotta tile except along the north parapet which is precast concrete. The cement coping joints have deteriorated and some of the coping tiles have cracked. Previous repairs have been made in limited areas of the coping. ?

There is a teleprompter cable "TV box located on the southwest inside corner of the parapet wall. The wires run along the west parapet wall as well as across the center of the roof.

ROOF AND ROOF BULKHEAD

The roof is of a built up type. There are no breaks evident although the roof is soft and rubbing in places.

Should be repaired
painted
with
mastic
coatings

166 East 78th Street

ROOF AND ROOF BULKHEAD (Cont'd)

Puddles of water accumulate on the roof in areas that are not pitched properly to the roof drain which is located approximately sixty feet back from the north parapet wall on the west side of the building. This drain is higher than the surrounding roof surface and is covered with a metal grating to deflect debris. Three, three inch cast iron plumbing vent stacks penetrate the roof surface.

fainted
The stair bulkhead is constructed of wood studs with a fireproof surfacing. All the exterior sides have been covered with tar which is bubbling and separating from the base surface. Access to the interior stairs is gained through a self-closing flush panel door which can be secured from within with hook and eye hardware. The bulkhead door is rusting on the outside surface.

New skylight
The bulkhead has a wireglass skylight with metal mullions. The glass is covered on both interior and exterior with a wire metal grill work. The mullions on the exterior sides are rusted and in places they have totally rusted through.

CHIMNEYS

Referred
There are five brick chimneys, three of which are capped off with copper. All of them are parged with tar on the exterior faces. The two other chimneys, one near the southeast corner and the other near the northeast corner, have had their flues extended four feet higher than the roof of the much taller adjacent building to the east. The southeast flue extension is ferrous metal which is rusting and in need of painting. The brickwork at the base on the east face has spalled and the cement mortar has deteriorated. The northeast flue extension is brick and in need of re-pointing and repair at the steel channel relieving angle approximately twenty five feet above the roof of No. 166. The responsibility for the construction and proper maintenance of these flues belongs to the newer higher adjacent building.

166 East 78th Street

TENANT ENTRANCES, VESTIBULE, LOBBY AND STAIRS

The residential entrance to No. 166 is located on the west side of the building's north face. Tenants enter an interior vestibule from the street through a single wood frame door which has two fixed glass panels and an automatic door closer.

The transom is glass with wood mullions. The door is usually unlocked but is lockable and may be secured in the open position. Two switch operated wall mounted coach lamps are located on either side of the entry.

The vestibule which is one riser higher than the sidewalk, has a vinyl tile floor and base, and plaster ceilings and walls. A recessed brass panel containing an intercom and building directory manufactured by "Loeffler" is located on the east wall adjacent to the brass mail boxes. The vestibule is lit by a surface mounted switch operated circular tube fluorescent fixture. The lockable entry door to the lobby has a wood frame with eighteen pieces of plexiglass set into wood mullions. The door, operated by key or buzzer release from each apartment has a marble threshold. The lobby has a vinyl asbestos tile floor and base, with plaster walls and ceiling. A recessed cast iron radiator, surrounded with a metal enclosure is located on the west wall. It is lit by a surface mounted circular tube fluorescent fixture. A short stair having five risers with marble treads and brass handrail leads up to the carpeted first floor hall. All the other halls have vinyl asbestos tile floors and bases. The hallway walls and ceilings are plaster. All the apartment entries have metal panel doors, peepholes, doorbells and marble thresholds. The entry to Apt 5R has a hollow metal door. Some tenants have installed their own security locks. The hall is lit by two surface mounted circular tube fluorescent fixtures located at the northern and southern end of the hall. The floor numbers are located at the southern end of the hall.

Cellar access is gained through a lockable metal door located at the southern end of the first floor hall. The

166 East 78th Street

TENANT ENTRANCES, VESTIBULE, LOBBY AND STAIRS (Cont'd)

door leads to a flight of steel stairs with a wood handrail which descend twelve risers to the concrete cellar floor. At the cellar level the stairs are surrounded with terracotta block and have a metal fire door.

There is one centrally located stairway from the first floor to the roof. Each flight of stairs has a run of sixteen risers. All the stairs are of steel construction with marble treads, steel balusters and wood handrails. The stair landings are part of the hallway.

APARTMENTS

Apartments typically have hardwood floors, wood baseboards and sheetrock walls and ceilings. Semi-recessed and exposed radiators, with exposed heat riser pipes, heat the various rooms. A wall mounted intercom with two buttons -- talk/listen and door release is located near the entry. Hollow core and wood panel doors are used for closet, bathroom and bedroom doors. These typically have brass hardware.

All the apartments have full kitchens except for Apartment 1R which has a kitchennette manufactured by "Dwyer". Kitchens typically have floors covered with linoleum. Counter tops are formica, butcher block or steel and the cabinets are either wood with painted glass infill or formica. Sinks are typically two bowl porcelain over steel with a tile backsplash. Gas stoves are typically 36" four burner types with ovens below, except for Apartment 1R which has an electric stove. The stoves have various manufacturers including "Imperial". Refrigerators are typically 24 inch wide manufactured by "Hotpoint" and others. Apartment 1R also has an electric washer and dryer located under the kitchen counter.

