

**THIS IS A "NON-EVICTION" PLAN. SEE "RIGHTS OF EXISTING TENANTS".
NO NON-PURCHASING TENANT WILL BE EVICTED BY REASON OF CONVERSION TO
COOPERATIVE OWNERSHIP.**

**COOPERATIVE OFFERING PLAN
FOR
PREMISES AT
36-58 DAHILL ROAD
BROOKLYN, NEW YORK 11218**

Total cash amount of offering (13,563 Shares, 82 Apartments)	\$5,832,090
Mortgage Indebtedness	1,400,000
Total Purchase Price	\$7,232,090
Less Working Capital to be retained by Apartment Corporation*	10,000
Less Reserve Fund to be retained by Apartment Corporation†	97,654
Net Purchase Price of Property to Sponsor	\$7,124,436

* This fund will be increased or reduced to the extent of the net closing adjustments. Such fund, however, will not be reduced to less than \$1,000.

† See section "Reserve Fund and Working Capital Fund."

NAME AND ADDRESS OF SPONSOR:

**DAHILL PARK ASSOCIATES
4819 13th Avenue
Brooklyn, New York 11219**

NAME AND ADDRESS OF SELLING AGENT:

**KINGS HIGHWAY REALTY
Div. Provenz Realty Corp.
1302 Kings Highway
Brooklyn, New York 11229**

**NAME AND ADDRESS OF APARTMENT CORPORATION
WHOSE SHARES ARE OFFERED:**

**DAHILL GARDENS APT INC.
c/o Schiff, Turek & Kakoyiannis
136 East 57th Street
New York, New York 10022**

**THE APPROXIMATE DATE OF THE FIRST OFFERING OF THIS PLAN IS JANUARY 23, 1987.
THIS PLAN MAY NOT BE USED AFTER 12 MONTHS FROM SUCH DATE UNLESS EXTENDED OR AMENDED.**

SEE PAGE 1 FOR SPECIAL RISKS TO PURCHASERS.

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

TABLE OF CONTENTS

<u>Caption</u>	<u>Page</u>
Special Risks	1
Introduction	2
Purchase Prices and Share Allocation, Schedule A	4
Budget for First Year of Cooperative Operation, Schedule B...	9
Changes in Prices and Units	15
Opinion of Reasonable Relationship	16
Accountant's Certified Statements of Operation	18
Attorney's Income Tax Opinion	24
Rights of Existing Tenants	27
Obligations of Holders of Shares Allocated to Dwelling	
Units Occupied by Non-Purchasing Tenants	29
Interim Leases	31
Procedure to Purchase	31
Assignment of Subscription Agreement	34
Effective Date	34
Terms of Mortgage	36
Summary of Proprietary Lease	37
Apartment Corporation	38
Unsold Shares	39
Purchasers for Investment or Resale	40
Reserve Fund and Working Capital Fund	41
Contract of Sale	43
Management Agreement, Contracts and Leases	47
Identity of Parties	48
Sponsor's Profit	50
Reports to Shareholders	50
Documents on File	50
General	51
Sponsor's Statement of Building Condition	52

PART II

Subscription Agreement	55
Assignment Form	59
Gains Tax Affidavit	60
Subscriber's Affidavit	61
Description of Property and Building Condition	62
Proprietary Lease (and House Rules)	94
By-Laws of the Apartment Corporation	110
General Business Law §352-eeee	118
Section 18.1 (P) Posting Requirement	124
Certifications:	
Sponsor and Principals	126
Sponsor's Architect	130
Sponsor's Expert Concerning Adequacy of Budget	132

SPECIAL RISK FACTORS

PHYSICAL CONDITION OF BUILDING

REFERENCE SHOULD BE MADE TO PART II OF THIS PLAN, SPECIFICALLY SECTIONS ENTITLED "SPONSOR'S STATEMENT OF BUILDING CONDITION" AND "DESCRIPTION OF PROPERTY AND BUILDING CONDITION", AS WELL AS THE REPORT OF OSCAR LEHMANN, ENGINEER. THE APARTMENTS AND THE PROPERTY ARE BEING OFFERED IN THEIR CURRENT CONDITION "AS IS" WITH NO REPRESENTATIONS OR UNDERSTANDINGS EXCEPT AS EXPRESSLY SET FORTH HEREIN. THE SPONSOR WILL HAVE NO OBLIGATION TO MAKE REPAIRS OR IMPROVEMENTS. SPONSOR MAKES NO REPRESENTATION OR WARRANTY AS TO THE ADEQUACY OF THE WORKING CAPITAL FUND OR THE RESERVE FUND PROVIDED FOR IN THE PLAN TO COVER FUTURE EXPENSES OF THE APARTMENT CORPORATION WHICH MAY ARISE IN CONNECTION WITH THE REPAIR OR IMPROVEMENT OF THE BUILDING.

SHARES OF STOCK

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS OFFERING PLAN OR DOCUMENTS FILED THEREWITH, THE SHARES OF STOCK BEING OFFERED ARE NOT BEING OFFERED FOR INVESTMENT. THE PURPOSE OF THIS OFFERING IS THE SALE OF APARTMENTS FOR USE AS HOMES BY PURCHASERS ON A COOPERATIVE BASIS.

THESE SHARES ARE NOT OFFERED WITH AN EMPHASIS ON THE ECONOMIC BENEFITS TO THE PURCHASER FROM APPRECIATION OF VALUE OR EXPECTATION OF PROFIT RESULTING FROM THE RESALE OF THESE SHARES OF STOCK, NOR IS IT INTENDED THAT THE OFFERING PLAN LEAD A PURCHASER TO EXPECT PROFITS OF ANY SORT FROM THE EFFORTS OF THE SPONSOR, APARTMENT CORPORATION OR A THIRD PARTY.

SUBSCRIPTION AGREEMENT

REFERENCE IS MADE TO PARAGRAPH 14 OF THE SUBSCRIPTION AGREEMENT. TIME SHALL BE OF THE ESSENCE WITH RESPECT TO ALL PAYMENTS REQUIRED TO BE MADE BY A PURCHASER PURSUANT TO THE SUBSCRIPTION AGREEMENT AND THE PLAN. IF SUCH PAYMENTS ARE NOT MADE ON TIME, THE PURCHASER WILL BE IN DEFAULT OF HIS SUBSCRIPTION AGREEMENT.

PURCHASERS' OBLIGATIONS MAY BE MADE CONTINGENT UPON OBTAINING A COMMITMENT FOR FINANCING, IF THE PURCHASER SO ELECTS (PARAGRAPH 9, SUBSCRIPTION AGREEMENT), AND THEREAFTER NOTIFIES THE SPONSOR OF HIS INABILITY TO SECURE SUCH FINANCING WITHIN 30 DAYS FROM THE DATE OF THE EXECUTION OF THE SUBSCRIPTION AGREEMENT. IN THE EVENT PURCHASER FAILS TO NOTIFY THE SPONSOR IN SUCH PERIOD OF TIME, IT SHALL BE DEEMED THAT THE PURCHASER'S OBLIGATION TO SECURE FINANCING HAS BEEN FULFILLED. IN THE EVENT PURCHASER SECURES FINANCING OR A COMMITMENT FOR SUCH FINANCING, THE COMMITMENT MAY EXPIRE OR THE TERMS OF THE COMMITMENT MAY CHANGE PRIOR TO THE ACTUAL CLOSING. IF PURCHASER'S OBLIGATIONS ARE CONTINGENT UPON SECURING A FINANCING COMMITMENT AND THE FINANCING COMMITMENT LAPSES OR EXPIRES PRIOR TO CLOSING AND THE PURCHASER HAS MADE A GOOD EFFORT TO EXTEND THE COMMITMENT, THE SPONSOR WILL GRANT PURCHASER A RIGHT OF RESCISSION TO BE EXERCISED WITHIN 15 DAYS AFTER THE COMMITMENT HAS LAPSED OR HAS BEEN SUBSTANTIALLY CHANGED.

INTRODUCTION

The purpose of this Offering Plan is to set forth all the material terms of this offer. This Plan may be amended from time to time, by filing an amendment with the New York State Department of Law. All amendments will be served on all "offerees" defined as: Residential tenants; subscribers who have executed and delivered subscription agreements to the Sponsor, Apartment Corporation or selling agent, and are not in default; shareholders of the Apartment Corporation; and any other person entitled to service pursuant to law or regulation.

The building at 36-58 Dahill Road, Brooklyn, New York and the land on which it is erected ("property") are owned by Dahill Park Associates, which acquired the property on January 6, 1984. Dahill Park Associates ("Sponsor") has entered into an agreement to sell the property to Dahill Gardens Apt. Inc. (the "Apartment Corporation"), and in the event this Plan is declared effective and is thereafter consummated, the Sponsor will convey title to the Property to the Apartment Corporation.

Under this Plan, a total of 13,563 shares of capital stock of the Apartment Corporation have been allocated in blocks to residential apartments. These blocks of shares are initially being offered for sale for a period of 90 days from the date this Plan is presented to the existing bona fide tenants in occupancy for \$240 per share; vacant apartments are offered for \$430 per share. After the expiration of this 90 day exclusive period, these blocks of stock will be offered to non-tenants and residential tenants in occupancy as well, for \$430 per share. (See Footnote 3 to Schedule A and "Procedure to Purchase" for applicable incidental costs and expenses) Sponsor will not accept subscription agreements for occupied apartments from non-tenant purchasers during the 90 Day Exclusive Period. There will be no increase in prices during the 90 Day Exclusive Period. The terms of the exclusive period may be extended as the result of an Amendment to this Plan (see "General" below). The blocks of stock are sold to raise funds to enable the Apartment Corporation to purchase the Property at closing.

The building contains 82 rent stabilized apartments, which are the subject of this offering, plus one superintendent's apartment (Apartment 1F), one porter's apartment (Basement) and one professional apartment (1B), which will belong to the Apartment Corporation and for which no shares have been allocated. There is also an indoor garage which may safely accommodate 22 cars. At the time of the submission of this Offering Plan there are 14 vacant apartments.

The prices for the blocks of shares allocated to the various apartments in the building are found in Schedule A. THESE PRICES HAVE BEEN SET BY THE SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENT AGENCY. See Schedule A for price information. The estimated annual maintenance charges for each apartment for the first year of cooperative operation are also set forth in Schedule A.

The purchaser of a cooperative apartment buys shares of the Apartment Corporation which owns the property in which his apartment is located. Ownership of the shares entitles the purchaser to a special lease to his apartment commonly known as a proprietary lease. As a shareholder, he will have the right to vote annually for members of the Board of Directors who will conduct the affairs of the Apartment Corporation and supervise the operation of the building. As a lessee, he will pay as rent (customarily called "maintenance charges") a proportionate share of the Apartment Corporation's cash requirements for the operation and maintenance of the property and creation of such a reserve for contingencies as the Board of Directors may deem proper, as well as any assessments which may be levied by the Board of Directors.

This Plan is being presented as a "Non-Eviction Plan" in compliance with the procedures contained in General Business Law §352-eeee. As a result, non-purchasing tenants may not be evicted as a result of the conversion to cooperative ownership. However, such non-purchasing tenants may be evicted for reason of non-payment of rent, or a breach of his obligations to the landlord or to the owner of shares of his apartment. See section "Rights of Existing Tenants."

This Plan contains all of the detailed terms of this offering. Copies of the Plan and all documents referred to in this Plan, including all exhibits submitted to the Department of Law in connection with the filing of the Plan, will be available for inspection without charge and for copying at a reasonable charge to prospective purchasers and their attorneys at the office of the Sponsor.

This offering is being made to all bona fide tenants and all residents of the State of New York. This offer to sell is contingent upon the Plan being declared effective and upon compliance with the relevant conditions and time periods described in the Offering Plan.

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

SCHEDULE A

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

PURCHASE PRICES, SHARE ALLOCATIONS, MORTGAGE ALLOCATIONS, ESTIMATED MAINTENANCE CHARGES AND ESTIMATED INCOME TAX DEDUCTIONS FOR THE FIRST YEAR OF COOPERATIVE OPERATION (JULY 1, 1987 - JUNE 30, 1988)

(1)		(2)	(3)	(4)	(5)	(6)		
No. of Rooms & Baths		Shares	Cash Purchase Price @ \$240 Per Share for Tenants in Occupancy (during "90 Day Exclusive Period")	Cash Purchase Price @ \$430 Per Share For Non- Tenants	Portion of Mortgage Allocated to Shares @\$103.222 Per Share	Estimated Annual Main- tenance Charges @ \$25.80 Per Share	Estimated Monthly Main- tenance Charges @ \$2.15 Per Share	Estimated Annual Tax Deduction @ \$13.75 Per Share
Apt.								
1A	RS V 4 + 1	200	48,000.00	86,000.00	20,644.40	5,160.00	430.00	2,750.00
2A	RS 4 + 1	204	48,960.00	87,720.00	21,057.29	5,263.20	438.60	2,805.00
3A	RS 4 + 1	206	49,440.00	88,580.00	21,263.73	5,314.80	442.90	2,832.50
4A	RS V 4 + 1	208	49,920.00	89,440.00	21,470.18	5,366.40	447.20	2,860.00
5A	RS 4 + 1	210	50,400.00	90,300.00	21,676.62	5,418.00	451.50	2,887.50
6A	RS 4 + 1	212	50,880.00	91,160.00	21,883.06	5,469.60	455.80	2,915.00
1B	4 + 1	PROFESSIONAL APARTMENT - NOT OFFERED FOR SALE						
2B	RS V 4 + 1	204	48,960.00	87,720.00	21,057.29	5,263.20	438.60	2,805.00
3B	RS 4 + 1	206	49,440.00	88,580.00	21,263.73	5,314.80	442.90	2,832.50
4B	RS 4 + 1	208	49,920.00	89,440.00	21,470.18	5,366.40	447.20	2,860.00
5B	RS V 4 + 1	210	50,400.00	90,300.00	21,676.62	5,418.00	451.50	2,887.50
6B	RS 4 + 1	212	50,880.00	91,160.00	21,883.06	5,469.60	455.80	2,915.00
1C	RS 3 + 1	150	36,000.00	64,500.00	15,483.30	3,870.00	322.50	2,062.50
2C	RS 3 + 1	154	36,960.00	66,220.00	15,896.19	3,973.20	331.10	2,117.50
3C	RS 3 + 1	156	37,440.00	67,080.00	16,102.63	4,024.80	335.40	2,145.00
4C	RS V 3 + 1	158	37,920.00	67,940.00	16,309.08	4,076.40	339.70	2,172.50
5C	RS 3 + 1	160	38,400.00	68,800.00	16,515.52	4,128.00	344.00	2,200.00
6C	RS 3 + 1	162	38,880.00	69,660.00	16,721.96	4,179.60	348.30	2,227.50
1D	RS 2 + 1	100	24,000.00	43,000.00	10,322.20	2,580.00	215.00	1,375.00
2D	RS 3 + 1	137	32,880.00	58,910.00	14,141.41	3,534.60	294.55	1,883.75
3D	RS 3 + 1	139	33,360.00	59,770.00	14,347.86	3,586.20	298.85	1,911.25
4D	RS 3 + 1	141	33,840.00	60,630.00	14,554.30	3,637.80	303.15	1,938.75
5D	RS 3 + 1	143	34,320.00	61,490.00	14,760.75	3,689.40	307.45	1,966.25
6D	RS 3 + 1	145	34,800.00	62,350.00	14,967.19	3,741.00	311.75	1,993.75
1E	RS 3 + 1	158	37,920.00	67,940.00	16,309.08	4,076.40	339.70	2,172.50
2E	RS 3 + 1	162	38,880.00	69,660.00	16,721.96	4,179.60	348.30	2,227.50
3E	RS V 3 + 1	164	39,360.00	70,520.00	16,928.41	4,231.20	352.60	2,255.00
4E	RS V 3 + 1	166	39,840.00	71,380.00	17,134.85	4,282.80	356.90	2,282.50
5E	RS V 3 + 1	168	40,320.00	72,240.00	17,341.30	4,334.40	361.20	2,310.00
6E	RS 3 + 1	170	40,800.00	73,100.00	17,547.74	4,386.00	365.50	2,337.50

SCHEDULE A

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

PURCHASE PRICES, SHARE ALLOCATIONS, MORTGAGE ALLOCATIONS, ESTIMATED MAINTENANCE CHARGES AND ESTIMATED INCOME TAX DEDUCTIONS FOR THE FIRST YEAR OF COOPERATIVE OPERATION (JULY 1, 1987 - JUNE 30, 1988)

(1)		(2)		(3)	(4)		(5)	(6)	
				Cash Purchase Price @ \$240 Per Share for Tenants in Occupancy (during "90 Day Exclusive Period")	Cash Purchase Price @ \$430 Per Share For Non- Tenants	Portion of Mortgage Allocated to Shares @\$103.222 Per Share	Estimated Annual Main- tenance Charges @ \$25.80 Per Share	Estimated Monthly Main- tenance Charges @ \$2.15 Per Share	Estimated Annual Tax Deduction @ \$13.75 Per Share
Apt.	No. of Rooms & Baths	Shares							
1F RS	SUPERINTENDENT'S APARTMENT - NOT OFFERED FOR SALE								
2F RS	3 + 1	154		36,960.00	66,220.00	15,896.19	3,973.20	331.10	2,117.50
3F RS	3 + 1	156		37,440.00	67,080.00	16,102.63	4,024.80	335.40	2,145.00
4F RS	3 + 1	158		37,920.00	67,940.00	16,309.08	4,076.40	339.70	2,172.50
5F RS	3 + 1	160		38,400.00	68,800.00	16,515.52	4,128.00	344.00	2,200.00
6F RS	3 + 1	162		38,880.00	69,660.00	16,721.96	4,179.60	348.30	2,227.50
1G RS	3 + 1	162		38,880.00	69,660.00	16,721.96	4,179.60	348.30	2,227.50
2G RS	3 + 1	166		39,840.00	71,380.00	17,134.85	4,282.80	356.90	2,282.50
3G RS	3 + 1	168		40,320.00	72,240.00	17,341.30	4,334.40	361.20	2,310.00
4G RS	3 + 1	170		40,800.00	73,100.00	17,547.74	4,386.00	365.50	2,337.50
5G RS	3 + 1	172		41,280.00	73,960.00	17,754.18	4,437.60	369.80	2,365.00
6G RS	3 + 1	174		41,760.00	74,820.00	17,960.63	4,489.20	374.10	2,392.50
1H RS	3 + 1	150		36,000.00	64,500.00	15,483.30	3,870.00	322.50	2,062.50
2H RS	3 + 1	154		36,960.00	66,220.00	15,896.19	3,973.20	331.10	2,117.50
3H RS	3 + 1	156		37,440.00	67,080.00	16,102.63	4,024.80	335.40	2,145.00
4H RS	3 + 1	158		37,920.00	67,940.00	16,309.08	4,076.40	339.70	2,172.50
5H RS	3 + 1	160		38,400.00	68,800.00	16,515.52	4,128.00	344.00	2,200.00
6H RS	3 + 1	162		38,880.00	69,660.00	16,721.96	4,179.60	348.30	2,227.50
1I RS	3 + 1	145		34,800.00	62,350.00	14,967.19	3,741.00	311.75	1,993.75
2I RS	3 + 1	149		35,760.00	64,070.00	15,380.08	3,844.20	320.35	2,048.75
3I RS	3 + 1	151		36,240.00	64,930.00	15,586.52	3,895.80	324.65	2,076.25
4I RS	3 + 1	153		36,720.00	65,790.00	15,792.97	3,947.40	328.95	2,103.75
5I RS	3 + 1	155		37,200.00	66,650.00	15,999.41	3,999.00	333.25	2,131.25
6I RS	3 + 1	157		37,680.00	67,510.00	16,205.85	4,050.60	337.55	2,158.75
1J RS	3 + 1	158		37,920.00	67,940.00	16,309.08	4,076.40	339.70	2,172.50
2J RS	3 + 1	162		38,880.00	69,660.00	16,721.96	4,179.60	348.30	2,227.50
3J RS	3 + 1	164		39,360.00	70,520.00	16,928.41	4,231.20	352.60	2,255.00
4J RS	3 + 1	166		39,840.00	71,380.00	17,134.85	4,282.80	356.90	2,282.50
5J RS	3 + 1	168		40,320.00	72,240.00	17,341.30	4,334.40	361.20	2,310.00
6J RS	3 + 1	170		40,800.00	73,100.00	17,547.74	4,386.00	365.50	2,337.50

SCHEDULE A

SCHEDULE OF PURCHASE PRICES OF SHARES ALLOCATED TO APARTMENTS

(and related information at the date of presentation of the Plan)

PURCHASE PRICES, SHARE ALLOCATIONS, MORTGAGE ALLOCATIONS,
ESTIMATED MAINTENANCE CHARGES AND ESTIMATED INCOME TAX
DEDUCTIONS FOR THE FIRST YEAR OF COOPERATIVE OPERATION
(JULY 1, 1987 - JUNE 30, 1988)

(1)		(2)	(3)	(4)		(5)	(6)	
No. of Rooms & Baths		Shares	Cash Purchase Price @ \$240 Per Share for Tenants in Occupancy (during "90 Day Exclusive Period")	Cash Purchase Price @ \$430 Per Share For Non- Tenants	Portion of Mortgage Allocated to Shares @\$103.222 Per Share	Estimated Annual Main- tenance Charges @ \$25.80 Per Share	Estimated Monthly Main- tenance Charges @ \$2.15 Per Share	Estimated Annual Tax Deduction @ \$13.75 Per Share
Apt.								
1K	RS V 4 + 1	200	48,000.00	86,000.00	20,644.40	5,160.00	430.00	2,750.00
2K	RS 4 + 1	204	48,960.00	87,720.00	21,057.29	5,263.20	438.60	2,805.00
3K	RS V 4 + 1	206	49,440.00	88,580.00	21,263.73	5,314.80	442.90	2,832.50
4K	RS 4 + 1	208	49,920.00	89,440.00	21,470.18	5,366.40	447.20	2,860.00
5K	RS 4 + 1	210	50,400.00	90,300.00	21,676.62	5,418.00	451.50	2,887.50
6K	RS 4 + 1	212	50,880.00	91,160.00	21,883.06	5,469.60	455.80	2,915.00
1L	RSVStudio+1	92	22,080.00	39,560.00	9,496.42	2,373.60	197.80	1,265.00
2L	RS Studio+1	96	23,040.00	41,280.00	9,909.31	2,476.80	206.40	1,320.00
3L	RS Studio+1	98	23,520.00	42,140.00	10,115.76	2,528.40	210.70	1,347.50
4L	RS Studio+1	100	24,000.00	43,000.00	10,322.20	2,580.00	215.00	1,375.00
5L	RS Studio+1	102	24,480.00	43,860.00	10,528.64	2,631.60	219.30	1,402.50
6L	RS Studio+1	104	24,960.00	44,720.00	10,735.09	2,683.20	223.60	1,430.00
1M	RS 3 + 1	133	31,920.00	57,190.00	13,728.53	3,431.40	285.95	1,828.75
2M	RS V 3 + 1	137	32,880.00	58,910.00	14,141.41	3,534.60	294.55	1,883.75
3M	RS 3 + 1	139	33,360.00	59,770.00	14,347.86	3,586.20	298.85	1,911.25
4M	RS 3 + 1	141	33,840.00	60,630.00	14,554.30	3,637.80	303.15	1,938.75
5M	RS 3 + 1	143	34,320.00	61,490.00	14,760.75	3,689.40	307.45	1,966.25
6M	RS 3 + 1	145	34,800.00	62,350.00	14,967.19	3,741.00	311.75	1,993.75
1N	RS 4 + 1	200	48,000.00	86,000.00	20,644.40	5,160.00	430.00	2,750.00
2N	RS 4 + 1	204	48,960.00	87,720.00	21,057.29	5,263.20	438.60	2,805.00
3N	RS 4 + 1	206	49,440.00	88,580.00	21,263.73	5,314.80	442.90	2,832.50
4N	RS V 4 + 1	208	49,920.00	89,440.00	21,470.18	5,366.40	447.20	2,860.00
5N	RS 4 + 1	210	50,400.00	90,300.00	21,676.62	5,418.00	451.50	2,887.50
6N	RS 4 + 1	212	50,880.00	91,160.00	21,883.06	5,469.60	455.80	2,915.00
TOTALS:		13,563		\$5,832,090.00		\$349,925.40		\$186,491.25
			\$3,255,120.00		\$1,399,999.99		\$29,160.45	

RS = Rent Stabilized
V = Vacant

FOOTNOTES TO SCHEDULE "A"

ALL APARTMENTS ARE RENT STABILIZED

- (1) Any floor plan or sketch shown to a prospective purchaser is only an approximation of the dimensions and layout of the apartment. The actual layout of the apartment may have been altered. Accordingly, each apartment should be inspected prior to purchase to determine its actual dimensions, layout and the physical condition. The number of rooms was calculated on the basis that each bedroom, living room and kitchen is considered one room, while dining, foyers and bathrooms are not counted as rooms. The number of rooms listed in Schedule A does not necessarily conform to the number of rooms contained in each lease or with the registration statements on file with the Department of Housing and Community Renewal.
- (2) Shares were allocated by considering the number of rooms within a given apartment, its location within the building and its proportionate fair market value.
- (3) These prices have been set by the Sponsor and are not subject to approval by any Government agency.

All apartments are offered to residential tenants. All such tenants in occupancy on the date this Plan is presented are offered the shares for their respective apartments at \$240 per share, only if such tenants enter into purchase agreements for their respective apartments within 90 days from the presentation of the Plan.

Thereafter, apartments will be offered to tenants in occupancy as well as non-tenants at \$430 per share.

The prices for the shares allocated to 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 shares allocated to similar apartments. Accordingly, the prices are negotiable. See section "Changes in Prices and Units."

There will be no costs to be paid by the purchaser in connection with the closing of his transaction (other than the purchase price of his shares) except that if he secures financing he will be required to pay the costs assessed by the lending institution as well as \$350 to the firm of Schiff, Turek & Kakoyiannis; and if he secures leasehold insurance, the title company fees and charges.

- (4) Although shareholders will not be personally liable to pay the mortgage on the building, the Apartment Corporation will be responsible for these payments and the shareholders' maintenance charges include the amounts to pay the debt service on the mortgage. A failure on the part of a certain number of shareholders to make maintenance payments may result in a foreclosure and a loss of each individual shareholder's equity in his apartment.
- (5) Estimated maintenance charges include the cost of gas furnished to the apartments but not the cost of electricity. Each tenant shareholder will be responsible for the electric cost for his apartment as well as interior repairs, maintenance, cable television service (if available), painting and decorating of his apartment and the equipment and appliances contained therein; as well as the cost of insurance he may desire to secure covering his personal property as well as liability to others for personal injury or property damage. Projected maintenance charges do not include any amount for financing by a purchaser, which will be an additional expense.
- (6) The estimated tax deduction is based upon a full twelve months of operation as a cooperative and is predicated on the estimated real estate taxes and mortgage interest shown in Schedule "B". The amount of tax deductions will vary in later years because of changes in the amount of real estate taxes due to changes in assessed value of the Property or the tax rate or the method of assessing real property; as well as interest on the mortgage indebtedness of the Apartment Corporation due to any amortization of the principal indebtedness. (See "Attorney's Income Tax Opinion"). Projected tax deductions do not include interest paid by purchasers for financing the purchase of their units, which in the opinion of the Apartment Corporation's counsel, may also be deductible.

SCHEDULE B

BUDGET FOR FIRST YEAR OF COOPERATIVE OPERATION
BEGINNING JULY 1, 1987

Projected Income:

Maintenance Charges (13,563 shares at \$25.80 per share) (A)	\$349,925
Parking (B)	10,560
Professional Lease (C).....	8,970
Laundry (D)	<u>3,000</u>
TOTAL.....	\$372,455

Projected Expenses

Labor (1).....	\$ 35,816
Heating (2).....	\$ 33,445
Utilities (Electricity and Gas) (3).....	\$ 13,149
Water Charges and Sewer Rents (4).....	\$ 7,566
Repairs, Maintenance (5).....	\$ 15,000
Service Contracts (6).....	\$ 6,069
Insurance (7).....	\$ 33,800
Management Fees (8).....	\$ 10,000
Legal Fees and Audit Fees (9).....	\$ 5,000
Franchise and Corporate Taxes (10).....	\$ 889
Real Estate Taxes (11).....	\$ 44,585
Mortgage Payments (12).....	\$158,406
Other (13).....	\$ 5,000
Contingency (14).....	<u>\$ 3,730</u>
TOTAL.....	\$372,455

FOOTNOTES TO SCHEDULE "B"

A. If the actual date of commencement of cooperative ownership is delayed more than six months from the anticipated first day, the Sponsor will amend this Plan to include a revised budget. If the revised budget projection exceeds the original projection by twenty-five (25%) percent or more, all subscribers shall be offered (in such amendment) the right to rescind their subscription agreements within 15 days from the date of presentation of such amendment. The Sponsor will return any downpayment promptly to such subscriber who so elects to rescind.

B. There are on-site parking spaces to accommodate 22 cars. The monthly rental is \$40 per space plus 6% sales tax. Vacant garage spaces will be offered first to tenant/shareholders and thereafter to non-purchasing tenants on a first-come first-served basis. The managing agent will accept names from tenant/shareholders and non-purchasing tenants for such spaces following the presentation date of the formal Offering Plan. Non-purchasing tenants who presently have garage spaces shall be entitled to retain their spaces at their rent stabilized garage rents for so long as they remain as tenants in occupancy and desire to keep their spaces.

C. There is one (1) professional apartment (1B) which is not offered for sale and which shall remain the property of the Apartment Corporation. The professional apartment is presently occupied by Dr. Henry Fox, pursuant to a written lease which expires on May 31, 1987. The rent paid by the tenant under the present lease is \$650 per month. The budget projection is based upon the current rent plus a projected 15% increase.

D. Laundry equipment consisting of four washers and four dryers are maintained in the building's laundry room by Coinmach Industries Corp., 55 Lumber Road, Roslyn, New York 11576, pursuant to a written agreement, dated October 1, 1986, which expires on June 30, 1992. The Apartment Corporation will receive as rent, \$250 per month and will have to provide heat, hot water and electricity to the laundry room. (See section "Management Agreement, Contracts and Leases.")

(1) The existing staff servicing the building consists of one full-time, resident non-union superintendent plus one non-union resident porter. The staff projected for the cooperative is the same.

The budget includes the following costs:

Wages	-	\$32,136
Payroll Taxes (FICA)(7.15%)	-	\$ 2,300
NYS Unemployment Insurance	-	\$ 260
Federal Unemployment Tax and Disability Insurance (.04 x 24,000)	-	\$ 1,120

The wages are in excess of the State Minimum Wage Laws. In addition to his wages, the superintendent presently occupies apartment 1F and the porter the basement apartment, free of charge.

(2) Heating of the building is by means of oil fired burners. The fuel used is #6 oil. It is projected that 63,105 gallons of oil will be used for the first year of operations, and that the cost per gallon of #6 oil will be \$.53, including sales tax. The cost of #6 fuel oil on October 1, 1986 was \$.38 per gallon, tax included. The Sponsor guarantees to the apartment corporation that the cost of fuel oil will not exceed \$33,445 during the first year of cooperative operations. Should the apartment Corporation's cost for fuel oil exceed \$33,445 at any time during the first full year of cooperative operation, the sponsor shall reimburse the Apartment Corporation for each payment during such first year, in excess of the guaranteed amount (\$33,445). The basis for this projection is the prior history of the building for the past three years as follows:

<u>Date</u>	<u>Gallons</u>	<u>Avg. Cost/Gallon</u>
1985	62,589	.87
1984	66,825	.81
1983	59,900	.87

In view of the current energy situation, it is not possible to predict with certainty whether the budgeted figure will accurately reflect the cost of fuel oil during the first year of cooperative operation.

(3) Includes electricity for the public areas (which includes the superintendent's apartment) as well as cooking gas for all apartments. Tenant/shareholders will be responsible for the cost of electricity for their individual apartments. The estimate for utility consumption is based on the average consumption of electricity (89,887 kilowatt/hours) and gas (1,293 hundred cubic feet) for the past two years and 10 months as follows:

<u>Year</u>	<u>Gas Hundred Cubic Feet</u>	<u>Cost</u>	<u>Electricity Kwhrs</u>	<u>Cost</u>
11/1/85- 8/31/86	1,092	\$1,365	74,376	\$ 8,561
11/1/84- 10/31/85	1,269	\$1,631	90,576	\$11,430
11/1/83- 10/31/84	1,298	\$1,528	89,834	\$12,394

The estimate of the cost for electricity and gas is based on the current cost of \$.115 per kwhr, including tax, and \$1.25 per hundred cubic foot, including tax, respectively, plus a 10% projected increase. In view of the current energy situation, it is not possible to predict with certainty whether the budgeted figure will be in accord with actual costs to be incurred during the first year of cooperative operation.

(4) Water charges and sewer rents are projected on the basis of prior experience. The 1986/87 water charges and sewer rents are \$4,722 and \$2,834, respectively. For the past four years they were:

<u>Year</u>	<u>Water Charges</u>	<u>Sewer Rents</u>
1985/86	\$4,296	\$2,578
1984/85	\$4,296	\$2,578
1983/84	\$4,035	\$2,017
1982/83	\$3,441	\$1,721

(5) Repairs and maintenance includes: Repairs to the building-wide plumbing, electrical and heating systems, hallways, roof and other public areas; maintenance of the building-wide common areas and mechanical systems; painting of common halls and stairways; cleaning and hardware supplies. Tenant/shareholders will be responsible for the cost of interior maintenance and repairs to their respective apartments, including appliances.

(6) The following service contracts are presently in effect:

<u>Service</u>	<u>Contractor</u>	<u>Cost Per Year</u>	<u>Expiration</u>
Landscaping	Joseph Imbraile	\$1,593	month-to-month
Exterminator	Geoffrey Exterminating	\$ 883	month-to-month
Elevator Maintenance	Centennial Elevator Corp.	\$3,267	month-to-month
Water Treatment	Consolidated Water	\$ 353	month-to-month

(7) The Apartment Corporation will have in place at closing, fire and casualty insurance. The insurance contemplated in the budget will be adequate to replace the building in the event of total loss and to avoid being a co-insurer in the event of a partial loss, in accordance with the written opinion of Moses Schwab, insurance broker. The insurance items covered are as follows:

<u>Items Covered</u>	<u>Coverage Amount</u>
Building All Risk (\$1,000 Deductible)	\$3,500,000
General Liability	\$1,000,000
Officers & Directors Liability	\$1,000,000
Rent Insurance	\$ 270,000
Boiler and Machinery	\$ 300,000
Elevator Collision	\$ 50,000
Umbrella Liability	\$2,000,000
Water Damage	\$ 50,000
Garage Keepers'	\$ 100,000
TOTAL PREMIUM:	\$ 33,800

Shareholders may desire to secure additional insurance at their own cost to cover such risks as fire and casualty losses to unit contents, replacement, additions, upgraded fixtures and improvements, as well as liability coverage for occurrences within the unit.

(8) A Management Contract will be entered into with Morris Rokowsky Management Co., at an annual fee of \$10,000. The contract will be for an initial term of two years to be renewed automatically from year to year thereafter. However, either party will have the right to cancel the agreement any time after the second year on not less than 30 days written notice. (See "Management Agreement, Contracts and Leases", below.)

(9) Legal fees and audit fees are for limited legal services and for the services of an accountant to render an annual certified report to shareholders and to render a report necessary for individual tax deductions.

(10) Franchise and Corporate Taxes are based on New York City and New York State taxes, respectively at the rate of .0004 mil for each such tax, of the business capital of the Apartment Corporation, calculated as follows: The actual assessed valuation of the Property (\$500,000) divided by 45% multiplied by .0008.

(11) The New York City tax assessor, the assessing authority, has assessed the Property (actual) at \$500,000. The transitional assessed valuations for 1986/87 and 1987/88 are \$476,000 and \$482,000, respectively. The present tax rate is \$9.15 per \$100.00. The budget is based upon these assessed valuations and a \$9.25 tax rate.

The assessed valuation of the Property and the tax rate for the previous four years are as follows:

<u>Year</u>	<u>Assessed Actual</u>	<u>Valuation Transitional</u>	<u>Tax Rate</u>	<u>Taxes Paid</u>
1985/86	\$470,000	\$ -0-	9.15	\$43,005
1984/85	\$470,000	\$ -0-	9.15	\$43,005
1983/84	\$605,000	\$581,000	9.057	\$52,621
1982/83	\$575,000	\$ -0-	8.95	\$51,463

There are certiorari proceedings pending. Any refund resulting from these proceedings to reduce the assessed valuation, in the year in which the closing transpires, together with the costs and expenses of maintaining such proceedings, will be apportioned between the Sponsor and the Apartment Corporation as of the Closing Date based upon their respective terms of ownership during such refund period. Any refund covering a period prior to the tax year in which the closing transpires and all corresponding costs and expenses shall belong to and be borne by the Sponsor alone.

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

(12) The Apartment Corporation will take title to the Property subject to an existing first mortgage dated June 26, 1986 in the original principal amount of \$1,400,000, held by First Nationwide Savings, Federal Savings and Loan. The mortgage requires constant monthly payments of \$13,200.47 (\$158,405.64 per annum) up to and including July 1, 1996 to be first applied toward interest at the rate of 10.875% per annum, with the balance of each payment applied toward reducing the principal indebtedness. If all mortgage

payments during the first year of cooperative ownership are made in timely fashion, approximately \$151,580 will be applied toward interest and \$6,825 will be applied toward amortization. When the mortgage matures on July 1, 1996, the balance of the principal indebtedness plus accrued interest, if any, will be approximately \$1,300,000 (\$95.849 per share) See "Terms of Mortgage" below.

(13) Includes such miscellaneous expenses as license fees, registrations, permits, telephone expenses and interest on closing adjustment promissory notes (see "Reserve Fund and Working Capital Fund").

(14) The contingency fund is intended to provide for unanticipated expenses or unanticipated increases in projected expenses. This contingency fund is anticipated to be used in connection with the ordinary operations of the building as a cooperative and not as a fund from which major repairs or capital expenditures will be made. The working capital fund and the reserve funds to be retained by the Apartment Corporation are anticipated to be used for purposes of defraying the cost of major repairs and capital improvements, respectively.

IN THE OPINION OF THE SPONSOR, THE PROJECTED RECEIPTS ARE ADEQUATE TO MEET THE ESTIMATED EXPENSES AS SET FORTH IN SCHEDULE B FOR THE FIRST YEAR OF OPERATION OF THE PROPERTY AS A COOPERATIVE. SCHEDULE B HOWEVER IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY THAT THE PROJECTED MAINTENANCE CHARGES OR OTHER PROJECTED RECEIPTS OR THE ESTIMATED EXPENSES WILL BE AS SET FORTH IN SCHEDULE B FOR THE FIRST YEAR OF OPERATION AS A COOPERATIVE OR FOR ANY SUBSEQUENT PERIOD. IT IS LIKELY THAT THE ACTUAL MAINTENANCE CHARGES AND OTHER INCOME AS WELL AS EXPENSES WILL VARY FROM THE AMOUNTS SHOWN IN SCHEDULE B.

CHANGES IN PRICES AND UNITS

The cash purchase prices for the apartments, as set forth in Schedule A may be changed from time to time during this offering so that prior or subsequent purchasers may pay less or more than the subscribers for similar apartments. The cash purchase price for tenants in occupancy will not be increased during the 90 Day Exclusive Period. No across-the-board price increases or decreases affecting one or more lines of units or unit models, advertised price changes or price increase for an individual purchaser may be effective except by filed amendment. Prices are negotiable. The Sponsor or Apartment Corporation may enter into an agreement with an individual non-tenant purchaser to sell one or more units at prices lower than those set forth in the Plan, without the need to first file an amendment.

Any change in the cash purchase price will not affect the maintenance charges or the share allocation of any apartment (including apartments whose cash purchase prices have not changed), or vary the total number of shares to be issued under this Plan or affect the cash payment requirement stated in any Subscription Agreement then in effect. Unless an affected purchaser consents, no material change will be made in his unit's size, layout or share allocation if a subscription agreement has been executed and delivered to the Apartment Corporation or Sponsor for that unit and the purchaser is not in default. Further, no material change will be made in the total number of shares or in the size or quality of public areas unless purchasers who executed and delivered subscription agreements to the Apartment Corporation or Sponsor and are not in default, receive a right to rescind within 15 days after the presentation of the amendment reflecting such changes. Sponsor will return any down-payment promptly to to any subscriber who rescinds.

In the event of a change in price, share allocation or the total number of shares prior to closing, the Sponsor will obtain a further opinion that a reasonable relationship will exist between the purchase prices of each block of shares and that portion of the equity of the Apartment Corporation in the land and building attributable to the apartment to which such shares are allocated.

In order to meet possible varying demands for the number and type of apartments, or to meet particular requirements of a prospective purchaser or for any other reason, the Sponsor reserves the right to change the layout of apartments; and to change the number of apartments by subdividing one or more apartments or combining separate apartments into one or more apartments, provided that the approval of all government authorities having jurisdiction is first obtained, if such approval is required by law. Any change in the size of an apartment, or in the number of apartments, the number of shares, or the size or quality of public areas will be reflected in a filed amendment to this Plan.



DAVID DAY REALTY 532 Madison Avenue, New York, N.Y. 10022 (212) 935-8700

OPINION OF REASONABLE RELATIONSHIP

December 30, 1985

Dahill Gardens Apt. Inc.
c/o Schiff, Turek & Rakoyiannis
136 East 57th Street
New York, New York 10022

Gentlemen:

We have reviewed the allocation of shares, the cash purchase price of each apartment, and other estimates contained in the schedule entitled "Schedule of Purchase Prices of Shares Allocated to Apartments" (Schedule A) for inclusion in the Plan of Cooperative Organization of 36-58 Dahill Road, Brooklyn, New York.

We are a licensed real estate brokerage firm and our experience includes: Since 1974 our firm has acted as sales agent for at least 25 buildings in the New York City Metropolitan area and in each situation we have assisted the Sponsor in preparing the share allocations as well as the proposed budget for the first year of cooperative operation. We have sold individual apartments in some 300 cooperative buildings and accordingly we are quite familiar with cooperatives in the New York City area. Additionally, we have acted as managing agent for the following cooperatives: 27 East 38th Street, New York, New York; 315 West End Avenue, New York, New York; and 51 East 98th Street, New York, New York.

In our opinion, at the date of this letter, the Total Cash Payment to be paid for each and every apartment is not less than an amount that bears a reasonable relationship to the portion of the fair market value of the equity in the premises which is attributable to such apartment. We are also of the opinion that such reasonable relationship will continue until the Plan is consummated, at which time, if such be the case, we will give you a further written opinion that the actual Total Cash Payment paid for each block of shares meets such reasonable relationship standard.

We are aware that under the Plan you will have the right to change the Cash Purchase Price of apartments from time to time. As a result of such changes, the purchaser of an apartment may pay more or less than the purchaser of a comparable apartment having the same number of shares. It is our opinion that such reasonable relationship will be maintained notwithstanding that comparable apartments with the same number of shares allocated to each are sold for a different cash purchase price in accordance with the foregoing. It is our opinion that such reasonable relationship exists even though blocks of shares may be sold to tenants in the building for a cash purchase price per share lower than that paid by non-tenants, as provided in the aforesaid schedule.

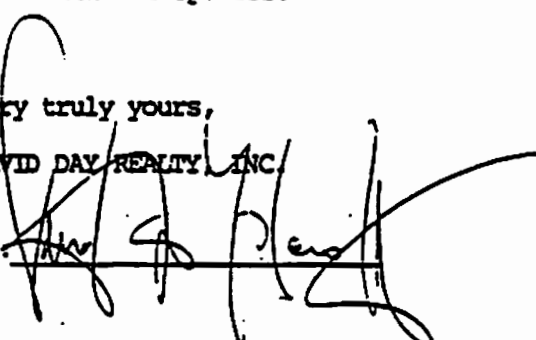
The basis for the allocation of shares is the size of apartments, the respective locations within the building, their different exposures and the proportionate fair market value to the other apartments in the building.

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

The undersigned nor its principals have any affiliation, relationship or participation in this offering or with the Sponsor.

Very truly yours,

DAVID DAY REALTY, INC.

By: 

W
Weber **W** Lipshie & Co.
L CERTIFIED PUBLIC ACCOUNTANTS
1430 Broadway, New York, N.Y. 10018 (212) 382-3400

Internationally Associated With
O'Hare Barry + Associates

Offices in:
New York
Los Angeles
Costa Mesa

Cable: Weblipco - N. Y.

To the Partners of
Dahill Park Associates

We have examined the statements of operations applicable to the operations of the property located at 36-58 Dahill Road, Brooklyn, New York for the year ended December 31, 1985 and for the period from January 6, 1984 (inception) to December 31, 1984. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The statements of operations were prepared without interest costs, provision for depreciation, amortization of deferred charges, and non-operating income.

In our opinion, except as modified in the preceding paragraph, the statements of operations referred to above present fairly the results of operations applicable to the property located at 36-58 Dahill Road, Brooklyn, New York for the year ended December 31, 1985 and for the period from January 6, 1984 (inception) to December 31, 1984, in conformity with generally accepted accounting principles applied on a consistent basis.

Weber Lipshie & Co

February 6, 1986
New York, New York

**PROPERTY LOCATED AT
36-58 DAHILL ROAD
STATEMENTS OF OPERATIONS**

	Year Ended December 31, 1985	From January 6, 1984 (Inception) To December 31, 1984
Income		
Rent	\$ 271,501	\$ 270,018
Garage	9,600	9,120
Laundry	2,700	2,700
	<u>283,801</u>	<u>281,838</u>
 Operating expenses		
Real estate taxes	48,230	52,855
Fuel	54,165	53,680
Gas and electric	13,236	12,397
Water and sewer	7,010	6,394
Insurance	9,992	5,541
Salaries	25,084	14,926
Payroll taxes	2,767	1,241
Employee benefits	1,330	776
Painting and plastering	1,388	3,190
Repairs	8,366	10,037
Hardware and supplies	12,652	7,279
Management fees	9,829	9,935
Professional fees	2,490	5,500
Maintenance	1,849	2,499
Other	4,037	5,850
	<u>202,425</u>	<u>192,100</u>
 Income before interest costs, provision for depreciation, amortization of deferred charges, and non-operating income	 <u>\$ 81,376</u>	 <u>\$ 89,738</u>

NEEDLEMAN, EDELMAN & SCHACTER

Certified Public Accountants

ALLEN NEEDLEMAN, CPA
ROBERT EDELMAN, CPA
HERBERT SCHACTER, CPA

2001 MARCUS AVENUE
LAKE SUCCESS, N.Y. 11042
(516) 328-9111

To the Partners of
Minna Properties Company

We have examined the historical statements of income and specified expenses of Minna Properties Company (a Partnership) applicable to the operations of the property located at 36-58 Oahill Road, Brooklyn, New York, for the period January 1, 1984 through January 6, 1984 (date of sale) and the years ended December 31, 1983 and 1982. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The financial statements referred to above were prepared for the purpose of complying with certain requirements of the State of New York with respect to a contemplated conversion of the aforementioned property to cooperative ownership and excludes certain material charges, described in Note 1, that would not be comparable to those resulting from the proposed future operations of the property.

In our opinion, the historical financial statements referred to above present fairly the income and specified expenses, exclusive of those described in Note 1, applicable to the operations of the aforementioned property for the period January 1, 1984 through January 6, 1984 (date of sale) and the years ended December 31, 1983 and 1982, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding period.


NEEDLEMAN, EDELMAN & SCHACTER
CERTIFIED PUBLIC ACCOUNTANTS

Lake Success, New York
May 10, 1984

MINNA PROPERTIES COMPANY
(A PARTNERSHIP)

HISTORICAL STATEMENTS OF INCOME AND SPECIFIED EXPENSES
APPLICABLE TO THE OPERATIONS OF THE PROPERTY LOCATED AT
36-58 DAHILL ROAD, BROOKLYN, NEW YORK
(NOTE 1)

	JANUARY 1, 1984 THROUGH JANUARY 6, 1984 (DATE OF SALE)	YEAR ENDED DECEMBER 31, 1983	YEAR ENDED DECEMBER 31, 1982
INCOME:			
Apartment rentals - Note 2	\$ 4,097	\$ 278,490	\$ 266,265
Tenant parking	110	8,020	7,375
Laundry	38	2,700	2,250
Real estate tax refunds	-	2,248	-
Total Income	<u>\$ 4,245</u>	<u>\$ 291,458</u>	<u>\$ 275,890</u>
SPECIFIED EXPENSES:			
Labor, payroll taxes and employee benefits			
- Note 2	\$ 529	\$ 17,742	\$ 17,265
Real estate taxes	723	52,042	52,581
Heating	356	52,359	52,962
Utilities (electricity and gas)	306	14,676	12,968
Water charges and sewer rents	99	6,122	4,893
Service contracts - Note 3	42	5,448	5,122
Repairs and maintenance - Note 4	1,043	12,996	12,977
Insurance	76	2,806	2,980
Management fees	712	11,143	10,074
Legal and audit fees	-	2,199	1,996
Miscellaneous - Note 5	93	955	1,013
Total Specified Expenses	<u>\$ 3,979</u>	<u>\$ 178,488</u>	<u>\$ 174,831</u>

The accompanying notes to historical financial statements are an integral part of this statement and should be read in conjunction therewith.

NEEDLEMAN, EDELMAN & SCHACTER
Certified Public Accountants

MINNA PROPERTIES COMPANY
(A PARTNERSHIP)

NOTES TO HISTORICAL STATEMENTS OF INCOME AND SPECIFIED EXPENSES
APPLICABLE TO THE OPERATIONS OF THE PROPERTY LOCATED AT
36-58 DAHILL ROAD, BROOKLYN, NEW YORK

Note 1
Basis of Preparation:

The accompanying historical financial statements applicable to the operations of the property were prepared for the purpose of complying with certain requirements of the State of New York with respect to a contemplated conversion of the building to cooperative ownership. We have excluded material items representing depreciation, interest on mortgages and painting and repairs that are applicable to individual apartments and will be the obligations of individual tenant shareholders.

Note 2
Labor Cost:

The apartments occupied by the superintendent and handyman have not been included in apartment rentals or included as a labor cost.

Note 3
Service Contracts:

The following is a summary of service agreements:

	JANUARY 1, THROUGH JANUARY 6, 1984 (DATE OF SALE)	YEAR ENDED DECEMBER 31, 1983	YEAR ENDED DECEMBER 31, 1982
Elevator	\$ 21	\$ 3,105	\$ 2,845
Compactor	15	1,082	866
Exterminating	4	282	243
Boiler - maintenance	-	613 (A)	812
Boiler - water treatment	-	242	242
Sprinkler systems	2	124	114
Total	<u>\$ 42</u>	<u>\$ 5,448</u>	<u>\$ 5,122</u>

(A) Contract terminated during 1983.