Baths have ceramic tile floors and base and a ceramic tile wainscote, six feet high, extending all around the bathroom and the sill. Tubs are porcelain surfaced cast

166 East 78th Street

APARTMENTS (Cont'd)

iron with a floor mounted waste pipe. Mirror faced medicine cabinets are semi-recessed over wall hung porcelain surfaced cast iron sinks. Bathrooms include wall mounted metal hampers, and tank type vitreous china syphon flush toilets. Heat in the bathrooms is provided by exposed riser pipes. There is a surface mounted incandescent fixture located centrally on the ceiling. The grout joints on some of the bathroom tiles is slightly loose.

HEATING

The boiler room is located in the southeast corner of the cellar with access through a self closing non-lockable metal door. All the walls of the boiler room are brick except the north face which is stone. The ceiling is plaster with a sheet metal covering and the floor is concrete. Fresh air is supplied through a vent located on the northern wall, which has a fixed opening of 120 square inches. The non-insulated breaching with a barometric draft damper crosses from the boiler to the chimney.

The shut off, reset controls and automatic heat timer are located near the boiler room door on the west wall. The emergency cut off switch is located outside the boiler room on the west wall near the boiler room door.

The 1080 gallon capacity oil tank is located centrally, in the cellar, along the east wall. The ten gauge steel oil tank on legs is fireproofed with four inches of concrete over twenty gauge wire mesh. The oil feed box, with a feed pipe is located near the west property line in the sidewalk while the oil overflow is located in the east side yard.

The "Bower" 25 mills boiler, Model #2500/A, 2500L, 250L generates approximately two to five pounds of steam which is circulated through a two pipe gravity return system to cast iron radiators located in each apartment. The steam pipe in the cellar is insulated in most areas.

166 East 78th Street

HEATING (Cont'd)

The boiler room has a sump pump which empties into a slop sink located centrally along the east wall near the oil tank.

The Carlin Oil Burner Model #450 FRD consumes approximately 4 to 8 gallons of #2 fuel oil per hour.

The cut-in switch is manufactured by Honeywell while the ignition transformer is manufactured by Webster.

Renovated by Rich Kwon May 1982
The Fire Department Certificate of Operations expired June 17, 1977. A fire extinguisher located in the cellar is non-functional. However, two buckets of sand are located outside the boiler room near the door and a hose bib connection is located in the southernmost part of the cellar.

PLUMBING AND DRAINAGE

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The main water supply enters the building from East 78th Street through a 2" lead feed which changes to brass after passing the shutoff valve. The pipe enters the meter room and is suspended from the ceiling with pipe hangers which have rusted through. The uninsulated pipe has been secured by rope.

Hot water is generated in the boiler on a demand basis and is circulated under street pressure through brass pipes. Cold water piping is also brass.

The exposed house sewer is made of extra heavy cast iron pipe six inches in diameter. The trap is also six inches with a 4" fresh air intake. The two soil and three vent pipes are cast iron, four and three inches in diameter, respectively.

The air shafts and yards are drained by pipes varying from three to four inches.

The boiler room sump pump and the washer from Apartment 1R drains into a porcelain cast iron sink located centrally along the east cellar wall.

166 East 78th Street

AIR CONDITIONING

There is no central air conditioning. Individual tenants provide their own air conditioning units. However, Apt. 1R has its own combined heating and cooling units through the walls. The building does provide special, electrical circuitry for the air conditioners.

PEST CONTROL

A pest control company is not under contract, however, when necessary an exterminator is hired.

GAS SUPPLY

Gas is provided by Con Edison and it is distributed through ten gas meters located in the meter room. Gas supply to the stove in each apartment is through black iron pipes.

ELEVATOR

There is no elevator in the building.

ELECTRICAL

Electrical service enters the building underground from East 78th Street. It is grounded to the water supply pipe located in the meter room. The electricity is distributed through a three phase main switch bank containing three lines with a neutral bypass. The three cartridge fuses are rated at 200 amps each. There is copper service, with an aluminum coated copper ground, to the meters. Each meter has two 40 amp circuit breaker disconnects, except for Apartment 2F, which has one 20 and one 40 amp disconnect breaker, and Apartment 1R which has one 100 amp disconnect breaker. The main circuit breakers service the individual apartments with no other panels located within the apartments. There is one

166 East 78th Street

ELECTRICAL (Cont'd)

meter for each of the apartments and one for the cellar and hallway, eleven in all. The intercom fusebox is located in the meter room.

Apartment 1R has circuit breaker panels within the apartment. One panel of breakers is located above the kitchen entry which consists of 2 breakers @ 15 amp. and 1 @ 20 amp, while the other panel, near the entry, consists of 12 breakers @ 30 amp, 3 @ 20 amp and 1 @ 15 amp.

LAUNDRY ROOM

There is no laundry room in the building.

REFUSE DISPOSAL

The refuse is deposited in trash cans and placed in front of the building until it is collected by the New York City Department of Sanitation two to three times a week.

VIOLATIONS

No violations were found at the Buildings Department or the Department of Housing and Maintenance. The Fire Department and the Department of Air Resources searches are in progress.

GENERAL

Although not all repairs suggested in this report are necessary for the continued maintenance of the building, they have been recommended as consistent with the standards applicable to cooperatively owned buildings. Additional repairs and replacements will undoubtedly be required in the future as systems wear out. Other than as described

166 East 78th Street

GENERAL (Cont'd)

herein, the building is in normal condition with normal wear and tear for a building of its age and construction.

A handwritten signature in cursive script, appearing to read "Kenneth Ross".

Submitted by: Kenneth Ross, Architect

As of April 16, 1981 there were no outstanding violations on record at the Department of Buildings, the Fire Department, the Department of Air Resources and the Department of Rent and Housing Maintenance.