NEEDLEMAN, EDELMAN & SCHACTER
Certified Public Accountants

MINNA PROPERTIES COMPANY
(A PARTNERSHIP)

NOTES TO HISTORICAL STATEMENTS OF INCOME AND SPECIFIED EXPENSES
APPLICABLE TO THE OPERATIONS OF THE PROPERTY LOCATED AT
36-38 DAVILL ROAD, BROOKLYN, NEW YORK

Note 4
Repairs and Maintenance:

The following is a summary of repairs and maintenance excluding expenditures made for individual apartments:

	JANUARY 1, THROUGH JANUARY 6, 1984 (DATE OF SALE)	YEAR ENDED DECEMBER 31, 1983	YEAR ENDED DECEMBER 31, 1982
Plumbing	\$ -	\$ 1,709	\$ 3,251
Heating - burner and boiler	898	4,057	1,508
Elevator	-	689	864
Exterminating	-	152	141
Painting	-	255	575
Roofing	-	70	639
Doors and locks	-	482	883
Gardening	-	1,524	1,593
Miscellaneous	-	150	315
Hardware and supplies	145	3,069	3,208
Compressor	-	839	-
Total	<u>\$ 1,043</u>	<u>\$ 12,996</u>	<u>\$ 12,977</u>

Note 5
Miscellaneous:

The following is a summary of miscellaneous operating expenses:

	JANUARY 1, THROUGH JANUARY 6, 1984 (DATE OF SALE)	YEAR ENDED DECEMBER 31, 1983	YEAR ENDED DECEMBER 31, 1982
Telephone	\$ -	\$ 408	\$ 260
Stationery and printing	-	67	194
Permits and fees	93	480	559
Total	<u>\$ 93</u>	<u>\$ 955</u>	<u>\$ 1,013</u>

NEEDLEMAN, EDELMAN & SCHACTER
Certified Public Accountants

LAW OFFICES
SCHIFF, TUREK & KAKOYIANNIS

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

136 EAST 37TH STREET
NEW YORK, NEW YORK 10022
(212) 935-7600

ATTORNEY'S INCOME TAX OPINION

December 30, 1985

Dahill Gardens Apt. Inc.
36-58 Dahill Road
Brooklyn, New York 11218

Gentlemen:

Under the provisions of Section 216 of The United States Internal Revenue Code, Section 615 of the New York State Law and Section T.46.15.0 of the Administrative Code of the City of New York, tenant/shareholder of a cooperative housing corporation are entitled to deduct from their gross income for Federal, New York State and New York City income tax purposes, their proportionate shares of the real estate taxes and interest on the mortgage paid by the cooperative housing corporation, provided that the requirements of those statutes are satisfied. For purposes of these provisions, a cooperative housing corporation is a corporation where outstanding stock meets the statutory requirements, whose stockholders are entitled to occupy their apartments for dwelling purposes by reason of their stock ownership, and 80% of whose gross income is derived from tenant/stockholders.

David Day Realty Inc., has advised the Sponsor that in its opinion, on the original issue date, a reasonable relationship will exist between the purchase price of each block of shares and that portion of the equity of the apartment corporation in the land and building attributable to the apartment to which such shares are allocated.

In our opinion, you, the Apartment Corporation will be a cooperative housing corporation if this Cooperative Plan is consummated as herein set forth and provided further that the following conditions are fulfilled:

(1) The Apartment Corporation may have only one class of stock outstanding;

(2) Each stockholder must be entitled, solely by reason of his ownership of the corporation's shares, to occupy for dwelling purposes an apartment in the building owned or leased by the corporation. In this regard the regulations of the Internal Revenue Service provide that the stockholder is not required to occupy the premises. The right as against the corporation to occupy the premises is sufficient. This right must be conferred on each stockholder solely by reason of his ownership of stock in the corporation, that is, stock ownership must entitle the owner thereof either to occupy the premises or to a lease of the premises. [Treasury Regulation §1.216-1(d)(2)];

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

(4) 80% or more of the corporation's gross income for the taxable year in which real estate taxes and mortgage interest are paid or incurred by the corporation must be derived from qualified tenants/stockholders.

Provision (4) contains three distinct, but related tests that must be met.

The first of these, is that qualified tenant/stockholders must be individuals. Provisions of §531 of the Revenue Act of 1978 provide that for three years following closing of title, income received from the Sponsor of a Cooperative Plan of Organization qualifies as income received from qualified tenant/stockholders. Thereafter, Sponsor will provide individual person or persons, acting upon their own account, who will purchase any shares unsold at the time of closing which are still unsold three years thereafter, and execute proprietary leases for those apartments. Further, these individuals will not be acting as nominees. Accordingly, we are of the opinion that the case of Eckstein v. United States, 452 F. 2d 1036 (Ct. Cl., 1971), does not apply.

The second criterion that the shares of the cooperative housing corporation must be fully paid for and the amount paid for each block allocated to an apartment bear a reasonable relationship to the fair market value of that apartment as a portion of the fair market value of the entire property. Assuming the correctness of the opinion of the Sponsor and David Day Realty, but without passing upon the accuracy of such opinion, having regard to that portion of the Plan which provides that no change in such stock allocation may be made without a further opinion which will state that the aforesaid "reasonable relationship" has been maintained, we believe that this test has been met.

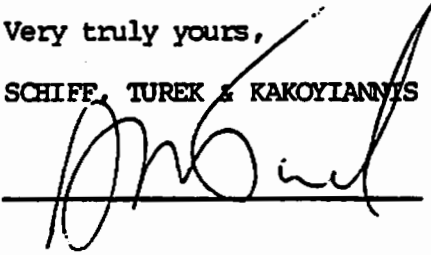
Finally, 80% of the gross income of the corporation must be derived from payments of maintenance charges by qualified tenant/stockholders under their respective proprietary leases. Based upon the estimate of income and expenses set forth in the Plan for the first year of operation as a cooperative housing corporation, but without making any guarantee or warranty in that regard, we believe, that this test has been met.

The actual amount of any income tax deduction may increase or decrease as the amount of real estate taxes or mortgage interest paid by the Apartment Corporation changes. The exact amount of any tax savings to any individual will depend upon his individual tax bracket, the manner in which he reports his income, and his individual tax situation.

In our opinion, the Apartment Corporation will qualify as a cooperative housing corporation and tenant-stockholders will be entitled to income tax deductions. However, this opinion is not a guarantee; it is based upon existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel based this opinion will not change. In no event will the Sponsor, Sponsor's counsel, the Apartment Corporation, counsel to the Apartment Corporation, the selling agent or any other person be liable if the Apartment Corporation ceases to meet the requirements of the Internal Revenue Code of 1954, as amended, or the New York State tax law, as amended, if there are changes in the facts on which counsel relied in issuing this opinion, or if there are changes in the applicable statutes, regulations, decisional law or Internal Revenue Service rulings on which counsel relied.

Very truly yours,

SCHIFF, TUREK & KAKOYIANNIS

By: 

RIGHTS OF EXISTING TENANTS

This offering plan is being presented as a "Non-Eviction Plan". **THIS PLAN MAY NOT BE AMENDED AT ANY TIME TO PROVIDE FOR AN EVICTION PLAN.** Therefore a non-purchasing tenant will not be subject to eviction by the Sponsor or by purchasers of the shares allocated to his dwelling unit even if such purchaser wishes to personally occupy the apartment. Non-purchasing tenants are subject to eviction however, for failure to pay rent or as a result of any other default in their obligations as tenants which would permit a termination of their tenancy and eviction in accordance with applicable law. Any tenant's renewal lease or renewal sublease may provide that eviction proceedings may be commenced by the owner of the shares allocated to their dwelling unit, for non-payment of rent, illegal use or occupancy of the premises, refusal to provide access to the owner or a similar breach by the non-purchasing tenant of his obligations to the landlord. The rights afforded tenants in occupancy substantially derive from General Business Law §352-eeee, reproduced in Part II below.

All bona fide tenants in occupancy on the date the Plan is accepted for filing will have the exclusive right to subscribe to purchase the shares allocated to their dwelling units for 90 days after the Plan is presented. Any bona fide tenant with the right to renew his lease on the date the Plan is accepted for filing has the right to subscribe at the cash purchase price for tenants in occupancy during the exclusive period. Any bona fide tenant who has the right to continued occupancy on the date the Plan is accepted for filing has the right to subscribe at the cash purchase price for tenants in occupancy during the exclusive period. For the purpose of determining who has the right to subscribe during the exclusive period, a bona fide tenant of record with an unexpired lease on the date the Plan is accepted for filing shall be presumed to be a "tenant in occupancy" even though the tenant has sublet his or her dwelling unit or the dwelling unit is not the tenant's primary residence. A bona fide sublessee in occupancy on the date the Plan is accepted for filing has the right to subscribe during the exclusive period if he or she: (i) sublets from a non-bona fide tenant; or (ii) has obtained written permission to purchase the shares allocated to his or her dwelling unit from a bona fide tenant of record. Nothing herein shall be construed to deprive an owner of any legal remedy for illegal occupancy. Any tenant in occupancy which is a corporation, partnership, trust, estate or other non-individual entity will be permitted to purchase the shares allocated to its apartment.

Pursuant to Section 352-eeee of the General Business Law, the Sponsor guarantees that all dwelling units occupied by non-purchasing tenants will be managed by the same managing agent who manages the other units in the building, and that such managing agent will provide to non-purchasing tenants all of the services and facilities required by law on a non-discriminatory basis. (See section "Obligations of Holders of Shares of Dwelling Units Occupied by Non-Purchasing Tenants".) This guaranty shall remain in effect until such time as the Sponsor relinquishes control of the Board of Directors of the Apartment Corporation to residents of the building.

The Sponsor shall, on the 30th, 60th, 88th and 90th day after the Plan has been presented, and at least once every 30 days thereafter until the Plan is declared effective or is abandoned, as the case may be, and on the 10th and 2nd day before the expiration of any exclusive period provided in a substantial

amendment to the Plan, (1) file with the Attorney General a written statement, under oath setting forth the percentage of the dwelling units in the building subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family will occupy the dwelling unit when it becomes vacant as of the date of such statement and (2) before noon on the date such statement is filed, post a copy of such statement in a prominent place accessible to all tenants in the building, which shall remain posted until the next statement is posted. The notice filed with the Department of Law shall include the following:

- A. The date and time of statement;
- B. The date the Plan was filed with the Department of Law;
- C. The date of presentation;
- D. The last day of any exclusive period;
- E. The number of dwelling units in the building;
- F. The number of non-tenant subscribers;
- G. The number of apartments subscribed for by tenants in occupancy on the filing date; and
- H. The percentage of apartments subscribed for as of the specified time on the date of the statement.

Copies of the posting notice shall be available for inspection at the office of the Sponsor at 4819 13th Avenue, Brooklyn, New York 11219, during business hours.

As of the date of presentation of this Plan, all 82 apartments being offered are Rent Stabilized. Non-purchasing tenants shall continue to remain subject to the same Government regulations for so long as they remain in possession. So long as a non-purchasing tenant has the right to remain in possession of his apartment, his rent and other conditions of his tenancy shall continue to be subject to the New York City Rent Stabilization Law and Code, the New York State Emergency Tenant Protection Act and the Omnibus Housing Act of 1983, whichever is applicable; if there is no law that governs his particular apartment, no unconscionable increases in rent may be made nor shall such rent be in excess of the rent charged for comparable apartments. Complaints of unconscionable rent increases may be referred to the New York State Department of Law, Real Estate Financing Bureau, 120 Broadway, New York, New York 10271.

In accordance with General Business Law §352-eeee, tenants or their representatives may physically inspect the premises at any time, during normal business hours, upon written request made by them to the Sponsor, provided that the representatives are registered architects or professional engineers licensed to practice in New York State.

The By-Laws of the Apartment Corporation (Article V, Section 2) provides that simultaneous with the assignment of any lease and the transfer of the shares of the corporation allocated to an apartment occupied by a non-purchasing tenant the Secretary of the Apartment Corporation will be required to serve notice upon the non-purchasing tenant occupants of the apartment advising them of the assignment and the identity of the purchaser of the shares.

If, prior to the expiration of any exclusive period which begins prior to the closing, the Sponsor amends the terms and conditions of the offering making it more favorable to tenant purchasers, a tenant who was in occupancy on the presentation date and who properly executed and delivered a subscription agreement (together with a down-payment check and the appropriate exhibits) before the Sponsor amended the terms, shall automatically benefit from the more favorable terms and conditions.

During the first thirty (30) days from the date of presentation of the Plan, a tenant in occupancy may subscribe to purchase a vacant apartment or any other apartment not occupied by him or her (if available and not already under contract or subject to any exclusive period) at a purchase price computed as follows: At the price per share to tenant's in occupancy to the extent of the share allocation of the tenant's present apartment; and if the desired apartment has a greater share allocation than the present apartment, at the price to non-tenants for the balance of the shares; plus any improvements made to the desired apartment by the Sponsor. The procedure to purchase shall be in accordance with the method provided for non-occupant purchasers. In the event that more than one tenant seeks to purchase the same apartment, the Sponsor will determine who shall have the right to purchase on a first-come, first-serve basis, as evidenced by a written desire to purchase the apartment, delivered by certified mail, return receipt requested, sent to the Sponsor or its Selling Agent. Any such purchase will be subject to the terms and conditions of any existing lease or tenancy and subject to the rights and obligations set forth in this Plan and the applicable rent laws.

Tenants in occupancy who subscribe to purchase the shares allocated to their apartments will be permitted to assign or transfer their subscription agreements in accordance with the terms of this Plan as they are enumerated in the section "Assignment of Subscription Agreement".

Non-purchasing tenants who presently occupy garage spaces shall be entitled to retain their spaces at their rent stabilized garage rent for so long as they remain as tenants in occupancy and desire to keep their spaces.

The rights of purchasing and non-purchasing tenants under the Plan may not be abrogated or reduced notwithstanding any expiration or amendment to General Business Law §352-eeee.

It shall be unlawful for any person to engage in any course of conduct (including but not limited to, interruption or discontinuance of essential services) which substantially interferes with or disturbs the comfort, repose, peace or quiet of any tenant in his use or occupancy of the dwelling unit or facilities related thereto.

OBLIGATIONS OF HOLDERS OF SHARES ALLOCATED TO DWELLING UNITS OCCUPIED BY NON-PURCHASING TENANTS

Since this is a "Non-Eviction" plan, a purchaser of shares allocated to an apartment occupied by a non-purchasing tenant will not be able to obtain possession of such apartment by eviction except if the tenant fails to pay rent, or defaults in his obligations as a tenant which would permit a termination of his tenancy in accordance with his lease agreement or applicable law. Nonpurchasing tenants may not be evicted by the holder of shares allocated to the non-purchasing tenant on the grounds that the owner requires the apartment for his or her own occupancy. Such right of the non-purchasing tenant is intended for the benefit of the non-purchasing tenants, and is not intended to abrogate any rights of the holder of the shares as against the Apartment Corporation.

Consequently, a purchaser of the shares allocated to such an apartment will enter into the proprietary lease (as tenant) with the Apartment Corporation (as landlord) for the apartment, subject: (a) to the terms of the lease for the apartment then in effect (and any renewal thereof after the Date of Presentation of this Plan); (b) to any existing occupancy of the apartment; and (c) to the right of any existing non-purchasing tenant to remain in possession of the apartment in accordance with the terms of his lease.

No representation or warranty is made as to the length of time which may elapse before actual possession of any apartment may be obtained.

IT IS RECOMMENDED THAT ANY PERSON WHO DESIRES TO PURCHASE AN OCCUPIED APARTMENT, CONSULT WITH AN ATTORNEY IN ORDER TO BECOME FULLY APPRISED OF HIS OBLIGATIONS TO ANY EXISTING TENANT OR OCCUPANT.

If the shares allocated to an apartment are purchased by someone other than the tenant, the non-purchasing tenant will become the purchaser's tenant on the Closing Date and the purchaser will become his landlord. As the "landlord" of the non-purchasing tenant, the purchaser will be obligated to comply with the applicable rent regulations and laws such as the New York City Rent Stabilization Law and Code, the Emergency Tenant Protection Act, the Multiple Dwelling Law, the Real Property Law and the Omnibus Housing Act of 1983. If the apartment is rent stabilized, the purchaser will be obligated to join the Rent Stabilization Association and the purchaser's failure to do so may result in the apartment becoming subject to rent control.

A purchaser who acquires the shares allocated to an occupied apartment 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 and any applicable laws, regulations, and rules, the purchaser will also be responsible for the due performance of all the obligations of the landlord under the lease with the tenant, including, without limitation, obligations to maintain, repair and replace plumbing fixtures, refrigerator, range, lighting fixtures and other equipment in the apartment, and to paint the apartment. Such purchasers will also be primarily liable to the Apartment Corporation for the performance of all lessee's obligations under the proprietary lease for the apartment. New York General Obligations Law §7-103 requires that the tenant's security deposit be kept in trust by the purchaser of such occupied apartment, in a separate bank account.

Any person interested in purchasing shares of the Apartment Corporation allocated to an apartment in which he does not reside is urged to examine the present lease pertaining to the apartment to which such shares are allocated, verifying not only the expiration date of the lease, and any renewal thereof, but also the rent currently payable for the apartment (which may be more or less than the maintenance charges that will be payable to the Apartment Corporation after the closing) and the obligations of the landlord thereunder, as well as the obligation of the landlord under the applicable provisions of the Rent Stabilization Law and Code.

If any apartment occupied by a non-purchasing tenant shall be the subject of a rent exemption order under Section Y51-5.0(n) of the New York City Administrative Code or any similar provision of law, and the shares allocated to such apartment are either held by a non-tenant shareholder or a Holder of Unsold Shares, the Apartment Corporation shall apply for the abatement pursuant to that Section Y51-5.1(c) of the New York City Administrative Code or any similar provision of law, and the amount of the maintenance charges payable by such non-tenant shareholder or Holder of Unsold Shares in respect to 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 abatement and rent exemption. The maintenance charges payable by any such non-tenant shareholder or Holder of Unsold Shares shall continue to be reduced by the amount of such tax abatement for so long as such tax abatement shall continue.

ALL COSTS AND EXPENSES INCURRED IN CONNECTION WITH THE OWNERSHIP OF SHARES 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 SHAREHOLDER.

The Sponsor shall have the right to lease a vacant apartment to purchasers or non-purchasers. The lease will be for such rent (not exceeding the maximum rent legally collectible) and upon such other terms as may be mutually agreed upon. Such lease will also provide that any uncured default by the purchaser under his subscription agreement or a rescission of his subscription agreement will constitute a default under the lease entitling the landlord, at its option to immediately terminate such lease. An uncured default under the lease shall be a default under the subscription agreement with the Sponsor's similar right to cancel the subscription agreement, but only after the Sponsor either obtains a court order of eviction or for the recovery of possession or the lessee vacates the apartment. Following the default, or rescission of the subscription agreement by the subscriber, the occupants of the apartment shall have 30 days following notice by the Sponsor to vacate the apartment. If the Plan is abandoned by the Sponsor, the tenant will be able to continue his or her residence subject to the Rent Stabilization Law and Code.

PROCEDURE TO PURCHASE

The Sponsor will promptly deposit all monies received by it directly or through its agents, employees or escrow agent, in a special non-interest bearing trust account at UMB Bank & Trust Co., 630 Fifth Avenue, New York, New York, entitled "STK - Dahill Special" until closing as herein described. Funds may be released only on the signature of an attorney in the firm of Schiff, Turek & Kakoyiannis, and only under the following conditions: (a) at the closing; or (b)

in the event the purchaser rescinds or defaults; or (c) if the Plan is abandoned. In the event that insufficient funds are raised through the offering to effectuate the transfer of title to the Property and the consummation of the Plan, or if the Plan is abandoned or withdrawn for any reason, whatsoever, then such monies shall be fully returned to the purchasers without interest. The amounts paid by the purchasers will be held in escrow in accordance with the provisions of GBL §352e(2)(b) in a separate trust account in accordance with GBL §352-h.

After the Plan is declared effective, each purchaser will be given at least 30 days written notice of the closing date with the Apartment Corporation. Also, the purchaser will be given 15 days written notice, within which time he must deliver to the selling agent his certified check or official bank cashiers check in the amount of the balance of the cash purchase price together with 2 copies of the proprietary lease, signed by him and acknowledged by a notary public. Purchaser's failure to sign the proprietary leases as required may result in his being declared in default of his subscription agreement and thereby forfeiting his right to purchase with the loss of the amount previously paid under the Subscription Agreement.

Inasmuch as the Closing Date shall not be less than 30 or more than 120 days from when the Plan is declared effective, the maximum number of days that the purchase funds may be held in escrow before closing is 105 days, providing the closing is not adjourned.

In the event a purchaser is obtaining financing from a lending institution, only that portion of the balance of the cash purchase price which is not being financed need be paid within the 15 day period. However, in such case, the purchaser shall furnish, together with payment of the nonfinanced balance of the purchase price, a copy of the written commitment from the lending institution (in form satisfactory to counsel for the Sponsor) for that portion of the cash purchase price to be financed, together with all documents required by the lending institution to be executed. If the purchaser complies with the foregoing, the financed portion of the cash purchase price, made payable to "STK-Dahill Special", will be payable on the closing date by certified check or official bank check and the purchaser may apply the proceeds of the financing to make such payment.

If a purchaser's obligations are contingent upon obtaining a commitment for financing, the purchaser must notify the Sponsor of his inability to secure such financing within 30 days from the date of the execution of the subscription agreement. In the event purchaser fails to notify the Sponsor within such period of time, it shall be deemed that the purchaser's obligation to secure financing has been fulfilled. In the event purchaser secures a commitment for financing, the commitment may expire or the terms of the commitment may change prior to the actual closing. If purchaser's obligations are contingent upon securing a financing commitment and the financing commitment lapses or expires prior to closing and the purchaser has made a good faith effort to extend the commitment, purchaser will have a right of rescission to be exercised within 15 days after the commitment has lapsed or has been substantially changed.

Time is "of the essence" as to all payments to be made for the purchase of shares of apartments. This means that if a purchaser fails to make a payment on the date he is required to do so or fails to perform under the terms of the subscription agreement or this Plan, after notice having been given to him, he may lose the down payment made by him, as well as forfeit his right to purchase the apartment shares.

Sponsor or the Apartment Corporation will give a subscriber who is in default of an obligation to make payment a 30-day written demand for such required payment. If such payment is not made, he will forfeit all rights under the subscription agreement to purchase and he will lose his downpayment.

Tenant/purchasers shall be afforded 3 business days to review the Offering Plan and all amendments filed to date prior to executing a subscription agreement.

Non-tenant purchasers will have 7 days (following delivery of an executed subscription agreement together with the required 10% deposit to the selling agent) to rescind their subscription agreements and thereupon receive the return of their full deposit promptly. Such purchaser may rescind his subscription agreement by personally delivering a written notice of rescission to the selling agent within the 7 day period or by mailing a rescission postmarked within the 7 day period.

Within Thirty (30) days after a subscriber delivers their executed subscription agreement (with required exhibits) together with the required deposit, the Apartment Corporation and sponsor must either accept the subscription agreement and return a fully executed counterpart to the subscriber or reject the subscription agreement and refund the full deposit previously tendered. If the subscription agreement is not accepted within 30 days, it shall be deemed rejected and cancelled, and the down payment shall be returned at that time, without interest.

Any conflict between the Plan and the subscription agreement will be resolved in favor of the Plan.

The following schedule of closing costs shall be applicable to the purchaser:

- A. If a purchaser is not able to close on the day that the Apartment Corporation takes title to the building for any reason not directly attributable to the Sponsor, which necessitates a separate closing after the Apartment Corporation takes title to the building, there will be a fee for such late closing in the amount of \$350.00 payable to Schiff, Turek & Kakoyiannis;
- B. If a purchaser is unable to close at the office of the Sponsor or its attorneys, for whatever reason not attributable to the Sponsor or its agents, there will be an attendance fee in the amount of \$250.00 (for a closing in the borough of Manhattan; for the other four boroughs, \$350.00; all closings must take place in New York City) payable to Schiff, Turek & Kakoyiannis;
- C. In the event of an assignment of the subscription agreement there will be a fee of \$350.00 payable to Schiff, Turek & Kakoyiannis for the review and processing of assignment documents; and
- D. In the event the purchaser obtains financing from a lending institution there will be a fee of \$350.00 payable to Schiff, Turek & Kakoyiannis, for review of the financing documents as they affecting the Apartment Corporation.

ASSIGNMENT OF SUBSCRIPTION AGREEMENT

Tenants in occupancy on the date of presentation of the Plan who subscribe to purchase the shares allocated to their respective apartments prior to the declaration of effectiveness will be permitted to assign or transfer their subscription agreement upon the prior written consent of the Sponsor. The Sponsor will determine whether or not to grant its permission to a tenant desiring to assign or transfer his or her subscription agreement on an objective and non-discriminatory basis, taking into account among other things, the proposed assignee's financial ability to meet the obligations as a purchaser/subscriber. In order to obtain Sponsor's permission to assign and transfer the subscription agreement, the tenant must: (a) sign the subscription agreement and tender the down payment; and (b) provide to the Sponsor the assignee's (that is the person to whom the tenant wishes to assign his or her subscription agreement) notarized affidavit stating that the assignee was not procured by the Sponsor and that he or she or a member of their immediate family intends to personally occupy the dwelling unit. The form of assignment affidavit is annexed to the subscription agreement as Exhibit A. There will be a \$350.00 fee payable to Schiff, Turek & Kakoyiannis, for the processing of such assignment or transfer.

EFFECTIVE DATE

The offer to sell embodied by this Plan is contingent upon the Sponsor declaring the Plan effective in compliance with the relevant conditions and time periods described in this Plan.

1. The Sponsor may declare the Plan effective, if within fifteen (15) months from the date of acceptance of the Plan for filing by the Attorney General, subscription agreements have been entered into for at least 15% of the dwelling units in the building by (a) bona fide tenants who were in occupancy on the date the Plan was filed with the Attorney General and entered into their subscription agreements without any discriminatory repurchase agreements or other discriminatory inducements or (b) bona fide purchasers who represent that they, or one or more members of their immediate family intend to occupy the dwelling unit when it becomes vacant.

2. When subscription agreements have been executed and accepted for 80% of the units offered hereby, the Plan must be declared effective.

No more than one subscription agreement from the tenant(s) of a particular dwelling unit shall be counted and only one subscription agreement from any tenant who leases or occupies more than one dwelling unit shall be counted towards effectiveness. The Plan will not be declared effective based upon subscription agreements: (a) Signed by subscribers who have been granted a right of rescission that has not yet expired or been waived; (b) That have been assigned or transferred without compliance with the terms of this Plan (see section "Assignment of Subscription Agreement" above); (c) Are conditioned upon an amendment to the Plan that has not been served in compliance with this Plan and applicable law; or (d) From any subscriber who is the Sponsor or the Selling Agent or is a principal of the Sponsor or the Selling Agent or is related to

the Sponsor or the Selling Agent or to any principal of the Sponsor or the Selling Agent by blood, marriage or adoption or is a business associate, employee or shareholder or limited partner of the Sponsor. Such a subscriber other than the Sponsor or a principal of the Sponsor may be excepted from the foregoing requirement and included in the effectiveness count only if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the subscriber is either a bona fide tenant or a bona fide purchaser who represents that he or she or one or members of his or her immediate family intends to occupy the dwelling unit when it becomes vacant.

The Sponsor will notify all purchasers and tenants when subscription agreements for 15% of the dwelling units have been executed and accepted by the Sponsor.

The Sponsor may at its option declare the Plan abandoned for any reason whatsoever before the quota referred to in the foregoing paragraph 2 has been reached and all monies received by the Sponsor will be returned to the subscriber without interest. In such event no new plan for the conversion of the building may be submitted to the Department of Law for at least 12 months thereafter.

If the Plan has been declared effective, the date of the closing of title (herein sometimes called "the Closing Date") will be fixed by the Sponsor, which shall be not less than 30 days nor more than 120 days thereafter, unless the closing is adjourned.

The Plan will be declared effective by written notice personally delivered or sent by regular mail to all tenants and purchasers. The Sponsor will submit an amendment to the Plan to the Department of Law within 5 days thereafter stating that the Plan was declared effective by notice and incorporating a copy of the notice therein. The closing transaction shall not be held until the amendment disclosing the declaration of effectiveness is accepted for filing by the Department of Law.

Once the Plan has been declared effective, it may not be abandoned except for (1) a defect in title which cannot be cured without litigation or cannot be cured for less than an amount equal to .5% of the total purchase price of this offering, or (2) work orders of a mortgagee or violations after the date of presentation of the Plan which cannot be cured for less than an amount equal to .5% of the total purchase price of this offering or (3) substantial damage to the building by fire or other casualty which cannot be cured for less than an amount equal to .5% of the total purchase price of this offering or (4) a taking of any portion of the Property by condemnation or eminent domain. The aforesaid sums will exclude any title defects, violations, work orders or determinations of any authority or regulatory association which exist on the date of presentation of the Plan and either are known to the Sponsor or are a matter of public record.

On the Closing Date, title to the Property will be delivered 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 of the apartment, if there be one, pays the rent required to be paid by him. Certificates for the shares of the Apartment Corporation and the accompanying proprietary leases will be issued to the respective purchasers as of the Closing Date and will be delivered promptly thereafter.

If the Plan is not declared effective within fifteen (15) months from the date the Attorney General accepts this Plan for filing, the Plan will be deemed abandoned, void and of no effect, and all monies received from subscribers will be returned without interest within 15 business days; furthermore, no new plan for the conversion of the building shall be submitted to the Attorney General for at least 12 months after such abandonment.

TERMS OF MORTGAGE

The Apartment Corporation will acquire title to the premises subject to an existing first mortgage dated June 26, 1986, in the original principal amount of \$1,400,000, held by First Nationwide Savings, a Federal Savings and Loan Association.

The mortgage requires constant monthly payments of \$13,200.47 (\$158,405.64 per annum) to be first applied toward interest at the rate of 10.875% per annum with the balance applied toward reducing the principal indebtedness. The mortgage will mature on July 1, 1996 at which time approximately \$1,300,000 (\$95.849 per share) will become due and payable. It shall be the Apartment Corporation's obligation to either refinance the mortgage when it matures or otherwise pay off the amount owed by having a special assessment.

The mortgage provides for deposits to be made in escrow for the purpose of paying real estate taxes, water charges and sewer rents. The existing escrow funds will be assigned to the Apartment Corporation at closing and an adjustment in favor of the Sponsor will be made accordingly. See section entitled "Reserve Fund and Working Capital Fund" below.

The mortgage permits prepayment on 60 days prior written notice on any payment date subject to the following penalty schedule: (a) 5% of the principal balance if prepaid during the first year; (b) 4% of the principal balance if prepaid during the second year; (c) 3% of the principal balance if prepaid during the third year; 2% of the principal balance if prepaid during the fourth year; and 1% of the principal balance if prepaid thereafter.

There will be a 5% late penalty for any payment not received within 15 days from when due.

The mortgage permits subsequent financing.

The mortgage will not become "due upon sale" of the premises to the Apartment Corporation as contemplated in this Offering Plan, provided that a \$14,000 transfer fee is paid to the mortgagee prior to or at closing. Sponsor agrees to pay this transfer fee at closing.

Sponsor will continue to make all payments on the mortgage due prior to closing and represents that there will be no default of the mortgage at the time of closing with the Apartment Corporation. The insurance coverage contemplated in Schedule B is adequate to satisfy the requirements of the mortgagee.

SUMMARY OF PROPRIETARY LEASE

The proprietary lease will be for a term ending on December 31, 2080, but may be extended by vote of the shareholders. As a lessee, every shareholder of the Apartment Corporation will be obligated to pay the maintenance charges for his apartment as fixed by the Board of Directors based on the number of shares he owns. He will also have the following rights and obligations:

- (a) He may cancel his lease and surrender his shares to the Apartment Corporation (without receiving any compensation) effective as of September 30, 1987, or as of any September 30, thereafter, on at least six months prior notice to the Apartment Corporation, and if he elects to cancel, he will have no liability for payment of maintenance charges after the effective date of the cancellation, provided he is not in default on the obligations to be performed by him under the lease.
- (b) He will have the right to sell his shares and assign his proprietary lease, and sublet his apartment in compliance with the provisions of the proprietary lease and the Apartment Corporation By-Laws which require that consent thereto be authorized by resolution of the Board of Directors or given in writing by a majority of the directors or by written consent or vote of two-thirds of the shareholders.
- (c) He will be responsible for the cost of interior repairs and decorations in his apartment, plus such alterations or additions which may be made with the consent of the Board of Directors.

If an apartment purchased by a non-occupant purchaser is occupied by an existing tenant the proprietary lessee shall have no right to terminate the existing tenancy of the non-purchasing tenant, except for non-payment of rent, or other breach under his lease obligations, even if the proprietary lessee seeks to occupy the apartment for his own use or for the use of a member of his family. In such cases non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy shall continue to be subject thereto; and that the rentals of any such non-purchasing tenants who reside in dwelling units not subject to government regulations as to rentals and continued occupancy and any non-purchasing tenant who resides in dwelling units with respect to which such government regulations are eliminated or become inapplicable after the Plan has become effective, shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy. The obligations of holder of shares allocated to apartments occupied by non-purchasing tenants are included

in the proprietary lease (paragraph 14). The provisions of the proprietary lease concerning non-purchasing tenants may not be subsequently amended or deleted.

Defaults under the proprietary lease include, but are not limited to: Failure to pay the monthly maintenance; assignment, subletting or transfer of the apartment or shares of stock without the consent of the Apartment Corporation; alterations made in the apartment without the consent of the Apartment Corporation; and interfering with the peaceful enjoyment of any other lessee's use of his apartment.

The Apartment Corporation will notify a lender with which it has signed a recognition agreement as to any shareholder's default under the proprietary lease.

The proprietary lease (with the exception of those provisions concerning the rights of non-purchasing tenants and the rights of Holders of Unsold Shares) may be modified by the approval of at least 66-2/3% of the lessees.

APARTMENT CORPORATION

The Apartment Corporation was formed on December 5, 1985, under the Business Corporation Law of the State of New York. It has an authorized capital of 20,000 shares of par value of \$1.00 each.

The By-Laws adopted by the Apartment Corporation are set forth in Part II of the Plan. They require not less than three nor more than nine directors who will serve without compensation. The present Officers and Directors have been designated by Sponsor's attorney and will resign in favor of directors to be elected by the shareholders at a meeting to be held within 30 days after the Closing Date. The present Officers and Directors are all members or employees of the law firm of Schiff, Turek & Kakoyiannis and serve without compensation: Allen M. Turek, President, Ann Marie Lubinskas, Vice-President, Robin Gronsky, Secretary and Louisa Ramos, Treasurer. Members of the Board of Directors of the corporation need not be shareholders.

The Sponsor and other Holders of Unsold Shares may not exercise veto power over expenses described in Schedule B, or other expenses required: (a) to comply with applicable laws and regulations; or (b) to remedy any notice of violation; or (c) to remedy any work order by a mortgagee or insurer; or (d) to remedy a notice of default from a mortgagee.

At such time as the Sponsor holds Unsold Shares constituting less than 50% of the outstanding shares, (but in no event later than the fifth anniversary after the closing date), not less than a majority of the Board of Directors to be elected at all subsequent annual meetings of shareholders will be resident tenant/shareholders of the building.

The By-Laws may be amended by a vote of two-thirds of the shares outstanding except that as long as any shares of the corporation are held by Holders of Unsold Shares the By-Laws may not be amended without the consent of all Holders of Unsold Shares.

The Apartment Corporation will have a lien on each shareholder's shares to secure payment of maintenance charges attributable to such shares. The obligation of holders of shares of dwelling units occupied by non-purchasing tenants to deposit and maintain the equivalent of two month's maintenance charges with the managing agent of the Apartment Corporation will also be secured by the Apartment Corporation having a lien on the shares allocated to such apartment. These liens, unless satisfied, will prevent the shareholder from transferring his shares of stock and if he has a financing agreement with a bank, may cause a default of such agreement.

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

The Apartment Corporation may not discriminate against any person for a reason prescribed by applicable Civil Rights Laws.

UNSOLD SHARES

If by the Closing Date all of the shares allocated to apartments have not been sold and fully paid for, the Sponsor will designate on or before the Closing Date itself or a financially responsible person or persons, resident of the State of New York (hereinafter referred to as "Holder of Unsold Shares") to whom all of the unsold shares will be issued and who will enter into proprietary leases for the apartments to which such shares are allocated.

In any event, the Sponsor has agreed that no later than three years after the closing, it will have assigned all remaining unsold shares to individual persons who will be financially responsible and residents of the State of New York, and who will enter into proprietary leases for the apartments to which such shares have been allocated for their own accounts. The Sponsor has been advised by counsel that in the event it shall continue to hold unsold shares for a period exceeding three years after the closing, the maintenance charges received by the Apartment Corporation from the Sponsor on account of such unsold shares will not be treated as income received from qualified shareholders within the meaning of Section 216 of the Internal Revenue Code.

The Sponsor guarantees that if a Holder of Unsold Shares fails to fulfill his obligations under his proprietary lease, including the payment of all maintenance charges thereunder, the Sponsor will fulfill 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. Sponsor represents that it has the financial resources to enable it to meet its obligations with respect to unsold shares. No bond or other security has been furnished by the Sponsor, and the Sponsor's ability to meet this obligation will depend solely upon its financial condition if and when called upon to perform.

Any unsold shares and leases acquired by a Holder of Unsold Shares or his assignees may be sold or assigned by him, or his apartment may be sublet by him without the consent of the Apartment Corporation or any other person. The Apartment Corporation shall execute a "Recognition Agreement" and such other documents as are reasonably required in the event Sponsor or its successors or assigns seek to obtain financing from a lending institution based upon such unsold shares. A Holder of Unsold Shares or a person related by blood or marriage to 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 shares will no longer be "Unsold Shares" and the Sponsor shall no longer be responsible for that apartment.

Unsold Shares may be sold or transferred to persons who purchase them for their own account and not for pooling of profits or losses.

The Holder of Unsold Shares must be registered as a broker-dealer pursuant to General Business Law Section 359-e, and furnish to the Department of Law all information required from a principal of the Sponsor. The Holder of Unsold Shares or his assignees will not be required to obtain the consent of the Board of Directors or managing agent prior to making any alterations or additions to the apartment or change in the layout of the apartment, except that he will be required to comply with all municipal laws and building codes.

Any subscription or deposit funds being held by the Holder of Unsold Shares will be held in escrow in accordance with General Business Law §352-e(2)(b) in accordance with the provisions contained in General Business Law §352-h.

The Holder of Unsold Shares will also be required from time to time to amend the Plan to provide current and accurate information including such information as is otherwise required from Sponsors, until he has sold all his shares to bona fide purchasers. The Holder of Unsold Shares will also be responsible for providing to prospective purchasers a copy of the current and updated Offering Plan, including all filed amendments.

Holders of Unsold Shares may not cancel their proprietary leases unless (i) shareholders owning a majority of the Apartment Corporation's outstanding shares (other than unsold shares) shall have given notice of intent to cancel or (ii) all unsold shares constitute 15% or less of the Apartment Corporation's outstanding shares, at least 5 years have elapsed since the Apartment Corporation acquired title to the building and on the effective date of cancellation holders of unsold shares shall pay to the Apartment Corporation a sum equal to the product of the then current monthly rent, payable under the proprietary lease, multiplied by 24.

PURCHASERS FOR INVESTMENT OR RESALE

A purchaser for investment or resale is a purchaser who purchases shares allocated to three or more units, which are not for occupancy by such purchaser or persons related by blood, marriage or adoption to such purchaser. In connection with the sale of such units:

1. A purchaser for investment or resale must register as a broker-dealer pursuant to GBL §359-e (if not already registered);
2. A purchaser for investment or resale shall comply with the escrow provisions of GBL §352-e(2)(b) and the trust fund requirements of GBL §352-h; and
3. A purchaser for investment or resale shall provide the following documents to a prospective purchaser at no cost to the purchaser, three business days before entering a purchase agreement:

- (i) Copy of the most recent financial statement of the Apartment Corporation, if any and a copy of the most recent budget of projected expenses, if any;
- (ii) Copy of the most recent notice from the Apartment Corporation of the interest and taxes deductible for income tax purposes, if any;
- (iii) Copies of notices from the Apartment Corporation concerning changes in maintenance charges, potential assessments, planned major capital improvements and proposed refinancing of the building's mortgage(s), if any;
- (iv) Copies of pleadings in pending lawsuits or proceedings the outcome of which may affect the offering of the unit, the seller's capacity to perform all of its obligations under the purchase agreement or the rights of an existing tenant of the unit, if any;
- (v) If the unit is occupied, copy of the tenant's lease and representation of the tenant's status under any applicable rent law;
- (vi) Copies of the by-laws and form proprietary lease of the Apartment Corporation as amended; and
- (vii) Copy of notice of uncured violations of record in the unit that are the responsibility of the proprietary lessee to cure, if any.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY THE SHARES OF STOCK BEING OFFERED BY THE SPONSOR ARE NOT BEING OFFERED FOR INVESTMENT. THE PURPOSE OF THIS OFFERING IS THE SALE OF APARTMENTS FOR USE AS DWELLING UNITS BY PURCHASERS ON A COOPERATIVE BASIS.

THESE SHARES ARE NOT OFFERED AND SOLD WITH EMPHASIS ON THE ECONOMIC BENEFITS TO THE PURCHASER FROM APPRECIATION OF VALUE OR EXPECTATION OF PROFIT RESULTING FROM THE RESALE OF THESE SHARES OF STOCK OR AS A RESULT OF MANAGERIAL EFFORTS OF OTHERS, NOR IS IT INTENDED THAT THE OFFERING PLAN LEAD A PURCHASER TO EXPECT PROFITS OF ANY SORT FROM THE EFFORTS OF THE SPONSOR, THE APARTMENT CORPORATION OR ANY THIRD PARTY.

RESERVE FUND AND WORKING CAPITAL FUND

In accordance with Chapter 51 of the Administrative Code of the City of New York, within thirty (30) days of the Closing Date, the Sponsor must establish and transfer to the Apartment Corporation a reserve fund to be used exclusively for making capital repairs, replacements and improvements "necessary for the health and safety of the residents of such buildings." This reserve fund is exclusive of any working capital fund and may not be

reduced by closing adjustments. This new law requires that the fund be set up in an amount equal to either:

- (a) 3% of the "Total Price" of this offering (that is, the total number of shares offered multiplied by the price last offered to tenants in occupancy prior to the effective date, regardless of the number of sales), or
- (b) 3% of the actual sales price at the time the Plan is declared effective (but not less than 1% of the "Total Price" plus 3% of each subsequent apartment sale during the five-year period following the declaration of effectiveness, even if the ultimate total exceeds 3% of the "Total Price").

However, if the reserve fund is less than 3% of the "Total Price," the Sponsor must make up the difference within thirty (30) days.

The Sponsor may claim a credit against its initial contribution to the reserve fund for the actual cost of capital replacements which are started after the Plan is submitted but before the Plan becomes effective.

In addition to the minimum reserve fund, the law requires the following:

- (a) That the Apartment Corporation report to all shareholders on a semi-annual basis, with respect to all deposits into and withdrawals from the reserve funds; and
- (b) That within thirty (30) days from the date that the Offering Plan is accepted for filing by the Department of Law and until the Closing Date, the Sponsor designate its agent (in this instance it will be the superintendent) to maintain a listing of all violations of record cited by the Department of Buildings and the Department of Housing Preservation and Development for inspection by the tenants within reasonable business hours. The list of violations shall be updated within 48 hours after the Sponsor landlord receives notice of same.

On the Closing Date, from the amount of cash raised by this Offering Plan, the Apartment Corporation will retain the sum of \$10,000, for working capital (plus or minus closing adjustments but not less than \$1,000) and for repairs and other appropriate corporate purposes as determined by the Board of Directors.

If the net closing adjustments called for in the contract of sale are in favor of the Apartment Corporation, the amount thereof will be paid or credited to the Apartment Corporation. If the net closing adjustments are in favor of the Sponsor, they will be paid to the Sponsor out of the working capital fund; which fund however may not be reduced below \$1,000 by such closing adjustments, and the payment of any balance shall be deferred and paid to the Sponsor in 12 equal consecutive monthly installments commencing one month after the closing date, with 10% interest, pursuant to negotiable

serial promissory notes to be executed by the Apartment Corporation and delivered to the Sponsor at closing. Each such note will contain a provision permitting acceleration of the maturity date in the event of a default under any other note. The Apartment Corporation may prepay each note (in full only) at any time, without penalty but with interest accrued to the date of prepayment.

While the Sponsor is in control of the Board of Directors the working capital or reserve fund will not be used to reduce projected maintenance charges.

Neither the Department of Law nor any other government agency has passed upon the adequacy of the working capital fund or reserve fund.

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

No representation is made that the reserve fund will be sufficient to meet capital expenditures. Accordingly, any sums necessary for major repairs or capital improvements (including those which may be disclosed in the section entitled "Description of Property and Building Condition") must be secured in the form of an increase in maintenance charges or an assessment levied against all shareholders, or both.

CONTRACT OF SALE

By agreement dated December 11, 1985, the Sponsor has contracted to sell the building and land to the Apartment Corporation subject to the standard printed exceptions contained in the title policy and subject only to the following exceptions:

- (a) Current leases in force and rights of all tenants in possession, other than leases and tenancies of tenants purchasing apartments occupied by them, which shall be terminated upon execution of the proprietary leases;
- (b) Zoning regulations and ordinances which are not violated by existing structures;
- (c) Any rights of gas, electric, steam, telephone and other utility companies to maintain, repair and replace any wires, conduits, pipes, valves, chutes, poles, boxes and vaults on, over, under or adjacent to the property;
- (d) Covenants, consents, party wall agreements and restrictions of record, providing they do not prevent the present use of the property and/or party wall, including without limitation covenants and restrictions recorded in Liber 6107, Page 25, as amended Liber 7529, Page 247M and sewer easement in Liber 6179, CP.1;

- (e) Union, service, supply and maintenance contracts;
- (f) Any facts which an accurate survey may show, provided such facts do not render title unmarketable;
- (g) Encroachments, if any, of stoops, areas, cellar steps, trim, cornices, sills, retaining walls, windows, copings, cellar doors, sidewalk elevators, fences, firescapes, standpipes, ventilators, electric light signs, canopies, window gardens and projections, if any, or any street or highway; and any variations between record lines and fences and retaining walls and consents prior to the date of the closing of title by any owner of the property for the erection of any structure or structures on, under or above any streets on which the property abuts, as noted in the survey of Bartlett, Ludlam and Dill Associates, dated September 1, 1950, and any subsequent survey;
- (h) Liens for unpaid New York State Franchise taxes or New York City General Corporation taxes of any corporation in the chain of title provided that a sufficient deposit therefore is made with the title company insuring the Apartment Corporation's title to the property, so that it will insure against collection of such taxes from the property; and
- (i) Existing mortgage.

The Apartment Corporation's title will be insured by a licensed title company of the State of New York and the Sponsor will pay all expenses in connection therewith from the proceeds of this offering. Title insurance coverage may not be in an amount that is less than the aggregate of (a) the total cash payments received under all subscription agreements less the reserve and/or working capital fund, (b) the product of the number of unsold shares multiplied by the lowest cash payment per share offered to tenants in occupancy, and (c) the amount of the Apartment Corporation's mortgage indebtedness.

In the event there exists any lien or encumbrance other than those set forth above, the sole remedy of the Apartment Corporation will be either to accept such title as Sponsor is able to convey (without any credit or abatement in the purchase price or any claim or right of action against the Sponsor) or to rescind the contract of sale. Sponsor will be under no obligation to institute any action or proceeding or to expend any sum of money to make title marketable or to eliminate any encumbrance.

The sale of the Building includes all fixtures and articles of personal property attached to or used in connection with the operation of the Property on the premises at the time of sale. All kitchen appliances owned by the Sponsor will become the property of the Apartment Corporation on the closing date and may be used by tenant/shareholders without charge. If a non-purchasing tenant vacates his apartment and removes a kitchen appliance belonging to him at the time he moves, the Sponsor, at its own expense, will supply a replacement which may not be new but will be in good working order and will be similar in size and quality to the appliances contained in the building on the presentation date of this Plan.

At the time of closing, all fixtures and articles of personal property attached to or used in connection with the operation of the Property, which are on the premises, and the building and land will be delivered by the seller and accepted by the purchaser in "as is" condition.

The security deposit, if any, of a tenant who purchases will be refunded to him after the closing of title, provided he is not in default under his lease or tenancy. The security deposit of a non-purchasing tenant, who is not in default under his lease or tenancy, will be transferred after the closing of title to the purchaser of the shares allocated to the apartment, or to the shareholder produced by the seller as the case may be, who will hold them in accordance with G.O.L. Section 7-103.

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

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

The Sponsor will maintain the Property until the closing in substantially the same condition and manner as on the date of presentation of the Plan.

The following are to be apportioned:

1. Rents as and when collected;
2. Premiums on existing transferable insurance policies or renewals of those expiring prior to closing, provided that the coverage, amounts and terms conform to those set forth in this Plan (Footnote #7 of Projected Schedule of Income and Expenses);
3. Taxes and sewer rents;
4. Water charges;
5. Fuel;
6. Utility charges and deposits;
7. Vault taxes, if any;
8. Payments under service and concession contracts;
9. Fees for assignable permits and licenses;
10. Mortgage interest;
11. Wages, vacation pay and any other monies and fringe benefits, paid to the employees of the seller;
12. Escrow held by mortgagee; and
13. Accrued senior citizens exemptions.

The purchaser has no personal liability for any of the costs or expenses for the promulgation and consumation of the Plan, the sale of the building and the execution and delivery of the deed. All costs and expenses of the above, including but not limited to, selling expenses, commissions, and filing fees under Section 352-e of the General Business Law, printing, organization of the Apartment Corporation, title insurance, recording charges and legal fees of counsel for the Apartment Corporation will be paid by the Sponsor.

The Sponsor shall deliver to the Apartment Corporation a Bargain and Sale Deed with Covenants against Grantor's Acts.

The Sponsor reserves the right to renew or modify any existing lease or to enter into any new lease prior to the Closing Date, under such terms conditions and rentals as Sponsor deems desirable, for any residential or non-residential space. Sponsor will not be obligated to rent any apartment which is vacant and Sponsor reserves the right to evict any tenant, who defaults under his lease or tenancy. Sponsor reserves the right to renew, extend or modify any existing service, maintenance or concession contract and to enter into new contracts under such terms and conditions as it deems desirable. In the event the terms and conditions of contracts to be assumed by the Apartment Corporation are materially changed, the Plan will be amended to reflect such changes.

In the event there are pending proceedings for the reduction of real estate taxes on the Property for the tax year in which the closing occurs, the Apartment Corporation will continue such proceedings with the attorney previously employed by the Sponsor who shall have the sole right to negotiate and settle all claims in connection with said proceedings. Cost of such proceedings and any refund shall be apportioned between the Sponsor and the Apartment Corporation according to the respective portions of the tax year that each holds title to the Property. Any refund covering a period prior to the closing of title and all expenses incurred in connection with securing such refund shall belong to and be incurred by the Sponsor.

In the event the Property is damaged by fire or other casualty prior to closing, Sponsor will repair such damage if the cost of repairs is fully covered by insurance proceeds collected by Sponsor. In the event the collected insurance proceeds will be insufficient to pay for the cost of repairs, the Sponsor shall have the right but not the obligation to repair such damage. If Sponsor elects not to repair the damage, the Plan will be abandoned and all subscription agreements will be deemed cancelled and all purchasers not in default will be refunded their deposits without interest. Upon such refund being made the Apartment Corporation and the Sponsor will be relieved and discharged of any liability under the Plan or under the subscription agreement.

Article 31B of the New York State Tax Law became effective on March 29, 1983 ("Gains Tax Law"). As a result, certain affidavits and forms have to be executed and submitted upon the sale of shares of the Apartment Corporation. The form of questionnaire required to be signed by the purchaser is attached to the subscription agreement as Exhibit B. The Sponsor's obligation to pay these taxes will not devolve upon the Apartment Corporation or the purchasers of its shares.

The price for the Property shall be payable as follows:

- A. By payment of the amount of the entire cash proceeds received from the sale of shares pursuant to this plan up to the closing date (less the working capital and reserve funds);
- B. By the issuance to Sponsor of all unsold shares; and
- C. By acceptance of title subject to the mortgages described in this Plan.

The aforesaid price may be regarded by Sponsor as being reduced by expenses incurred by it for all closing expenses, in connection with preparation and presentation of this Plan and sales expenses.

The Property is being sold "AS IS" on the date of the presentation of the Plan subject to reasonable use, wear, tear and natural deterioration between such date and the closing date.

The Apartment Corporation will indemnify and hold harmless the Holders of Unsold Shares against any and all claims, actions, liabilities (including reasonable attorneys fees and litigation expenses) incurred as a result of the failure on the part of the Apartment Corporation to operate the Building pursuant to the requirements of applicable rent regulations and laws or to perform any obligation to be performed by it as lessor under the proprietary lease; however, such indemnity shall not be applicable during any period that a majority of the Board of Directors consists of non-resident members elected by the Holders of Unsold Shares.

Sponsor reserves the right on the Closing Date or prior thereto, to assign this contract to a third party who shall then be obligated to transfer the Property to the Apartment Corporation according to all of the terms and conditions of this contract and Plan.

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

On the Closing Date, the Apartment Corporation will enter into a management agreement with Morris Rokowsky Management Co., 4819 13th Avenue, Brooklyn, New York, to serve as managing agent for the Building. The management agreement will be for an initial term of two years. Thereafter the agreement will be automatically renewed each year; however either party has the right to cancel the agreement at any time after the end of the initial term, on thirty days notice. The managing agent will receive an annual fee of \$10,000 and will perform the following duties and services, among others: Bill and collect maintenance charges; cause the building to be maintained and repaired pursuant to direction of the Apartment Corporation, except that expenditures of \$2,000 or more for any one item of ordinary repair (other than emergency repairs) shall require the approval of the Apartment Corporation; contract for necessary services for the building; purchase all supplies necessary to properly maintain the building; check all bills received in connection with

the operation of the building and cause them to be paid; supervise, hire and discharge employees; render monthly statements, as well as receipts and disbursements; prepare payroll records; prepare and submit annually to the Board of Directors of the Apartment Corporation an operating budget for the next year; and attend the meetings of the Board of Directors and shareholders. In addition, management shall be entitled to receive fees for diverse broker services outside the scope of his duties as managing agent.

All expenses incurred by the managing agent in the performance of its duties shall be paid by the Apartment Corporation which shall also indemnify the managing agent against any liability for acts properly performed by its pursuant to the agreement or pursuant to the Apartment Corporation's instructions.

Pursuant to Section 352-eeee of the General Business Law, sponsor guarantees that all dwelling units occupied by non-purchasing tenants will be managed by the same managing agent who manages all the other units in the building and that such managing agent will provide to non-purchasing tenants all services and facilities required by law on a non-discriminatory basis. That guaranty shall remain until such time as the Sponsor relinquishes control to the Board of Directors of the Apartment Corporation to residents of the building.

At present the following companies perform the specified services:

<u>Name of Contractor</u>	<u>Services</u>	<u>Annual Payment</u>	<u>Expiration Date</u>
Joseph Imbraile	Landscaping	\$1,593	month-to-month
Consolidated Weater	Water Treatment	\$ 353	month-to-month
Centinnial Elevator Co.	Elevator Maintenance	\$3,267	month-to-month
Geoffrey Exterminators	Exterminators	\$ 883	month-to-month

IDENTITY OF PARTIES

Sponsor

The Sponsor, Dahill Park Associates, 4819 13th Avenue, Brooklyn, New York, is a partnership consisting of Morris Rokowsky and Isaac Rokowsky, both of 4819 13th Avenue, Brooklyn, New York and Symcha and Miriam Elberg of 4809 14th Avenue, Brooklyn, New York. Messrs. Rokowsky have extensive experience in real

estate management and ownership. Mr. Elberg is a real estate investor and editor of a monthly journal. Mrs. Elberg is a housewife and assistant college professor. Messrs. Rokowsky were Sponsors of the Plans which converted the following buildings to cooperative ownership: 1440 54th Street, Brooklyn, New York, 101 West 23rd Street, New York, New York, 67-30 Clyde Street, Forest Hills, New York, 117-12 Ocean Promenade, Belle Harbor, New York, 1655 Flatbush Avenue, Brooklyn, New York, 10 Plaza Street, Brooklyn, New York, 110-12 South Village Avenue, Rockville Center, New York, 3215 Avenue H, Brooklyn, New York, Kingsway Gardens, 2607-2615 Avenue O, Brooklyn, New York, 1401 Ocean Avenue, Brooklyn, New York, 190 West Merrick Road, Freeport, New York; 55 South Bergen Place, Freeport, New York; 150 Hawthorne Street, Brooklyn, New York (Red-Herring); and 82-35/39 134th Street, Kew Gardens, New York (Red-Herring). Neither Mr. nor Mrs. Elberg have any prior experience in public offerings.

Selling Agent

Kings Highway Realty, a division of Provenz Realty Corp., 1302 Kings Highway, Brooklyn, New York 11229 will act as selling agent for the Sponsor. The selling agent has extensive experience in cooperative sales in Brooklyn, including 1180 Ocean Parkway, 2369 East 19th Street, 3901 Nostrand Avenue, 2823 East 26th Street and 1360 Ocean Parkway. Diane and Arthur Provenz are the principals of the selling agent. Neither the selling agent nor its principals, have any interest in this Offering, except for their fees and commissions from sales.

Managing Agent

Morris Rokowsky Management Co., 4819 13th Avenue, Brooklyn, New York, will act as managing agent for the Apartment Corporation. The managing agent has extensive experience in rental and cooperative management in the New York City metropolitan area. Morris Rokowsky and Isaac Rokowsky are principals of the Managing Agent and Sponsor.

Engineer

Oscar Lehmann, engineer, was employed by Sponsor to examine the physical condition of the Property and has rendered his report as set forth in this Plan. Mr. Lehmann has had extensive experience in the preparation of reports for cooperative/condominium projects. The engineer has no financial interest in the Property, the Sponsor or the Apartment Corporation, except for his fee for services rendered in connection with such report.

Attorney

The law firm of Schiff, Turek & Kakoyiannis, 136 East 57th Street, New York, New York has been retained by the Sponsor to prepare the Plan and related documents. The legal fee for its services in that connection will be paid entirely by the Sponsor.

Prior to the closing and until the first meeting of the Board of Directors, members of that firm will be the Board members and officers of the Apartment Corporation and therefore will act on its behalf at the closing. The interests of the Sponsor and the Apartment Corporation are not identical and they may, at times, conflict. In view of the foregoing, and because of the conflicting and

diverse interests of the Apartment Corporation and the Sponsor, it is recommended that each purchaser consult with his own attorney prior to executing a Purchase Agreement.

SPONSOR'S PROFIT

The Sponsor acquired the Property on January 6, 1984, for a purchase price of \$913,881, which included mortgages in the aggregate amount of \$730,000. The approximate cost of capital expenditures undertaken by the Sponsor is \$100,000.

The costs associated with the acquisition and ownership of the Property, including financing costs is approximately \$350,000 and the aggregate amount for costs incurred in connection with the conversion including sales commissions, attorneys' and engineering fees, printing, advertising, title insurance for the Apartment Corporation, filing fees and transfer and gains taxes is approximately \$733,000. It is estimated that the Sponsor's profit will be \$5,135,209, assuming that the Sponsor will become the Holder of all Unsold Shares and that all shares of the Apartment Corporation will be sold at prices for outsiders as set forth in Schedule A of this Plan.

REPORTS TO SHAREHOLDERS

It is the obligation of the Apartment Corporation to give all shareholders annually, at the expense of the Corporation, copies of the following:

- A. A statement of the amount deductible for Income Tax purposes by February 15th;
- B. An annual audited financial statement prepared by an independent certified public accountant to be received within two months after the end of the fiscal year; and
- C. Notice of the holding of any annual shareholders' meeting for the purpose of electing a Board of Directors will be sent in accordance with the By-Laws.

These dates however, may be changed later in accordance with the By-Laws.

DOCUMENTS ON FILE

Sponsor shall keep copies of the Plan, all documents referred to in the Plan and all exhibits submitted to the Department of Law in connection with the filing of the Plan, on file and available for inspection without charge and copying at a reasonable charge at 4819 13th Avenue, Brooklyn, New York for 6 years from the date of closing.

GENERAL

There are no law suits, administrative proceedings or any other proceedings the outcome of which may materially affect the offering, the Property, the rights of existing tenants, Sponsor's capacity to perform all of its obligations under the Plan, the Apartment Corporation or the operation of the cooperative.

The Property was not the subject of any prior cooperative or condominium offerings. No preliminary binding agreements have been entered with, and no money has been collected from prospective purchasers.

If there is a substantial amendment to the Offering Plan that adversely affects purchasers, the amendment will provide that persons who have already subscribed shall have the right to rescind their subscription agreement within 15 days from the date of presentation of the amendment. If a subscriber wishes to rescind his subscription agreement, the Sponsor or its agents will return any deposit or downpayment promptly but in no event later than 15 days from Sponsor's receipt of the notice of rescission.

The Sponsor, its agents and Sponsor as Holder of Unsold Shares will not discriminate against any person on any basis prohibited by civil rights laws.

No person has been authorized to make a representation which is not expressly contained herein.

This Plan may not be changed or modified orally.

DAHILL PARK ASSOCIATES, SPONSOR

SPONSOR'S STATEMENT OF BUILDING CONDITION

The Sponsor adopts the Description of Property and Building Condition as set forth in Part II of the Plan and represents that Sponsor has no knowledge of any material defects or need for major repairs to the Property except as set forth in the Description of Property and Building Condition.

The Property is offered in its "AS IS" condition on the date of the presentation of the Plan, subject to (a) Sponsor's obligation to maintain the Property until closing in substantially the same condition and manner as on the date of presentation, (b) reasonable wear and tear, and (c) Sponsor's obligation to cause all violations of record as of the closing date to be cured (except violations caused by acts or omissions of tenants in the building in their own units) and to eliminate to all dangerous or hazardous conditions that the Sponsor has notice of and to comply with all work orders from mortgagees.

Prior to closing or within a reasonable period of time thereafter, Sponsor will: (i) cause to be cured all violations of record as of the closing date (except violations caused by acts or omissions of tenants in the building in their own units); (ii) eliminate all dangerous or hazardous conditions that the Sponsor has notice of and comply with all work orders from mortgagees, including the following: repair and point the brick steps to the professional office and paint the concrete landing as well as remove the existing wood concrete form and install concrete slab supports made of masonry; remove the abandoned rusty incinerator settling chamber; utilize the old incinerator chimney for exhausting garage air; repair the retaining wall curb at the garage ramp; secure the floor mounted railings in the lobby of 36 Dahill Road; install apartment designations on doors where required; and investigate and eliminate as necessary, the faint gas odor noted in the meter room; and (iii) provide current certificates and permits for air resources, elevator inspection, sprinkler system, oil storage and boiler safety inspection, as necessary.

The present and contemplated uses of the Property conform to the permitted use listed on the Building's Certificate of Occupancy.

Pursuant to the provisions of 13 NYCRR 18.7(aa), a regulation was promulgated by the Department of Law on August 8, 1986, requiring that:

Currently Applicable Asbestos Regulations

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

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

- (i) The qualifications of the person preparing the report.
- (ii) A detailed inventory of the asbestos in each apartment and in all other areas of the property, including the location, amount of ACM, type and concentration of asbestos in the ACM, and condition; whether the presence of any of the ACM poses an immediate health or safety hazard; which apartments, if any, were not examined and a description of efforts made to gain access to any such apartments.
- (iii) Recommendations for handling each and every item of the asbestos inventory, i.e., removal, enclosure, encapsulation, or leaving undisturbed.
- (iv) How the recommendations should be implemented, whether apartments must be vacated or whether use of certain rooms will be limited and the projected duration thereof and whether the work must be performed in compliance with New York City Local Law 76 of 1985 or any other applicable laws.
- (v) A recommended protocol for the future handling and maintenance of asbestos which will remain in the building, whether encapsulated, enclosed or left undisturbed.

The asbestos report will be disclosed in a duly filed amendment to the Plan by February 8, 1987.

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

Additional Proposed Asbestos Regulations

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

In addition, the Offering Plan must state that the recommendations of the asbestos report will be expeditiously carried out by the sponsor if the closing has not occurred, or the apartment corporation if the closing has occurred but the sponsor is in control, and that it will be the responsibility of the apartment corporation to monitor and, whenever necessary, to treat or remove ACM which remains in the building(s) after the conversion to a cooperative.

If any closings take place prior to the completion of asbestos removal and treatment work, sponsor shall place in escrow a sum of money sufficient to pay for said work, the amount to be determined by a person qualified to render an opinion on asbestos, but in no event less than \$2,500.00 per unit.

A lawsuit was brought to invalidate the emergency asbestos regulations — Application of Council For Owner Occupied Housing Inc. v. Robert Abrams, Supreme Court, Albany County, Index Number 9505-86. On October 6, 1986 Justice John G. O'Connor issued an opinion upholding the Current Asbestos Regulations set forth above. The decision invalidated the Proposed Additional Asbestos Regulations.

The Attorney General has appealed that part of the decision invalidating that part of the regulations set forth above,

This Plan will be amended to disclose the outcome of this litigation as well as its ramifications on Sponsors' obligations in this Offering Plan. If the final court determination or stipulation upholds the decision invalidating the Proposed Additional Asbestos Regulations, Sponsor will have no obligation to carry out the recommendations of the asbestos report or to escrow a sum of money sufficient to pay for said work. If the final court determination reverses the decision invalidating the provisions of the Proposed Additional Asbestos Regulations, Sponsor will have the obligation to perform such work and to escrow money sufficient to pay for said work, if the closing has not occurred or if sponsor is in control of the Board of Directors.

**SUBSCRIPTION AGREEMENT
(TO BE SUBMITTED IN TRIPLICATE)**

APARTMENT _____

To: DAHILL GARDENS APT. INC.

1. I acknowledge the receipt of the Offering Plan to convert premises 36-58 Dahill Road, Brooklyn, New York 11218, ("Property") to cooperative ownership at least three (3) full business days prior to my execution of this Subscription Agreement.

2. I agree to purchase _____ shares of capital stock of DAHILL GARDENS APT. INC. ("Corporation") and proprietary lease allocated to Unit _____ for the total price of \$ _____ and make a down payment of \$1,000 (or 10% of the purchase price, if I am not the tenant occupying the apartment). My check made to the order of "STK - Dahill Special" and my Gains Tax Affidavit and Subscriber's Affidavit (Exhibits B and C) are attached. I will pay the balance (\$ _____) upon 15 days' written notice by you or the Corporation that the date for the closing transaction (the date when the Corporation acquires title to the property) has been fixed. Said payment shall be made by certified or official bank check to the order of "STK-Dahill Special". If financing is being provided by a lending institution pursuant to paragraph 10 of this agreement then that portion of the balance of the purchase price which is equal to the amount being financed may be paid from the proceeds of such loan at closing, provided I deliver to you within the said 15 day period: (a) a copy of the written commitment from the lending institution; (b) all executed documents (including the "Recognition Agreement") which the lending institution will require the Apartment Corporation to execute; and (c) the balance of the unfinanced portion of the purchase price in cash, certified or official bank check as aforesaid.

3. I agree to execute the proprietary lease for the Unit (in the form contained in the Plan) promptly upon its presentation to me for signature. The date of the commencement of the term may be inserted by you or the Corporation. The proprietary lease and the stock certificate attributable to the Unit will be delivered to me upon the completion of the closing transaction.

4. All monies received by you as Sponsor, or by your agents or employees, by virtue of this Agreement, will be held in escrow pursuant to GBL §352-e(2)(b) in a separate trust account in accordance with GBL §352-h by Schiff, Turek & Kakoyiannis, until actually employed in connection with the consummation of the Plan, pursuant to its terms. All such monies will be deposited in UMB Bank & Trust Co., 630 Fifth Avenue, New York, New York, in a special account entitled "STK - Dahill Special." These funds may be released only over the signature of an attorney in the firm.

5. I agree to accept the Unit "as is".

6. I understand that if the Plan is not declared effective, or is abandoned, then this Subscription Agreement shall be deemed to be cancelled and you shall cause the refund of all payments made by me hereunder, without interest, and neither party to this Subscription Agreement, nor the Selling Agent, shall have any further rights or obligations hereunder.

7. I understand and agree that if I fail to make payment of the balance of the purchase price when due, as herein provided, (subject to the provisions of paragraph 9, if applicable), and in the event I fail to make payment within 20 days after written demand is made by you or the Corporation, this Subscription Agreement shall be deemed cancelled and all rights of the parties hereunder shall terminate, except that the down payment shall be retained by the Apartment Corporation as liquidated damages.

8. This Subscription Agreement shall not be binding until it is accepted by the Apartment Corporation in the space provided below, and a fully executed counterpart of this Subscription Agreement is delivered to me. If this Subscription Agreement is not accepted as aforesaid within 30 days, it shall be deemed rejected and cancelled, and the down payment shall be returned to me, without interest, within 10 days.

9. (* Delete if inapplicable) This Subscription Agreement is submitted on the condition that within 30 days of the date that I receive a fully executed copy of this agreement, a bank or other lending institution shall issue a commitment to me for a loan not less than \$_____, at the maximum legal interest rate in effect on the closing date, in connection with the subscription for shares made herein. I agree to make truthful application for such loan within five (5) days from the date I receive the fully executed copy of this agreement and promptly notify you: (a) when and to whom the application for commitment is made; and (b) when my application for commitment is either accepted or rejected. If within the said 30 days, I do not notify you that the commitment has not been issued, I hereby waive the conditions set forth in this paragraph, and this Subscription Agreement shall be deemed to be firm and binding whether or not the loan commitment is issued. In the event I fail to secure such commitment within the aforesaid period, or in the event I do secure said commitment and it expires by its terms, prior to the closing date and despite my good faith efforts I am unable to get it extended (not as a result of my default), I shall have the right to rescind this agreement by written notice, within 2 days thereafter, and you agree to return my down payment deposit without interest, within 5 business days thereafter.

10. (* Delete if inapplicable) I acknowledge that I am not the occupant of the apartment unit designated in this Subscription Agreement and I agree to accept said apartment unit subject to the existing occupant's lease and/or other right of occupancy of those who occupy the apartment unit, and subject to the provisions of Section 352-eeee of the General Business Law of the State of New York. I further understand that I shall have no right to obtain possession of the apartment except by reasons of the failure of the occupant to pay rent or by other default of his lease or right of occupancy; that I may not commence an actions to recover possession of the apartment even if I seek possession for my own use or use by my family.

I further understand that after the closing date, I will be responsible for the landlord's obligation under the existing lease (which includes the obligations to repair and maintain the apartment) and the payment of all maintenance charges and other services payable under the proprietary lease.

Further, if this Subscription Agreement is submitted during the period that the existing tenant or occupant has the exclusive right to purchase the apartment unit pursuant to the plan or any amendment thereof, then the acceptance of this subscription agreement by you is expressly made subject to such right of purchase by the present tenant/occupant. In the event said tenant/occupant exercises his exclusive right to purchase, then this agreement shall be deemed cancelled and within thirty (30) days thereafter, all money deposited hereunder shall be returned to me, without interest, at which time this agreement shall be deemed at an end and all obligations and liability hereunder shall cease.

I understand that as a non-tenant purchaser, I may rescind this Subscription Agreement within 7 days after I deliver the executed Agreement together with the down payment to the Sponsor/Selling Agent, and in such event receive a prompt refund of all deposit monies, without interest.

I hereby designate the management agent of the property as my agent to provide to the non-purchasing tenant now in occupancy of the apartment unit, all services and facilities required by law on a non-discriminatory basis. I further agree to reimburse the managing agent for all reasonable costs incurred in providing such services within thirty (30) days of my receipt of a written statement of such services and facilities rendered and of their costs. Any such reimbursement which is not made by me within said thirty (30) day period may be paid by the Apartment Corporation and assessed to me as additional maintenance charges.

I further agree to deposit with the managing agent at closing a sum equal to at least two (2) months maintenance charges to be used as working capital to furnish services required under the non-purchasing tenant's lease and applicable laws; and that upon notice by the managing agent that the deposit has been diminished, I shall replenish the fund within two (2) weeks from the date of such notice.

11. I represent that I have not negotiated or had any dealings with any broker other than the Selling Agent in connection with my purchase of the shares.

12. The entire agreement between the parties hereto is set forth herein and in the Plan. The only representations made to me are those contained herein and in the Plan. I have not relied upon any representation, statement or warranty, as to any matter or estimate, written or oral, that is not set forth herein and in the Plan; and I further acknowledge that I have had full opportunity to examine all documents referred to herein or in the Plan.

13. This Subscription Agreement is not assignable by me without the prior written consent of the Corporation. I understand that there will be a \$350.00 fee for the processing of such assignment, payable to Schiff, Turek & Kakoyiannis.

(*Delete if Inapplicable) I am a tenant in occupancy. I understand that permission to assign prior to closing will be either granted or denied by the Sponsor, on a non-discriminatory basis. I also understand that I may assign this agreement only after it has been fully executed by me and delivered to the Sponsor/Selling Agent together with the correct down-payment. I further understand that the proposed assignee must submit a notarized affidavit (in the form annexed to this agreement as Exhibit A) whereby the assignee states that he/she was not procured by the Sponsor and that he/she intends that they or a member of their immediate family will personally occupy the apartment.

14. Time shall be of the essence with respect to all payments required of me pursuant to this Subscription Agreement and Offering Plan; so that if such payments are not timely made, I will be in default of this Subscription Agreement.

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

16. This Subscription Agreement may not be changed orally.

Dated:

Purchaser

Address of Purchaser

DAHILL GARDENS APT. INC.

By: _____

ACCEPTED AND APPROVED:

DAHILL PARK ASSOCIATES, SPONSOR

By: _____

Exhibit A

ASSIGNMENT AFFIDAVIT

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

_____, being duly sworn, deposes and says:

1. That I reside at _____.

2. That I wish to have the subscription agreement regarding Apartment ____ at 36-58 Dahill Road, Brooklyn, New York, entered into between the Apartment Corporation, the Sponsor and _____, assigned to me. That I hereby state that I was not procured by the Sponsor or its selling agent and that I or _____ (member of my immediate family) intends to personally occupy the dwelling unit.

3. That I am making this affidavit in order to induce the Sponsor to grant its consent to the proposed assignment.

(ASSIGNOR)

ACKNOWLEDGED AND CONSENTED TO:

Sworn to before me this
day of _____, 198 .

ASSIGNEE (ORIGINAL SUBSCRIBER)

Notary Public

SET (8-84)

New York State
Department of
TAXATION
and FINANCE

New York State
REAL PROPERTY TRANSFER GAINS TAX

Questionnaire

TRANSFeree

For Departmental Use Only

NOTE: See Instructions (TP-581-I), Section B before completing this form.

PLEASE PRINT		Name	Social Security Number
Transferee)		Address	Zip Code
			Federal Employer Identification Number
Transferor)		Name	Social Security Number
		Address	Zip Code
			Federal Employer Identification Number

Type of Interest to be Acquired
(Check Applicable Box)

- ☐ Fee
 ☐ Leasehold Grant
 ☐ Leasehold Assignment or Surrender
 ☐ Stock in Co-op
☐ Option Grant
 ☐ Option Assignment or Surrender
 ☐ Development Right
☐ Controlling Interest
 ☐ Contract Assignment
 ☐ Other (attach explanation)

Date of Anticipated Transfer _____
Day Month Year

Percentage of Interest to be Acquired _____%

LOCATION OF PROPERTY TO BE TRANSFERRED (List each lot separately)

Address	County

COMPLETE LINES 1, 2 AND 3

1 Consideration to be Paid to Transferor By Transferee.....	1	
2 Brokerage Fees to be Paid by Transferee to Transferor.....	2	
3 Brokerage Fees to be Paid by Transferee to Broker.....	3	

AFFIDAVIT OF TRANSFeree

I swear (or affirm) under penalty of perjury that this questionnaire including the accompanying schedules or statements has been examined by me and is to the best of my knowledge and belief, a true and complete return, made in good faith, pursuant to Article 31-B of the New York State Tax Law.

Sworn to and subscribed to before me this _____ day of _____

Name(s) of Transferee(s)

Signature(s) of owner(s), partner, officer or corporation, etc.

Signature of officer administering oath

Title

Exhibit C

SUBSCRIBER AFFIDAVIT

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

_____, being duly sworn, deposes and says:

a. That your deponent is the subscriber of the shares allocated to apartment _____ at premises 36-58 Dahill Road, Brooklyn, New York 11230.

b. (~~delete either I or II~~)

I. I represent that I am the bona fide resident in occupancy of of the above-described apartment.

II. I represent that I have the bona fide intention of moving into the above-described apartment or that _____ (a member of my immediate family) will move into the above-described apartment.

c. The following is a list of all other subscription agreements in which I made similar representations of intent to occupy (if none, state "none"):

	<u>Apartment</u>	<u>Building Address</u>	<u>Date of Subscription Agreement</u>
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

SUBSCRIBER

Sworn to before me this
day of _____, 198 .

Notary Public

OSCAR M. LEHMANN
LICENSED PROFESSIONAL ENGINEER

1097 EAST 8TH STREET
BROOKLYN, N.Y. 11230

718-788-72
TEL. ~~822~~ 258-4285
718-

December 12, 1985

GENERAL INSPECTION REPORT OF
BUILDING CONDITIONS AND ITS
CONSTRUCTION FOR BUILDING
COMPLEX CONSISTING OF

36 Dahill Road, Bklyn, N.Y.
58 Dahill Road, Bklyn, N.Y.

Each of the above addresses represents a "core" or a partially independent segment of a single composite building. These building cores were designed and layed out so as to be architecturally integrated into a "Building Complex". The two cores along with an attached garage constitutes all of the "complex" components. Each core has separate entrances, elevators and refuse handling facilities but complex has only one common boiler room along with a common laundry room and common meter rooms. Building is located along the westerly side of Dahill Road between 12th Avenue and Minna Street. This report considers the entire "Building Complex" as a unit except where individualized descriptions and details of various cores are warranted.

The building interiors were inspected on February 3, 1984 and December 12, 1985. Inspection of the exterior was made on January 26 and February 8, 1984 and reinspected on December 12, 1984. Additional information was obtained from the files and records of the Building Department of the City of New York, Borough of Brooklyn on January 18 and 27, 1984.

Basically, the structure appears sound with good foundations, exterior and interior walls, floors and roofs. Further details and some exceptions are noted in this report. The findings and opinions detailed in this report are the result of visual and instrument examination of some, but not all portions of the building, as observed on the above inspection dates of key and vital elements. The areas inspected were noted from the ground, from representative segments of the interior and from the roof. In addition, information on building components not visible were obtained, when available, from various documents of the Building Department, and management's files, all in order to serve as an aide in determining and evaluating the physical condition of subject building. Conclusions drawn from this report by the reader must take the above into account. No warranties or representations are made by the undersigned, the sponsor or anyone on their behalf that all deficiencies in building's construction or its equipment were noted.

This inspection was conducted of the various types of apartments having different layouts, all service areas, roofs, basement, garage and courts.

TABLE OF CONTENTS

1. Description - General, Location, Plot Diagram, Building, History, Street, Transportation, Fire Protection, Utilities, Adjacent Buildings, Landscaping, Playground.
2. Occupancy - Basement, Garage, First Floor, Second through Sixth Floor, Roofs.
3. Structural System
4. Building Exterior - Four Sides, Roof Drainage, Basement and Outdoor Drainage.
5. Building Interior - Vestibules, Lobbies, Halls, Stairs, Elevators, Garbage Compactors, Apartments, Basement, Garage.
6. Plumbing - Water, Pressure, Hot Water, Stacks.
7. Heating - Boiler, Boiler Efficiency, Controls, Radiators.
8. Gas
9. Electric - Services, Controls, Outdoor Lighting, Outlets, Smoke Detectors.
10. Moisture Marks
11. Pest Control
12. Summary

1. Description

A. General

Addresses that make up the Building Complex are:

36 Dahill Road, Brooklyn, New York 11218
58 Dahill Road, Brooklyn, New York 11218

Block: 5305, Lot: 51, Zone: R-5 (Map 22c, amended
January 24, 1980), Community Planning District: 12.

B. Location

The lot is located on the westerly side of Dahill Road extending from 12 Avenue to Minna Street. It should be noted that Dahill Road is skewed to the rectangular street-avenue grid pattern. This accounts for the partial angular layout of subject lot. According to the Building Department's Assessment Maps, lot has a 100 feet 0 inches frontage along 12 Avenue, starting at intersection of 12 Avenue and Dahill Road. Frontage along Dahill Road from 12 Avenue to Minna Street is 200 feet 9 5/8 inches. Thence, starting at Dahill Road, frontage along Minna Street is 165 feet 0 inches. Rear of lot is a chord 190 feet 0 inches which is perpendicular to both 12 Avenue and Minna Street and connects westerly frontage terminal points along those two public thoroughfares. Lot has a rhombus shaped layout due to oblique alignment of Dahill Road. Hence interior acute angle at Minna Street is approximately 71 degrees and interior obtuse angle at 12 Avenue is approximately 109 degrees.

Building is located in Zone R-5 which is a medium density district containing apartment buildings and two and three family houses.

Access to building lobbies is from Dahill Road, where 58 Dahill Road is near 12 Avenue. There is one private entrance to a professional apartment (dentist in apartment 1B) from Dahill Road, almost at intersection of 12 Avenue.

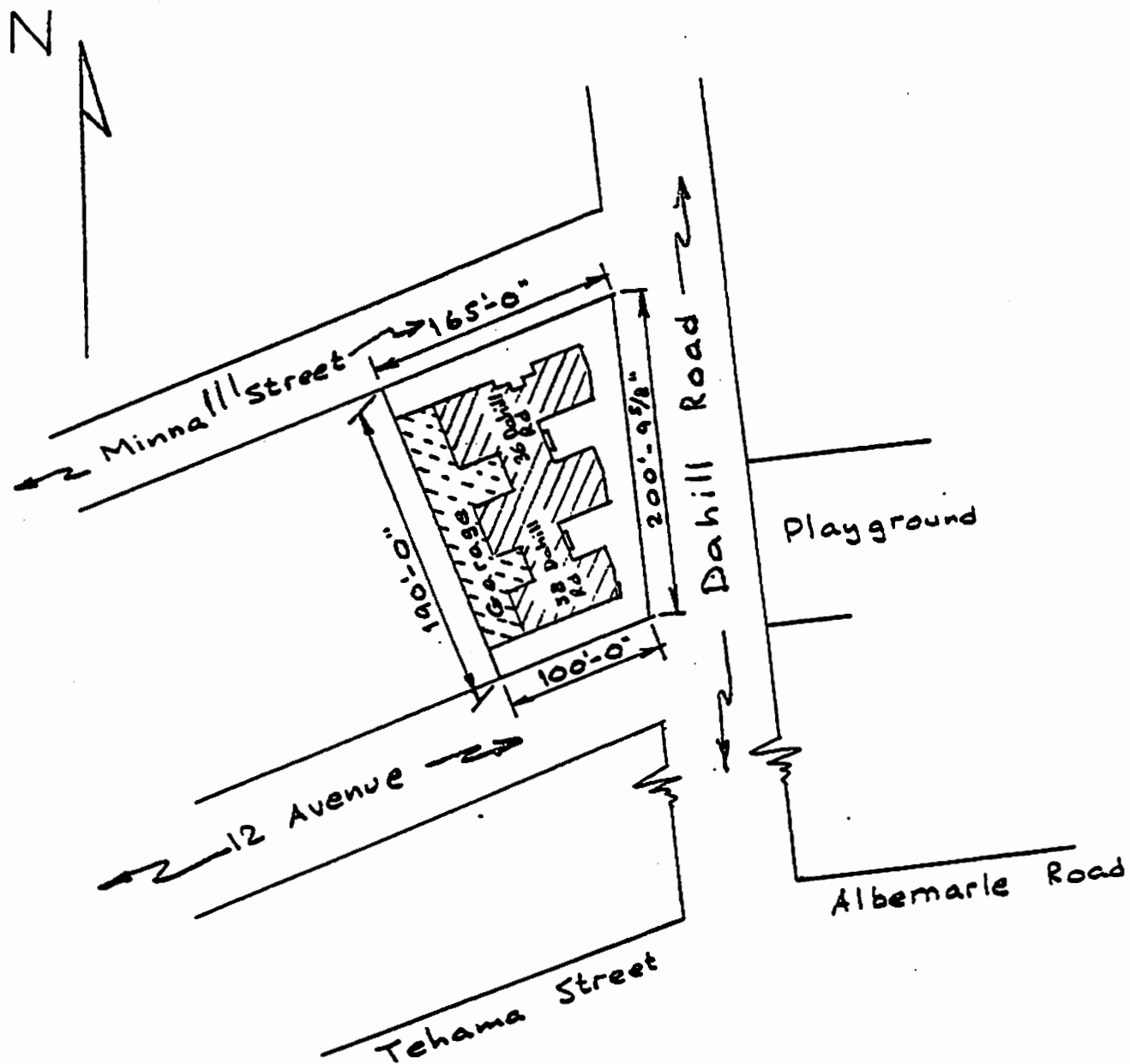
Along Minna Street is a "Delivery and Service" entrance to basement at the bottom of a concrete ramp. In addition there is a ramp leading to garage's vehicular entrance-exit. This door is currently padlocked and not in use.

From 12 Avenue there is also a "Delivery and Service" entrance to basement at bottom of a concrete ramp. Note: Basements for both building cores are interconnected and hence accessible to each other. Garage's vehicular entrance-exit is from 12 Avenue. A steel stairs provides access to garage roof, this serves as the fire exit for rear of building. There is no access from garage to basement.

There are vertical setbacks where garage projects beyond rear facade of building.

Overall gross exterior building dimensions are 170'-0" by 98'-0". Approximately total gross area of each floor for both cores combined is 13,168 square feet per floor. Total floor area for floors one through six is 79,008 square feet. Gross area of garage is 4,880 square feet. Open spaces around building have a gross area of 12,007 square feet, this includes roof of garage projecting beyond rear facade of building.

C. Plot Diagram (not to scale)



D. Building

The building consists of six stories plus basement. The latter also includes a non-storage passenger car garage. The number of apartments per core are:

1. 36 Dahill Road - 9 Apartments on each floor or a total of 54 apartments.
2. 58 Dahill Road - 5 Apartments on each floor plus one janitor's apartment in basement or a total of 31 apartments.

Total apartments in building are 85. Certificate of Occupancy indicates first floor to have 13 apartments plus one Dentist apartment and the upper floors to have 14 apartments each. Capacity of garage is approximately 25 vehicles - depending on automobile size.

On the roof there are the following structures:

1. For 36 Dahill Road
 - (a) Roof stair bulkhead serving apartments lines J and K.
 - (b) Boiler chimney monolithically built with roof stair bulkhead serving apartment lines F, G, H, I, L, M and N.
 - (c) Incinerator chimney - abandoned.
 - (d) Elevator machine room.
2. For 58 Dahill Road
 - (a) Elevator machine room built monolithically with incinerator chimney - abandoned and with roof stair bulkhead serving apartment lines A, B, C, D and E. A rusty abandoned incinerator settling chamber stands adjacent to this roof structure.

Total height from curb level to highest point of roof beams is approximately 59'-8". Building Department classification is Class III, Non Fire Proof Multiple Dwelling Class A. Building is now also classified by the Building Department Assessment Office as: D-1, "Semi-Fireproof (without stores)".

E. History

(a) Original building plans and miscellaneous records are only partially on file with the Building Department. These indicate that building was constructed under new building application NB 702 dated June 22, 1949. Construction was completed and a temporary certificate of occupancy No. 126027 was issued on April 12, 1950. Subsequently a permanent certificate of occupancy No. 127461 was issued on September 29, 1950.

According to the Building Department Index Records, there were no alteration plans approved subsequent to the last Certificate of Occupancy that either change or proposed to change the legal occupancy of these premises.

(b) Various installations, alterations and repairs were made over the years, these included:

1. Installation of automatic wet sprinkler system in garage under Application 2432 of July 28, 1949.

2. Installation of elevators with their associated equipment under Application 149 of October 14, 1949.

3. Installation of 10,000 gallon buried oil tank with oil burners, back draft check damper in breeching and associated equipment under Fuel Oil Application 3882 of November 3, 1949.

4. Construction of curb cuts and splays for both garage ramps within two feet of westery lot line (no hydrant or utility pole is within 10 feet of curb cuts) under Application 715 of April 26, 1950.

5. Building Notice Application No. 443 of February 9, 1971. No information was available regarding this work. By the process of elimination this work probably involved installation of refuse compactors in the approved incinerator rooms with sprinkler heads connected to the domestic water lines.

6. Replacement of existing oil burners with two Iron Fireman Oil burners, maximum input 10,200 MBH and maximum output 8,998 MBH, Department of Air Resources Approval C.A. 3309/69 - as amended. Gross firing rate per burner is 30 GPH, No. 6 oil, under Application 874 of September 6, 1972.

(c) Building design loads for floors one through six and roofs are 40 pounds per square foot.

(d) A check with the Building Department's Index Window (room 816) for violations was made on January 18, 1984, there were no violations on record - last recorded violation was removed November 17, 1982.

A check with the Elevator Division of the Building Department indicated that the 5 year EIT (Elevator Inspection Test) was successfully passed on November 11, 1982 (both elevators). The Mandated one year Elevator Test was successfully passed on October 18, 1983 (both elevators).

Following is the status of no violations and secondary violations:

1. Fire Department - no violations as of September 7, 1983.

2. Air Resources Department Triennial Renewal Certificate of Operation required - No. CA 3309-69 as of September 2, 1983.

3. Emergency Repairs - none required, as of September 2, 1983.

4. Department of Housing Preservation and Development - all violations dismissed as of September 13, 1983.

5. Building Department - no violations, as per search No. 510875, last date of posting July 23, 1983, as of September 13, 1983.

(e) Hallway, off lobby, at 36 Dahill Road displays Certificate of Inspection as issued by the City of New York, Department of Rent and Housing Maintenance as inspected under section 329 of the Multiple Dwelling Law. Registration No. 310725, last inspection was February 22, 1983. Last inspection date posted in hallway at 58 Dahill Road was April 25, 1983.

F. Transportation, Fire Protection

(a) Public Roadways

Dahill Road, 12 Avenue and Minna Street are publicly owned thoroughfares. They are asphalt paved over a concrete subbase, condition of pavement is from fair to good with some minor cracks and minor puddling.

Width of Dahill Road roadway is 44 feet. It has four lanes consisting of: two each for northbound and southbound traffic, opposite traffic is separated by a double traffic yellow pavement line. The two curb lanes are used for parking.

Sidewalk along Dahill Road is entirely concrete paved and has concrete curbs. Width of sidewalk measures 9 feet with outer 4 feet having sections in relatively poor condition. There is some pavement settlement and cracking. Five curb side trees are planted in sidewalk cutouts. Sidewalk will require some repair.

Width of 12 Avenue roadway is 44 feet. It also has four lanes consisting of: two each for eastbound and westbound traffic, opposite traffic is separated by a double traffic yellow pavement line. The two curb lanes are used for parking. Sidewalk along 12 Avenue is 5 feet wide and concrete paved, there are some cracks. Sidewalk is separated from concrete curb by a 3'-6" wide asphalt concrete paved strip. Condition of latter is fair to good. There are no curb side trees.

Width of Minna Street roadway is 30 feet. It has three lanes two of which are used for curbside parking and one for eastbound traffic. Sidewalk is concrete paved and 5 feet wide, there is some minor pavement settlement, remainder is in good condition. Separating sidewalk from concrete curb is 3'-3" wide asphalt concrete paved strip. Condition of latter is fair to good. There are no curb side trees.

The above thoroughfares can be classified with respect to traffic as follows:

Dahill Road - secondary arterial road
12 Avenue - secondary arterial road
Minna Street- collector road

(b) Parking Regulations and Traffic Control

Parking regulations in front of building are:

1. Dahill Road - "No Parking 8 AM to 11 AM Monday"
2. 12 Avenue - "No Parking 8 AM to 11 AM Monday"
3. Minna Street- "No Parking 8 AM to 11 AM Tuesday"

Traffic controls near building are:

1. Traffic light at intersection of Dahill Road and 12 Avenue.
2. Full "Stop" sign on Minna Street near Dahill Road.

(c) Public Transportation

Several modes of public transportation of the New York City Transit Authority are available nearby. These include:

1. Subway

Culver "F" Line (IND) Church Avenue Station at McDonald Avenue and Albemarle Road, subway is underground.

2. Buses

- a) Route B-16 along 12 Avenue and Dahill Road
- b) Route B-29X express to Manhattan along McDonald Avenue.
- c) Route B-35 along Church Avenue.
- d) Route B-69 along McDonald Avenue.

(d) Street Lighting

Public lighting on Avenue, Road and Street is by lamp post mounted mercury vapor lamps.

(e) Fire Hydrants

Fire Hydrant locations are as follows:

1. At southwest corner of intersection of Dahill Road and 12 Avenue.
2. At northwest corner of intersection of Dahill Road and Minna Street.

(f) Fire Alarm Box

A fire alarm box is located on easterly side of Dahill Road just north of intersection with 12 Avenue.

G. Utilities

Electricity is provided by underground feeder cables by Con Edison from Dahill Road.

Natural gas for cooking, laundry and boiler's pilot is provided by the Brooklyn Union Gas Co.

The Municipal Government provides water and combined sewers.

Telephone lines enter building through underground duct lines.

H. Adjacent Buildings

(a) 12 Avenue

To the west of building is 3316 - 12 Avenue, a semiattached 2 family, 3 story brick house.

(b) Minna Street

To the west of building is 23 Minna Street, a semiattached 2 family, 2 story plus basement brick house.

I. Landscaping

(a) Dahill Road

Facade of building is irregularly setback from Dahill Road and is interrupted by two entrance courts. Facades between entrance courts are separated from sidewalk by a 14 foot wide open area which is sodded with well trimmed grass and mostly bordered along the sidewalk with 3 foot high hedges. There are 3 trees and various deciduous bushes. Along both sides of the paved concrete walks in the entrance courts are 6 foot wide soil strips covered with ivy. Near 12 Avenue intersection, front lawn is interrupted by a concrete walk to professional apartment entrance.

(b) 12 Avenue

Building facade along 12 Avenue is straight and is uniformly separated from sidewalk by a 19 foot wide grassed lawn. There are 3 foot high hedges along sidewalk but no bushes or trees on lawn. A concrete walk to basement entrance interrupts lawn. Grassed area is a continuation of lawn along Dahill Road and extends at rear of building up to garage driveway ramp.

(c) Minna Street

There is a 17 foot wide grassed lawn which separates building facade from sidewalk. This lawn is a continuation of grassed area along Dahill Road and extends at the westerly end to garage's driveway ramp. Lawn is interrupted near center by walkway to basement entrance. Threefoot high hedges are along sidewalk.

(d) Rear of building

To building's rear is a basement level garage which extends from 12 Avenue to Minna Street and to the (westerly) lot line at its rear. Hence, there is no landscaping on this side of building.

J. Playground

A relatively large playground is located on the easterly side of Dahill Road and extends to McDonald Avenue. It is across from 58 Dahill Road. Equipment includes: handball court, basket ball court, swings, seesaws, sliding-pine and sandbox. There are numerous benches. Playground is open to dusk.

2. Occupancy

A. Basement

Boiler room, 2 compactor rooms, gas meter room, electric meter room with pneumatic water tank and storage, laundry room with abandoned lavatory, storage room with an abandoned lavatory, 4 storage rooms, superintendent's office with lavatory and shower, 2 elevators, public hallways, garage.

Porter's apartment - Foyer-dinette, Kitchen, Bathroom, Bedroom.

B. First Floor

(a) 36 Dahill Road

Nine Apartments: 1F, 1G, 1H, 1I, 1J, 1K, 1L, 1M and 1N; vestibule, lobby, public hallway, elevator, 2 public stairs to upper floors, refuse closet.

The apartment room - consist is:

Apartments 1F, 1H, 1J and 1M - Foyer, Dinette-Foyer, kitchen, living room, bathroom and bedroom.

Apartment 1G - Foyer, Dinette, kitchen, living room, bathroom and bedroom.

Apartment 1I - Foyer-dinette, kitchen, living room, bathroom and bedroom.

Apartments 1K and 1N - Foyer, Dinette-foyer, kitchen, living room, bathroom and 2 bedrooms.

Apartment 1L - Foyer, Living room-bedroom, kitchen and bathroom.

(b) 58 Dahill Road

Five apartments: 1A, 1B, 1C, 1D and 1E: vestibule, lobby, public hallway, elevator, public stairs to upper floors, refuse closet.

The apartment room-consist is:

Apartment 1A - Foyer, dining room, living room, kitchen, bathroom and 2 bedrooms.

Apartment 1B - split into an apartment and a professional (dental) apartment having one shared bathroom.

Apartment section - Foyer, living room-bedroom, kitchen-dinette, bathroom (common).

Professional apartment section - Waiting room, Office, Operatory (dental) with cuspidor, and laboratory.

Apartment 1C and 1E - Foyer-dinette, living room, kitchen, bathroom and bedroom.

Apartment 1D - Foyer-dinette, kitchen-dinette, bathroom and living room-bedroom.

C. Second through Sixth Floors

36 and 58 Dahill Road

Typical floors with 14 lines of apartments. Apartments A through E are accessible from elevator and public stairs at 58 Dahill Road. Apartments F through N are accessible from elevator and 2 public stairs at 36 Dahill Road. Note: the numerical prefix in front of apartment designation letter indicates floor, thus each apartment is designated by a number and a letter.

Apartment room-consist is the following:

Apartment A - Foyer, Dining room, living room, kitchen, bathroom and 2 bedrooms.

Apartment B - Foyer, Foyer-dinette, living room, kitchen-dinette, bathroom and 2 bedrooms.

Apartment C, D, F, H, J and M - Foyer, Foyer-Dinette, Living room, kitchen, bathroom and bedroom.

Apartment E - Foyer-dinette, living room, kitchen, bathroom and bedroom.

Apartment I - Foyer, living room-dining room, kitchen, bathroom, and bedroom.

Apartment K and N - Foyer, Foyer-Dinette, living room, kitchen, bathroom and 2 bedrooms.

Apartment L - Foyer, living room-bedroom, kitchen and bathroom.

All floors have separate public hallways, there being no access between 36 and 58 Dahill Road except at basement or roof level.

36 Dahill Road - each floor has elevator, 2 public stairs, public hallway and refuse closet.

58 Dahill Road - each floor has elevator, public stairs, public hallway and refuse closet.

D. Roof

3 Roof stair bulkheads, 2 elevator machine rooms, boiler chimney, 2 incinerator chimneys, abandoned incinerator settling chamber and 2 fire escapes.

3. Structural System

(a) The building is classified in various documents as non-fireproof and semi-fireproof. It consists of steel, concrete, masonry and wood. No structural drawings were found in the files of the Building Department. From the limited information available the following structural elements apparently exists:

1. Foundation walls are cast in place structural concrete and are in excellent condition.

2. Skeleton of building i.e. girders, columns and some beams are of structural steel probably bolted together.

3. Ceiling of most of basement, floors and ceilings of public hallways, landings and floors of stairway, ceiling of stairway roof bulkheads, ceiling of elevator machine rooms and roof of garage are all of reinforced concrete with structural steel supports.

4. Structural steel is fireproofed with concrete cover in basement, including garage.

5. Due to excellent subsurface soil conditions, footings are probably "spread" type under columns and continuous under foundation walls with no piles. Subsoil consists of compact sand and clay with an allowable bearing pressure of 8,000 pounds per square foot.

6. Upper floors consist of wood beams supported on steel girders and on masonry bearing walls. Structural steel girders are supported on steel columns and possibly on masonry bearing walls.

In addition, refuse shaft is lined with 4 inch fireblock, many partitions probably contain brick firestops. Public hallways and stairway walls are probably of masonry construction. Elevator shaft is of masonry construction.

(b) All exterior wall openings and all elevator shaft door openings have steel lintels. Some lintels require wire brushing of rust and then red leading and painting.

4. Building Exterior

A. Front (Easterly Side)

(a) The two main entrances are on the easterly side of building which is the side facing Dahill Road. The facade is irregular in layout with basically two horizontal setbacks consisting of entrance courts, one leading to 36 Dahill Road and the second leading to 58 Dahill Road.

Architecturally it is simplistic in appearance. Bricks are colored red-brown and are common type laid in the common american header bond pattern. There is one decorative brick band of two courses between the first and second floor and one decorative band above the sixth floor. Brickwork is generally in good condition but some pointing is necessary. The lower 3'-6" of facade is the foundation wall cemented over with a stucco finish. Window sills are of slate and coping of precast stone. Several ten foot long sections of parapet wall are 2'-6" high wrought iron railings instead of brick. Crawl space between sixth floor ceiling and roof is provided with registers, some are equipped with cowls. On the northerly and southerly walls of each entrance court are fireescapes (4 total) extending from the second to the sixth floor.

(b) Apartment windows are double hung with wood framed sashes. Some window trim will require painting. Color of window trim is brown. Glass is single pane. Each window sash has a horizontal muntin and two vertical mullions. Frames of basement windows are of iron, some of these are boarded up. Main entrances plate glass doors, side glass panels and overhead fixed transoms are all framed in aluminum. Entrance to professional apartment consists of a wood panelled door with a sectioned semi circular glass pane design near its top. All three entrances are framed with a white painted simplistic wood trim design. On each wood trim sidepost, straddling doorways, is a scone - some are not operational. At several basement windows are curved steel corrugated sections thereby producing a window well.

(c) At both main entrances is a concrete stoop with three concrete steps leading down towards entrance court. Wrought iron railings are on each side of both stoops and steps. Some repair work is required at the concrete treads.

At the professional apartment is a small landing with brick steps, consisting of eight treads, descending therefrom. A wrought iron railing is on outer edge of steps and platform and a wall mounted wrought iron handrail is on inner side of steps. Platform is supported by a brick pier. Pointing and some brick replacement will be required at the steps.

(d) Both entrance courts are lighted by photo electric actuated spot lights. Below outer court of 36 Dahill Road is the buried 10,000 gallon oil tank. The oil "fill box" is at curb along Dahill Road. Along northerly wall of same entrance court is the thermostat heat sensor for boilers.

B. Southerly Side (left side)

The left side of the building is the southerly side and faces 12 Avenue. It consists of similar type materials and in similar conditions as is found along Dahill Road facade. There is one fire escape extending from second floor to sixth floor. A concrete ramp leads down to basement entrance, a concrete retaining wall surrounds ramp on two sides, a steel railing is mounted on top of retaining wall. Towards the westerly side of facade is siamese connection and alarm for the garage automatic sprinkler system.

At rear of facade, i.e. westerly end, is the vehicular ramp which serves as the entrance-exit to garage. Garage door is an overhead wood panelled door, panelled door measures 9'-10" wide by 7'-0" high. To right side of door is an iron stairs leading up to garage roof - this is the fire exit for rear of building. Stairs have 8 open steel treads with a clear width of 3'-8". On left side of vehicular ramp ascending to garage is large concrete curb which has partially popped out of retaining wall. This must be replaced. Garage door is opened by inserting key into door opener switch mounted on wrought iron railing on left side of ramp near sidewalk.

C. Westerly Side (Rear)

The westerly side is the rear of building, it faces the adjacent two-family houses. It consists of the same materials and is in similar condition as found on the other facades except that coping is of glazed terra cotta. Building facade is irregular and is vertically setback above the one story basement level garage. Garage extends to lot line and has a 3'-8" high chain link fence along rear (westerly) lot line. Lot line wall of garage is of cast in place concrete with the upper two feet of red-brown common brick. There are two fire escapes extending from second floor to roof. Several fresh air inlets in roof of garage provide air for the boiler room. Iron gratings are over these air inlets.

D. Northerly Side (Right Side)

The right side of building is the northerly side and faces Minna Street. It consists of similar type materials and is in similar condition as found along Dahill Road. There are two fire escapes extending from the second to the sixth floor. Towards westerly side of facade is siamese connection for garage automatic sprinkler system. A "Z" shaped basement ramp and entrance is similar to that along 12 Avenue. At westerly end (rear) of facade is overhead wood panelled garage door. This garage entrance is presently not used and door is padlocked. Access to garage roof from this side is blocked by a chain link fence.

E. Roof

(a) Roofing material of roof above sixth floor consists of builtup roofing paper. Some areas were patched but condition of roofing paper in general is not very good. Flashing consists of copper sheet, some short sections require repair.

Parapet walls require waterproofing, pointing and some repair. There are numerous 4 inch cast iron plumbing vent pipes.

(b) Roof over garage consists of a reinforced concrete slab supported on structural steel beams and girders. This slab is covered over with built up tar roofing paper. Estimated remaining

useful lifespan is 5-6 years. Useful lifespan can be increased multifold by painting roof every second year during a dry spell with liquid tar containing aluminum pigment. Minor patching of roofing may be required.

F. Roof Structures and Chimneys

On roof above sixth floor are numerous brick structures, these include:

- (a) Roof stair bulkhead for apartment lines J and K.
- (b) Boiler chimney built monolithically with roof stair bulkhead for apartment lines F, G, H, I, L, M and N.
- (c) Abandoned incinerator chimney.
- (d) Elevator machine room.
- (e) Elevator machine room built monolithically with abandoned incinerator chimney and roof stair bulkhead for apartment lines A, B, C, D and E. An abandoned rusty incinerator settling chamber stands next to this roof structure.

The exterior common type brick work will require some pointing. Door to stair bulkheads are self closing fire proof doors with alarm which must be unlocked to open. Doors are in good condition. Top of roof structure walls are covered with glazed terra cotta coping. Roofs are drained through a stub parapet wall by way of 2 inch drop leaders to main roof. Several chimneys require repair of their precast stone caps. Roofs to stairway bulkheads have large skylights with steel screening above and below their lights.

G. Roof Drainage

- (a) Main roof above sixth floor is drained by six floor drains connected to leaders that pass through building interior. Rain water drains to the Dahill Road combined sewer.
- (b) Garage roof has several floor drains which lead rain water through roof slab to ceiling suspended cast iron pipes and thence to the house sewer.

H. Basement and Outdoor Drainage

- (a) Basement has numerous floor drains, including in refuse compactor rooms, laundry room, garage and various storage rooms. Boiler room floor water is pumped out by a float actuated sump pump. A trough drain extending the width of the garage door is at base of both ramps.
- (b) Floor drains are at base of ramps leading to the basement side delivery and service entrances.

5. Building Interior

A. Vestibule

Street access from the entrance courts is through a single aluminum framed plate glass door leading to the vestibule. 36 and 58 Dahill Road have independent vestibules each located to the rear (westerly end) of their respective entrance courts. Layout, design and materials used in each vestibule are identical except as noted below.

Vestibules are rectangular shaped, being 6'-6" wide by 7'-0" long and have a 9'-6" ceiling. Front doors are 3'-0" wide by 7'-0" high. Straddling front door are aluminum framed fixed plate glass lights 7 inches wide by 7 foot high. Above doors and side lights is a fixed plate glass transom 18 inches high by 4'-6" wide. Thus almost entire front wall of vestibule is of glass. Vestibule's rear wall is to lobby and consists of similar materials. Dimensionally lobby side of vestibule is: center plate glass aluminum framed door is 3'-0" wide by 6'-6" high, plate glass lights on both sides are 7 inches wide and extend for full height of door. There is no transom. Both inner and outer vestibule doors are selfclosing. Ceiling has a surface mounted fluorescent straight line fixture with 2-4 foot bulbs. Floor is terrazo with a large diamond pattern colored light red and light green alternately. Floor border is a 7 inch wide terrazo strip colored brown-black-off white. The 6 inch terrazo wall base is similarly colored. Ceiling and top 12 inch of wall are painted white with a decorative moulding at top of wall. Walls are covered with small convex and concave, odd shaped, randomly placed, polygonal ceramic glazed tiles (a Cyclopean pattern). Color of these tiles at 36 Dahill Road are light and dark grey with touch of green tint. At 58 Dahill Road tiles are colored grey-black-beige.

On the right side wall is a tenant register with announcer buttons - there is no intercom. Lock to vestibule inner door can be released by key or by apartment activated electrical latch release (door buzzer). Also on right side wall is a recessed steel finned radiator.

B. Lobby, Public Halls and Stairs

(a) Behind each vestibule is a separate lobby. Lobby is a relatively large open area with hallways of various lengths on each of their two sides. To reach hallway from lobby one must ascend three terrazo steps, these steps extend the full width of the lobby. All steps have wall mounted and/or floor mounted handrails. The floor mounted railings at 36 Dahill Road require resecuring. There are no apartment entrance doors in lobby. Lobby widths vary, maximum width at 36 Dahill Road is 9'-2" and at 58 Dahill Road it is 8'-6" wide. Ceilings are typically 8'-2". Since ceilings are uniform and not stepped between lobby and hallways, ceiling in first floor hallway is 7'-2". Lobby floor material and design is same as that of vestibule. Lobby walls are covered with wall paper, some of which has minor damages.

Lower 3 foot is wainscoting consisting of imitation wood wall paper. Upper portion of wall is covered with a light beige wall paper of a weaved cloth design. Both lobbies have large artistic framed murals painted on the plaster walls. Murals are 6 foot high and range in length from 7 to 12 feet. Depicted are mansions and garden scenes in brown earth colors. Some murals have a few scratches. The junction between wall and ceiling is decorated with a cyma recta plaster moulding. Also in lobby are elevator, refuse closet, start of public stairs to the upper floors, one elevator, wall outlet (no electric outlets in the upper floors) and mailboxes. Mailboxes are polished recessed brass by Auth. There are 54 boxes at 36 Dahill Road and 30 boxes at 58 Dahill Road. (Mail to porter's basement apartment is delivered through that apartment's door mail slot). A wall mounted fluorescent light is mounted over boxes. Near mailboxes is a tenant register. First floor lobby and hallway ceiling lights consist of circle line fluorescent fixtures, surface mounted, with a large circular opaque shade. Apartment door sizes are 2'-9" by 6'-8" high. Floor, wall and ceiling materials and design of first floor hallway are similar to those used on the upper floors.

(b) Public hallways on upper floors are similar in layout to those of the first floor. The exception being a selfclosing fireproof door which separates rear portion of hallway for apartment lines J, K and nearby public stairway, from the other apartment lines at 36 Dahill Road. The fireproof door measures 6'-8" by 3'-0", is panelled but without glass panes. Hallways are approximately 8'-2" high and 7 foot wide. Floors are terrazo of medium grey color with a 5½ inch dark grey border. Wall base is also 5½ inch dark grey terrazo. Walls are plastered finish with score lines to represent blocks. Wall is painted yellow and a grey pattern rolled thereon. Ceiling is colored beige with a 2½ inch high multiple curved moulding at wall-ceiling juncture. Circle line fluorescent fixtures are surface mounted on ceiling. Apartment doors are self closing fireproof type set in a steel buck and have a terrazo tread. Doors are panelled and have the following colors: buck-black, door frame-black, door panel-orange. Many doors are without apartment number designations. Doors are equipped as follows: door bell button in buck, viewer, polished brass door handle set in escutcheon with mortise lock. Many doors are additionally equipped with an assortment of anti-burglar devices.

All hallways have windows which are located as follows: main hallway at 36 Dahill Road has a 4'-0" wide by 5'-4" high window at its northerly end along Minna Street. The small side hallway at same address has a 5'-0" wide by 6'-8" high window also overlooking Minna Street. Main hallways for both 36 and 58 Dahill Road have 4'-0" wide by 5'-4" high windows at landings of the public stairs, midway between floors. These windows have opaque wire glass, with several panes cracked and cracked or missing putty, framing is steel. Windows are canopy type with one center panel which can be tilted for air intake. Some of these tilt

panels do not close well. Steel frames require scraping and painting.

Alternate floors of the main public hallways are provided with steel finned recessed radiators. Radiators are both at the stairway landings and at the end of hallway for 36 Dahill Road.

(c) Public stairs extend from first floor to roof. The two stairs off the two main hallways have a "doglegged" layout with landing between floors. The stairs in the small rear hallway of 36 Dahill Road has a straight flight configuration, without landings between floors. Stairs are open on the hallway side. Landings are of concrete. Stairs are of steel construction with steel stringers, treads, risers and banisters. Treads are covered with terrazo, a few terrazo tread covers are slightly loose. Handrails are oak along the center of the doglegged stairs and along one side of the straight flight stairs. The oak is set on steel railing with square steel ballusters. Width of stairs is 3'-0" clear.

Halls, Stairs, lobby and vestibule are in good condition. There were some moisture marks on ceiling of sixth floor hallways near public stairs and some cracked plaster inside stair roof bulkhead for stairs serving apartment lines J and K.

C. Elevators

Building has two Seaberg elevators as manufactured by the Seaberg Elevator Co., Inc. of Brooklyn, N.Y. Posted capacity is 13 persons or 2,000 pounds. Elevators are registered as Nos. 4082 (36 Dahill Road) and 4083 (58 Dahill Road). Features and dimensions for both elevators are identical. Control panel inside cab has floor buttons B, 1, 2, 3, 4, 5 and 6. In addition control panel also has a light switch, alarm, stop and lock which can prevent cab from travelling to basement. Inside cab, over door is a panel indicating in lighted form location of cab: B, 1, 2, 3, 4, 5 and 6. In hallways next to elevator doors is a single call button with a green arrow pointing upward and a red arrow pointing downwards. When button is pressed one arrow will light up, thereby indicating direction of cab movement. When cab arrives directional colored arrow light goes off.

Elevator cab door opens automatically and consists of one door that slides sideways. Door for cab at 58 Dahill Road slides too slow and opening mechanism must be repaired. Hallway elevator doors at each floor consist of selfclosing swinging door measuring 2'-10" wide by 7'-0" high. A vision panel (small wire glass porthole) is in cab door and in each hallway door. Hallway elevator door in basement portion of 58 Dahill Road has a mortise door lock. Elevator interior cab dimensions are 6'-0" wide, 3'-11" deep and 7'-8" ceiling. Lighting is provided by a ceiling surface mounted fluorescent circle line fixture. A ceiling fan is recessed above and in center of light fixture. Fan was only operational in cab of 58 Dahill Road. Walls are steel panels with a baked blue enamel finish. Rear wall has a polished brass chair rail. Floor is tiled with small rectangular ceramic black tiles. An emergency exit panel is in ceiling.

Elevator is hoisted by 4 half inch (6 x 19) steel ropes with an approximate ultimate strength of 14,500 pounds each. Hoist motor is at top of elevator shaft and is "direct connected" with worm geared traction. Motor is 7.5 horsepower, 208 volts, 3 phase, 24 amp, 1000 RPM, AC. Cab travels at 100 feet/minute. The centrifugal governor has a 3/8 inch (6 x 19) iron cable with an ultimate strength of 4000 pounds. Tripping speed is 175 feet/minute. Total vertical elevator travel is 57'-3 1/4". Switching control panel in elevator machine rooms is type KDP and were installed November 3, 1949. Elevator passed successfully the mandatory test and the 5 year test. (refer to: History 1E (d)). The Republic Elevator Co. of Long Island City, New York provides elevator maintenance and checks equipment once a month or more frequently when required.

D. Garbage Compactors

There are two compactors in the basement, one in each core. Compactors are located in vicinity of the two basement side exit doors. Equipment consists of two Dens A Pak compactors Model 16H26 as manufactured by American Waste Treatment Systems Inc. Equipment is automatic but is currently manually operated as filled plastic bags would otherwise be too bulky to handle. The cutoff gate at base of shaft was damaged and is not used. Thus when compactor maintenance work is scheduled it is necessary to post sign at all refuse closets above not to use refuse shaft.

Compactor rooms are of fireproof construction. For fire safety, there are two sprinklers in each compactor room and one sprinkler in each refuse hopper. The latter is activated by a thermostat mounted against the steel chute wall which then probably opens sprinkler by means of a solenoid valve. Sprinklers are connected to the building's domestic water supply.

Garbage is compacted into heavy duty plastic bags. Bags are then wheeled to sidewalk on 12 Avenue and to Minna Street for curb side pickup by the New York City Sanitation Department.

Floors one through six have a refuse closet with masonry walls and probably concrete ceilings and floors. Walls and ceilings are plaster finished, floor is terrazo. Each closet has: cast iron slop sink with separate hot and cold water faucet, self closing hopper, self closing fireproof door 2'-4" wide by 6'-11" high, incandescent light energized by electric switch in door post. Refuse reaches basement through an 8 inch thick brick walled refuse chute. Compactors are serviced by R. L. Teitelbaum Inc. of 107-15, 180 Street, Jamaica, New York.

E. Apartments

1. General Materials

Typical materials include: polished oak floors, lenoleum or

vynil floor tile in kitchen, painted 4 inch bases, plaster wall and ceiling finish (sheet rock), closet and room doors are panelled have steel bucks and polished brass hardware. Windows are double hung with sash position controlled by a spring rod (not with counterweights). Window frames are steel, window sills are wood, sash frames are wood, glass is single pane, no storm windows, some window weather-stripping. Some typical window dimensions are: 5'-0" by 2'-5", 2'-8" or 2'-11" wide, bathroom 3'-9" by 1'-8" wide. Window's lower sash has no hardware attached thereto for lifting and opening window.

2. Kitchen

Cabinets are wood, painted enamel and are both floor and wall mounted. Number and extend of cabinets varies according to kitchen layout. All kitchens have a window. Some kitchens have no doors and some have a wooden panelled swivel door.

Cooking is by natural gas using 4 burner ranges with oven below. Many ranges are also equipped with boiler under oven. Range finish is typically white. Brand names vary, common makes noted were Imperial and Welbilt. Range width vary depending on kitchen size, maximum size noted was 36 inches. Sinks noted were 20 inch stainless steel in formica top on wood cabinet and 20 inch cast iron white enamel in formica top on white steel cabinet. There is one sink per kitchen, back splash in formica. Faucets are separate for hot and cold water with combined swivel tap. Refrigerators consist of numerous brands including Admiral and Frigidaire. Refrigerator sizes range from approximately 8 to 14 cubic feet. Lighting is ceiling mounted controlled by a two way wall switch outside kitchen. Ceilings are approximately 8'-4", heights may vary due to structural tolerances. There is a recessed radiator.

3. Bathroom

Floor tiles are small rectangular and square ceramic tiles. Typical colors are a mixture of black, white and predominantly pink. Wainscoting consists of 4½ inch square tiles 4 feet high except over tub where tiles are 6 feet above floor. Color of wainscoting is pink with black borders.

Tubs are recessed steel with a white enamel finish. Showers are over tub with shower curtain rod. Tub water control consists of two faucets with a single outlet tap. Shower control consists of two additional faucets.

Sinks vary and include steel sink in vanity and cast iron supported on two steel legs in front and wall support at rear (probably the original fixture). Sink water control consists of two faucets with a single outlet tap. Medicine cabinet is over sink, it is recessed with a hinged mirror. A wall mounted incandescent light is over cabinet, there is no ceiling light. Light is controlled by a two way wall switch.

Toilets are of white colored vitrious china with flushometer. Heating is by steam riser pipe. All bathrooms have windows. Bathrooms also have a recessed steel hamper.

4. Bedroom

General material as previousl noted. Radiators are partially recessed. There is a ceiling light with a two way wall switch. Bedrooms have generally one to two built-in closets. There are seveal electrical outlets (110 volt).

5. Living Room

Same general materials as previously noted. No built-in closets, no ceiling light. Partially recessed radiator. Several electrical outlets.

6. Foyer and Private Hallway, Foyer-Dinette

General materials as previously noted, ceiling light with two way wall switch in both foyer and in private hallway and in foyer-dinette, door buzzer in foyer to main entrance at vestibule, recessed fuse bcx with generally 6-15 amp fuses and recessed electrical junction box. Rear halls are typically supplied with smoke detectors. No windows.

7. Light Fixtures

All rooms, private hallways and foyers have surface mounted ceiling light fixtures. Bathrooms have only wall mounted fixtures. Many of those fixtures were supplied by tenants. All lights are controlled by two way switches.

8. Door Buzzer

All apartments are equipped with a door buzzer that enables tenants, by remote control, to unlock main entrance door leading from vestibule to lobby. There is no intercom for voice communication.

F. Basement

Floor of basement is approximately 4 feet below sidewalk elevation. Boiler room floor is an additional 6½ feet below basement floor. Exterior walls are cast in place concrete foundation walls. Interior walls are either cast in place concrete or masonry block. In service areas i.e. boiler room, storage room, meter room and compactor room, the floors, walls and ceilings are usually painted. Walls - white with some wainscoting painted grey. Lighting is by incandescent or fluorescent fixture suspended from ceiling. Ceiling heights vary from 9'-1" to 15'-7" in boiler room. All portions of basement are accessible from either core and can be reached from the upper floors, through the interior, by elevators only.

G. Laundry Room

Laundry room is in the basement near the 12 Avenue side (58 Dahill

Road). It has the following coin operated equipment: 4 G.E. two speed commercial washing machines and 3 Coinmach gas fueled dryers. Exhaust of dryers is to Dahill Road side of building. Electricity, hot water and gas are provided by the management. One plastic slop sink, large window exhaust fan with a 2 way wall switch, floor drain, plastic floor tiles, 9 foot ceiling, ceiling mounted incandescent and fluorescent light fixtures. Interior walls are masonry block, exterior walls cast in place concrete. Colors are: light green walls, light brown floor and white ceiling. In corner is an abandoned lavatory which probably can be reactivated. Room is clean and in good condition.

H. Garage

Garage is to rear of building along westerly lot line. Walls are cast in place concrete with several feet of brick near top of wall along lot line. Ceiling is cast in place reinforced concrete supported on structural steel beams. Floor is concrete and has several drains including a trough drain at bottom of both ramps for full width of door openings. A duct for mechanical exhaust is along 12 Avenue but has no fan and was not used in recent years. Near 12 Avenue side is a unit steam heater blower which also has not been used in recent years. A small water meter for a garage bibcock valve is not used. Some heat is provided to garage by several insulated steam lines which run along ceiling and by condensate return line. Vehicular capacity of garage is 25 cars for average size automobile. Garage operates under posted License No. 365445 as issued by the Department of Consumer Affairs of the City of New York.

Garage overhead door is opened by inserting key into lock mounted on ramp railing near 12 Avenue sidewalk. While door is open red ceiling lights flash near door. After several minutes door will close automatically. Door can be opened from garage's interior by pressing button in door post. Only overhead door along 12 Avenue has opening mechanism. Door along Minna Street must be opened manually, however, at present that door is padlocked.

Lighting of garage interior is by suspended fluorescent fixtures. Columns are structural steel encased in concrete and are 1 foot square, ceiling is 9'-9". Throughout garage is a wet sprinkler system. Only access to garage is through the overhead vehicular door, there is no personal access from basement or street. Condition of garage is good.

6. Plumbing

A. Water

Water is supplied by the City of New York and is delivered through underground service mains. It appears that there is a separate main for the domestic water supply and for the garage sprinkler system. Each main is 4 inches diameter which appears to be adequate. Domestic water pipes are mostly brass with some iron pipes also in use for both risers and branches. The sprinkler system is entirely of iron pipe.

B. Pressure

In the electrical meter room is a pneumatic water pressure holding tank 5 foot diameter by 10 foot long. There are two water pumps, 5 horsepower each, 3 phase, 1800 RPM induction motors one by G.E. and the second by Charleroi. Motors can be used alternately to pump water into tank and are activated when street main pressure drops below 45 psi (psi = pounds per square inch). There is an air pump to build up pressure in water tank thereby making it unnecessary for water pump to work continuously. There was no air in water tank at time of inspection. Air pump must be turned on manually and air in tank regulated daily, this procedure should be automated to be properly effective. At time of inspection water pressure was 57 psi and therefore water-pumps were also off. Since floor to floor difference in elevation is approximately 9'-3", water pressure drop between lower floor and adjoining upper floor is

$$\frac{9.25 \times 62.4}{144} = 4.0 \text{ psi}$$

Water pressure at kitchen sink in apartment 4C was measured at 32 psi. To obtain the equivalent basement water pressure would require adding 4 psi times 4 flights down or 16 psi plus 32 psi equals 48 psi. This represents a good neighborhood water pressure. When faucets were turned on in bathtub and in bathroom sink and toilet's flushometer flushed, kitchen pressure dropped to 30 psi for the cold water and to 26 psi for the hot water. This relatively nominal pressure drop indicates that when water usage is average:

1. Water piping is adequately sized. The nominal drop in pressure indicates water demands are being met.
2. The rapid usage of water by the flushometer valve produced little pressure drop.
3. There may be inadequate water pressure for the fifth and sixth floors in the event of extensive fire hydrant usage e.g. during the summer months, and/or when many tenants use water simultaneously e.g. Sunday morning. Accordingly, the presence of the water pressure booster equipment is important and its proper maintenance is imperative.

C. Shutoffs

Water shutoffs in each apartment are typically under kitchen sink and behind bathroom sink where kitchen and bathroom are not back to back. Elsewhere they are on bathroom wall between toilet and bathroom sink.

D. Hot Water

Hot water is supplied on demand from building's boiler, that is from boiler No. 1 located on right side of boiler room. Temperature

is controlled by aquastat at boiler. The hot water circulating pump was removed from boiler room some years ago and status of hot water recirculating pipes is therefore not known.

E. Stacks

All soil, waste and vent lines are of iron or cast iron. Usual sizes for this type building are: waste 2½ to 3 inches, vent 1½ to 3 inches and soil 4 inches.

There are:

- 14 soil lines - for toilets
- 7 waste lines - for sinks and tubs
- 21 vent lines - for all plumbing fixtures

Size of house sewer is 12 inches diameter. Clean outs are in sump pit in electrical meter room along Dahill Road. Where vent stack passes through roof, pipe diameter is increased 2 feet below roof to 4 inches.

F. Sprinklers

(a) Compactors

The sprinklers in the refuse compactor rooms are connected to the domestic water supply.

(b) Garage

The sprinklers in the garage are hooked up independently to the street water main along 12 Avenue. In the event that sprinkler is activated, then alarm mounted along facade of 12 Avenue, near basement service entrance, will sound off. Below alarm on 12 Avenue and near garage door along Minna Street are 3" by 3" by 4" siamese connections. Purpose of siamese connections is to provide access for additional water from an external source in the event of a serious fire. Sprinkler system is a "wet" system i.e. pipes are always filled with water (unlike a "dry" system when pipes are empty). According to notice at main sprinkler valve, inside garage, equipment was last inspected December 2, 1980 by Action Sprinkler Systems of 675 Franklin Avenue, Brooklyn, New York.

7. Heating

A. Boiler

The boiler is located in center of basement on the westerly side of building, adjacent to garage. It is partitioned off with fireproof masonry walls including portions of cast in place concrete. Ceiling is a reinforced concrete slab and floor is also of concrete. Adequate air intake for combustion is provided through permanently open vents in adjoining garage roof.

There are two boilers manufactured by Fitzgibbons of New York, New York, they have New York City boiler Nos. 92247-1 for the boiler on the left side and 92247-2 for boiler on right side. One boiler produces exclusively steam for heating and the second boiler produces steam for heating and hot water for domestic use. One boiler tube is plugged due to leakage. Both boilers have their breeching connected to one common chimney.

B. Efficiency of Combustion

The efficiency of combustion of boilers was checked with the following results:

<u>Flue Gas Properties</u>	<u>left side boiler</u>	<u>right side boiler</u>
Carbon Dioxide (%)	8 (acceptable)	7 (acceptable)
Oxygen (%)	8 (too high)	13½ (too high)
Net stack temperature (°F)	550 (good)	450 (excellent)
Carbon particulate (soot) on scale 0-9	4 (too high)	2 (good)
Gross Efficiency of Combustion (%)	74 (good)	75 (good)
Net efficiency of combustion (%)	70 (good)	73 (good)

Net efficiency is gross efficiency minus soot which represents unburned oil.

C. Fuel and Boiler Controls

(a) Boiler fuel is No. 6 oil and is stored in oil tank of 10,000 gallon capacity. Oil tank is 27'-9" long by 8'-0" diameter and is buried two foot below entrance court of 36 Dahill Road.

To reduce viscosity, thereby lowering flow resistance, the following oil heating procedures are used.

1. Oil is passed through an electric heater jacket at burner.
2. Oil is passed through a hot water jacket next to boiler.

Oil heated, but not used, is pumped back into storage tank. Oil is filtered at hot water jacket and at burner. Each boiler has an air compressor and an oil pump. Left boiler also has a hot water circulator pump for the oil preheat hot water jacket, pump is aquastatically controlled. There is a slight leak at pumps "T" connection. Water to boiler for production of steam is manually controlled. Oil burners are identical for each boiler. They are Iron Fireman Model AO-6-4.5 208 volts, 3 phase, 9.1 amps. The electric oil preheater is 208 volts at 24.1 amps maximum. Natural gas is used for pilot light. Maximum capacity of each burner is 30 gallons per hour. At 149,700 BTU/gallon, this is equivalent to 8982 MBH for both boilers, where 1 MBH = 1,000 BTU per hour. This is more than adequate for usual conditions.

(b) Boiler's breeching (flue connection) is equipped with a back draft check damper but not with an automatic flue damper. Should excessive soot be sent up chimney, then an electric eye "Smoke Watchman" type automatically shuts off boiler and activates

a buzzer alarm and red light in public hallway outside boiler room (Vis-U-Alarm by Heat Timer Inc. of New York, New York). Insulation of boiler is in fairly 'good' condition. Boiler water is chemically treated periodically by Consolidated Water Conditioning Corp. of 360 West 11 Street, New York, New York 10014.

Boiler room is well lighted by fluorescent light suspended from ceiling.

Outdoor temperature sensor is located on northerly wall of entrance court to 36 Dahill Road - choice of this site is proper as it is not exposed to the sun's heat.

An electronic heat timer activates boiler at preset daily time schedules. Adjustments to boiler activation cycles are made seasonally. Outdoor sensor can cause preset heating schedule to be overridden in order to be in compliance with the Housing Maintenance Code Requirements for day and night time minimum temperature.

(c) Condensate water returns to boilers by gravity flow. Each boiler has an automatic shutoff in the event boiler water is too low.

D. Radiators

Radiators are recessed models with steel finned elements inside steel cases. Bathrooms have steam riser lines. Porter's apartment in basement is heated by overhead steam lines. Some remote sections of building are not adequately heated during the extreme cold weather when directly exposed to the wind. This can generally be rectified by introduction of storm windows, roof insulation and modification in type and size of radiators.

8. Gas

Natural gas is provided by Brooklyn Union Gas Co. through a 3 inch main from Dahill Road. It is used for the boiler's pilot, cooking and laundry. Each apartment is individually metered. Separate meters are provided for boiler and for laundry dryers. There is a faint gas odor in meter room.

9. Electric

A. Service

Electric service is provided by Consolidated Edison Co. Service enters building by underground duct from Dahill Road into meter room. The building has three cartridge breaker panels at 3 phase: 450 amps, 450 amps and 250 amps. Voltage in each phase was measured at 208 volts.

Each apartment is metered separately plus several meters are provided for building services (some of these meters are in basement hallway). The latter includes: boilers with all their associated

equipment, refuse compactors, elevators, laundry room, porter's apartment in basement and superintendent's apartment 1F, indoor and outdoor lighting of public service areas including garage, garage door opening equipment, various timers, door buzzers and water pressure booster pumps.

Each apartment has a set of 40 amp circuit breakers in the basement electric meter room and a fuse panel with usually 6-15 amp fuses in the apartment. All wiring noted was copper, not aluminum - good feature. Electricity was properly grounded to water main.

B. Controls and Outdoor Lighting

Tork timers control hallway lighting, timers are located in first floor refuse closets of both 36 and 58 Dahill Road. Every other hallway ceiling light remains on continuously. Elevator, garage and basement lights remain on all the time. Outdoor spot lights in the entrance courts are controlled by photo electric cells. None of the outdoor lights are operational at this time - spotlights or sconces.

C. Outlets

Number of electrical wall outlets varies with room size and room function. All outlets are 110 volts.

D. Smoke Detectors

Apartments are equipped with battery operated smoke detectors.

10. Moisture Marks

The following moisture problems exist:

1. Moisture marks were noted on ceiling of sixth floor hallways in front of public stairs (near elevators), both cores.

2. Walls near public hallway window frames had moisture marks at Minna Street end of hallways in 36 Dahill Road.

3. Moisture problems exist along easterly exposure of facade along Dahill Road at several windows in apartments 5D and 5G.

4. There is a leak in steam riser for the F apartment line along garage ceiling.

11. Pest Control.

Monthly controls of roaches etc. are conducted by Geoffrey Pest Control of Brooklyn, New York.

12. Summary

In conclusion, it can be said that building gives a well kept appearance, was properly designed and was relatively well

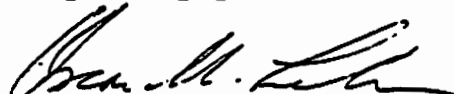
maintained over the years. The basic structure and most of its various components are in excellent condition. Building is equipped with all basic equipment and requires routine and relatively minor repairs.

Location of building in a medium density zoning area, availability of indoor parking, nearby underground subway transportation and playground across Dahill Road are environmental features not commonly found together in buildings of this size.

In addition, it is also observed that by separating building into two cores, the designers have positively addressed the crowding problems so prevalent in multiple dwellings of this type.

If building continues to be properly maintained, repairs and updating mentioned made, then many years of useful life can be expected from this building complex.

Very truly yours,


Oscar M. Lehmann
Consulting Engineer



sk

OSCAR M. LEHMANN
LICENSED PROFESSIONAL ENGINEER

1097 EAST 8TH STREET
BROOKLYN, N.Y. 11230

718-7887200
TEL (212) 258-4289
718-

December 26, 1985

ADDENDUM TO INSPECTION REPORT
OF BUILDING COMPLEX
CONSISTING OF:

36 Dahill Road, Bklyn, N.Y.
58 Dahill Road, Bklyn, N.Y.

Building Complex was reinspected on Thursday, December 12, 1985. The following changes are herewith made to the original inspection report dated December 12, 1985.

1. Page 7, 1 E (e) - History

Last inspection date posted in hallways was April 24, 1985.

2. Pages 12 through 14, 4 A, B, C, D - Building Exterior, Four Sides

All apartment windows on all six floors were replaced with new, double hung, aluminum framed, double pane windows. Color of window frames are white. Condition of windows is excellent. Condition of exterior facades is good.

3. Page 14, 4 E - Roof

Portions of roof were reroofed with 90 pound paper in November-December 1985. Condition of roofing is fair to good.

4. Page 15, 4 H - Basement Drainage

Basement corridors were recently equipped with two automatic electric sump pumps placed into newly constructed floor sumps. Ejector lines, 1½ inch G.S. are connected to existing soil lines.

5. Page 21, 5 G - Laundry Room

Lavatory in laundry room is in excellent condition, is equipped with a flushometer toilet and tiled with ceramic tile.

6. Page 22, 6 A - Plumbing

Many sections of water pipe including: in the basement, the hot and cold risers to the sixth floor, hot water returns and branches to apartments were changed from iron to brass pipe. Completed

Page Two
Addendum
36-58 Dahill Road

to date are the risers and returns to apartment lines C, G, I and K with additional riser and return replacements scheduled in the next months - an excellent program. Sizes are generally $1\frac{1}{2}$ inch for hot water risers and $\frac{3}{4}$ inch for hot water returns and $1\frac{1}{2}$ inch for cold water risers.

7. Page 25, 7 C - Boiler Controls

Slight leak at oil preheat connection was corrected. Domestic hot water circulator pump was recently replaced. It is thermostatically controlled and operates 24 hours per day.

8. Page 27, 9 B - Outdoor Lighting

All outdoor lights, including at both main entrances are in good working order.

9. Page 27, - Moisture Marks

All moisture problems indicated were corrected.

Very truly yours,



Oscar M. Lehmann
Consulting Engineer

sk

OSCAR M. LEHMANN
LICENSED PROFESSIONAL ENGINEER

1097 EAST 8TH STREET
BROOKLYN, N.Y. 11230

718-972-7115
TEL: 212 258-4289
718

December 8, 1986

ADDENDUM NO.2 INSPECTION REPORT
OF BUILDING COMPLEX
CONSISTING OF

36 Dahill Road, Brooklyn, N.Y. 11218
58 Dahill Road, Brooklyn, N.Y. 11218

The building Complex was reinspected on Thursday, December 4, 1986. In response to the Attorney General's request of October 17, 1986, the following information is provided:

1. Question: Describe condition of steps leading to the professional office.

Answer: Brick steps require repair and pointing. Steel frame of concrete landing requires painting. Concrete landing rests on old loose wooden concrete forms. These forms should be removed and concrete slab support changed from wood to masonry.

2. Question: Describe the present condition of the garage and main roofs.

Answer: a) Garage roofing consists of asphalt roofing paper applied onto the concrete roof deck. Condition of roofing is fair to good.

b) Main roof above the sixth floor also consists asphalt roofing paper applied onto the wooden roofing deck. Some sections of roof were reroofed as recent as to 2 to 3 years ago. Several sections were patched and the remainder of the roofing is old. Condition of roofing is fair to good.

3. Question: Describe condition of roof structure and chimney, indicate the extend of repairs needed.

Answer: Roof structures are constructed of common brick and require some pointing and waterproofing. Parapet walls will require pointing and waterproofing. Doors and windows require routine maintenance and some repairs. The abandoned rusty incinerator settling chamber should be removed.

4. Question: Indicate whether the garage is being ventilated as required.

Answer: The garage is not equipped with any ventilation equipment. Possible utilization of the old incinerator chimney for exhausting garage air to roof should be considered.



A handwritten signature in black ink, appearing to read "Oscar M. Lehmann", written over a horizontal line.

Oscar M. Lehmann
Consulting Engineer

PROPRIETARY LEASE

Unit No:
Shares:

DAHILL GARDENS APT. INC.

Lessor,

-to-

Lessee.

PROPRIETARY LEASE

<u>Subject</u>	<u>Paragraph</u>
Maintenance	1
Shares of Stock	2
Cash Requirements	3
Paid in Surplus	4
Lessor's Obligation to Repair	5
Lessor's Obligation to Maintain and Manage the Building	6
Casualty Damage and Liability Insurance	7
Abatement of Rent	8
Repair of Casualty Damage	9
Waiver of Subrogation	10
Books of Account of Lessor	11
Changes in Proprietary Lease	12
Terrace, Balcony or Roof	13
Possession by Third Party	14
Quiet Enjoyment	15
Hold Harmless Agreement	16
House Rules	17
Use of the Unit	18
Subletting	19
Assignment of Proprietary Lease	20
Consent to Assignment of Proprietary Lease	21
Liability on Assignment of Proprietary Lease	22
Pledge of Shares	23
Lessee's Obligation to Maintain the Unit	24
Damages to Unit	25
Changes or Alterations to the Unit	26
Obligation to Make Repairs to the Unit	27
Increase of Rate of Fire Insurance	28
Alterations to Utility Lines and Fixtures	29
Removal of Fixtures and Appliances	30
Surrender of Possession	31
Subordination of Lease	32
Mechanics Lien	33
Access to Unit by Lessor	34
Waiver of Breach of Lease	35
Notices and Demand	36
Default of Lessee	37
Lessor's Liability	38
Storage Space and Building Facilities	39
Window Cleaning	40
Term of Lease	41
Repossession by Lessor	42
Termination of Lease	43
Waiver of Rights of Redemption	44
Surrender of Possession	45
Cancellation of Lease by Lessee	46
Showing of Unit	47
Cancellation of Leases by Lessees	48
Unsold Shares	49
Assignment and Subletting by Holder of Unsold Shares	50
Trial by Jury	51
Invalidity of Provisions	52
Changes in Lease	53
Captions	54

PROPRIETARY LEASE

DAHILL GARDENS APT. INC.

PROPRIETARY LEASE, Made as of _____, by and between DAHILL GARDENS APT. INC., a New York Corporation, having an office c/o Schiff, Turek & Kakoyiannis, 136 East 57th Street, New York, New York, (the "Lessor") and _____ (the "Lessee").

WHEREAS, the Lessor is the Owner of land and the building erected thereon in the City of New York, known as and by the street number 36-58 Dahill Road, Brooklyn, New York, (the "Building") and

WHEREAS, the Lessee is the owner of _____ shares of the Lessor, to which this lease is appurtenant and which have been allocated to unit _____ in the building (the "unit");

NOW THEREFORE, in consideration of the premises, the Lessor hereby leases to the Lessee, and the Lessee hires from the Lessor, subject to the terms and conditions hereof, the unit for a term from _____ until December 31, 2080 (unless sooner terminated as hereinafter provided).

1. MAINTENANCE. The rent (sometimes called maintenance payable by the Lessee equals that proportion of the Lessor's cash requirements which the number of shares of the Lessor allocated to the unit bears to the total number of shares issued and outstanding on the date of the determination of such cash requirements. Such maintenance shall be payable in equal monthly installments in advance on the first day of each month without deduction or set off or claim which the Lessor may have against Lessee. Maintenance shall include the cost of gas and electricity consumed within the unit except if same shall be measured by meter, in which event such costs shall be paid by Lessee directly to the utility company.

2. SHARES OF STOCK. In every proprietary lease there will be specified, the number of shares of the Lessor issued to a lessee simultaneously therewith.

3. CASH REQUIREMENTS. "Cash Requirements" whenever used herein shall mean the estimated amount in cash which the Directors shall from time to time in its judgment determine to be necessary or proper for the operation, maintenance, care, alteration and improvement of the corporate property. The Directors may from time to time modify its prior determination and increase or diminish the amount previously determined as cash requirements.

4. PAID IN SURPLUS. The Directors may from time to time determine how much of the maintenance and other receipts, shall be credited on the corporate accounts to "Paid-in-Surplus". Unless the Directors shall determine otherwise, the amount of payments on account of principal of any mortgages shall be credited to Paid-in-Surplus.

5. LESSOR'S OBLIGATION TO REPAIR. The Lessor shall at its expense keep in good repair the building, the sidewalks surrounding the same, and its equipment and apparatus except those portions the maintenance and repair of which are expressly stated to be the responsibility of the Lessee.

6. LESSOR'S OBLIGATION TO MAINTAIN AND MANAGE THE BUILDING. The Lessor shall maintain and manage the building and shall keep the public halls, cellars and stairways clean and properly lighted and heated, and provide for the proper care and service of the building, and shall provide the unit with a proper and sufficient supply of hot and cold water and of heat, when deemed appropriate by the Directors. The covenants by the Lessor herein contained are subject, however, to the discretionary power of the Directors to determine from time to time what services and what attendants shall be proper and the manner of maintaining and operating the building, and also what services shall be changed, or terminated.

7. CASUALTY DAMAGE AND LIABILITY INSURANCE. If the unit or the building shall be damaged by fire or other cause covered by insurance carried by the Lessor, the Lessor shall at its own cost and expense, repair the damage including the walls, floors, ceilings, pipes, wiring, and conduits in the unit. Lessor shall not be required to repair or replace, equipment, fixtures, furniture, furnishings or decorations installed by the Lessee nor shall the lessor be obligated to repaint or replace wallpaper or other decorations in units. The liability insurance carried by the Apartment Corporation shall contain an endorsement, if available, naming the Holders of Unsold Shares as additional named insured as their respective interest may appear with any additional premiums incurred to be paid by the Holders of Unsold Shares.

8. ABATEMENT OF RENT. In case the damage resulting from fire or other cause shall be so extensive as to render the unit partly or wholly untenable, the rent hereunder shall proportionately abate until the unit shall again be rendered wholly tenantable; but if said damage shall be caused by the act of negligence of the Lessee or any occupant of the unit, such rental shall abate only to the extent of the rental value insurance, if any, collected by Lessor with respect to the unit.

9. REPAIR OF CASUALTY DAMAGE. If the Directors shall determine that the building is so damaged that it cannot be repaired within a reasonable time, or that the damage was caused by hazards which are not covered under the Lessor's insurance and if the holders of at least two-thirds of the issued shares, at a shareholders' meeting duly called for that purpose, shall vote not to repair, restore, or rebuild, then upon the giving of notice pursuant to paragraph 36, this Lease and all other proprietary leases, shall thereupon cease and expire and rent shall be paid to date of such damage. The Lessee hereby waives all rights under Section 227 of the Real Property Law.

10. WAIVER OF SUBROGATION. In the event that the Lessor suffers loss or damage for which Lessee would be liable, and Lessor carries insurance policies which contain a waiver of subrogation against the Lessee, then in such event Lessor releases Lessee from any liability with respect to such

loss or damage. The Lessor agrees to use its best efforts to obtain a provision in all insurance policies carried by it waiving the right of subrogation against the Lessee.

11. BOOKS OF ACCOUNT OF LESSOR. The Lessor shall keep full and correct books of account at its principal office or at such other place as the Directors may from time to time determine, and the same be open during all reasonable hours to inspection by the Lessee or a representative of the Lessee. The Lessor shall deliver to the Lessee within a reasonable time after the end of each fiscal year an annual report of corporate financial affairs, including a balance sheet and a statement of income and expenses, certified by an independent certified public accountant.

12. CHANGES IN PROPRIETARY LEASE. This proprietary lease (and all other proprietary leases) may be changed by the approval of at least 66-2/3% of the lessees and such changes shall be binding even if the Lessee did not vote for such changes except that the proportionate share of rent or cash requirements payable the Lessee may not be increased nor may his right to cancel the lease under the conditions set forth in paragraph 46 to be eliminated or impaired without his express consent.

13. TERRACE, BALCONY OR ROOF. If the unit includes a terrace, balcony or a portion of the roof, the Lessee shall have the exclusive use of said areas subject to the provisions of this lease and subject to such regulations as may, from time to time, be prescribed by the Directors. The Lessor shall have the right to erect equipment on the roof, including radio and television aerials and antennas, for its use and the use of the lessees in the building and shall have the right of access thereto for such installations and for the repair thereof. The Lessee shall keep the terrace, balcony, or portion of the roof appurtenant to his unit clean and free from snow, ice, leaves and other debris and shall maintain all screen and drain boxes in good condition. No planting, fences or structures shall be erected or installed or maintained on the terraces, balconies, or roof of the building nor shall the walls thereof be painted by the Lessee without the prior written approval of the Lessor.

14. POSSESSION BY THIRD PARTY.

(A) If at the date of the commencement of this lease, any third party shall be in possession or have the right to possession of the unit, then the Lessor assigns to the Lessee all of the Lessor's rights against said third party, and the Lessee assumes all of the Lessor's obligations to said third party from said date. The Lessor agrees to cooperate with the Lessee, in the enforcement of the Lessee's rights against said third party.

(B) In the event the said third party shall be a "eligible senior citizen" or "eligible disabled person" as defined in General Business Law §352-eeee, or in the event the "Offering Plan" as referred to in paragraph 49 of this Proprietary Lease is a "Non-Eviction Plan", the Lessee shall have no right to terminate the existing tenancy of said third party (except for non-payment of rent, or other breach of his lease) even if the Lessee seeks to occupy the unit for his own use or for the use of

any member of his family; and in such event, the rights afforded the Lessee pursuant to §61 of the Rules of the Rent Stabilization Association of New York City, Inc., or of §54 of the Rent and Eviction Regulations of the Housing Preservation and Development Administration of the City of New York shall not apply. In such cases, the non-purchasing tenants shall not be subjected to unconscionable increases beyond rentals for comparable apartments during their occupancy.

(C) The lessee shall be required to deposit a sum equivalent to at least two-month's maintenance for the apartment with the managing agent of the lessor within 30 days of lessee's execution of the proprietary lease. The fund is to be used as working capital to furnish services required under the non-purchasing tenant's lease and/or pursuant to the applicable laws and regulations. Upon notice by the managing agent that the deposit has been diminished, the fund shall be replenished by the shareholder within 30 days of such notice. The failure of the shareholder to replenish the fund in a timely fashion shall result in the Apartment Corporation having a lien against the shares appurtenant to the dwelling unit. Interest, if any, earned on the fund shall be the property of the shareholder.

(D) The rights of non-purchasing tenants enumerated in this paragraph 14 may not be changed or amended as otherwise provided for in paragraph 12 above.

15. QUIET ENJOYMENT. The Lessee, shall at all times, quietly have, hold and enjoy the unit subject to any and all mortgages and underlying leases of the land and building.

16. HOLD HARMLESS AGREEMENT. The Lessee agrees to save the Lessor harmless from all liability, loss or damage, due wholly or in part, any act or omission of the Lessee or his agent or of any person dwelling or visiting in the unit. This paragraph shall not apply to any loss or damage when Lessor is covered by insurance which provides for waiver of subrogation against the Lessee.

17. HOUSE RULES. The Lessor has adopted House Rules which are appended hereto and made a part of this proprietary lease and the Directors may alter, amend or repeal such House Rules and adopt new House Rules. The Lessee shall comply with all such House Rules. Breach of a House Rule shall be a default under this Lease. The Lessor shall not be responsible to the Lessee for the nonobservance or violation of House Rules by any other lessee or person.

18. USE OF THE UNIT. The Lessee shall not, without, the written consent of the Lessor, upon such conditions as Lessor may prescribe, use the unit or permit the same to be used for any purpose other than for a lawful home occupation and/or as a private dwelling or to permit the unit to be occupied by anyone other than Lessee, his immediate family and domestic employees.

19. SUBLETTING. Except as provided in paragraph 20 of this lease, the Lessee shall not sublet the whole or part of the unit or renew or extend any previously authorized sublease, without the written consent of the Lessor if the Lessor shall have failed or refused to give such consent, then by lessees owning at least two-thirds of the then issued shares of the Lessor by written consent or by affirmative vote taken at a meeting called for such purpose. Any consent to subletting may be subject to such conditions as the Directors or lessees, as the case may be, may impose.

20. ASSIGNMENT OF PROPRIETARY LEASE. The Lessee shall not assign this lease or transfer the shares to which it is appurtenant until:

(a) an assignment in form approved by Lessor executed by the assignor is delivered to the Lessor; and

(b) an assumption agreement by the assignee in form approved by Lessor is delivered to the Lessor, or, at the request of the Lessor, a new lease in the same form for the remainder of the term is entered into; and

(c) All shares of the Lessor to which this lease is appurtenant is transferred to the assignee, with proper transfer taxes paid; and

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

(e) Except in the case of an assignment, transfer or bequest to the Lessee's spouse, and except as provided in paragraph 23 of this lease, consent to such assignment by Lessor or if Lessor shall fail or refuse to give such consent within 30 days after request therefore made in writing by Lessee, then by lessees owning at least 65% of the issued shares of the Lessor, evidenced by written consent or by affirmative vote taken at a meeting called for such purpose.

21. CONSENT TO ASSIGNMENT OF PROPRIETARY LEASE. If the Lessee shall die, consent shall not be unreasonably withheld to an assignment of the lease and shares to a financially responsible member of the Lessee's family (other than the Lessee's spouse as to whom no consent is required).

22. LIABILITY UPON ASSIGNMENT OF PROPRIETARY LEASE. If the lease shall be assigned in compliance herewith, the Lessee-assignor shall have no further liability under this lease.

23. PLEDGE OF SHARES. The Lessee may pledge and assign this lease and the shares allocated to the unit as security for a loan made to the Lessee by a bank, trust company, insurance company or other recognized lending institution under such terms and conditions as shall be satisfactory to Lessor and Lender to be contained in an agreement commonly known as a "Recognition Agreement." In such event (a) the shares will not be voted by the Lender; (b) the Lessor will give the Lender a copy of any notice of default which the Lessor may give to the Lessee and if the

Lessee fails to cure such default then the Lender shall have as additional time, such time as was given the Lessee within which to secure said default; and the Lessor will not act upon said default until the time afforded the Lender has elapsed; (c) if the lease is terminated by the Lessor as a result of a default on the part of the Lessee, the Lessor shall promptly give notice of such termination to the lender and upon written request of the Lender, made within 30 days after such notice, the Lessor shall commence summary proceedings for dispossession at Lender's expense and shall within 60 days after the said written notice reissue the shares and execute a new proprietary lease with any individual designated by the Lender provided, however, that the Lessor shall have received payments on behalf of the Lessee of all sums due under this lease to the date of a reissuance of the shares; (d) if the Lessee defaults under the loan agreement with the Lender and notice of such default is given to the Lessor, the individual designated by the Lender shall receive the transfer of shares and the proprietary lease shall be made to such individual upon such instruments as shall be reasonably satisfactory to the Lessor; (e) the Lessor shall not, without the prior written consent of the Lender, change the terms of this lease, accept a surrender of this lease, permit an assignment of the lease or a subletting of the apartment, consent to any further mortgage on this lease; (f) any designee of the Lender may cancel this lease pursuant to foreclosure upon 30 days notice; (g) the Lender shall indemnify the Lessor for all losses and expenses which may be claimed by the Lessee resulting from the acts or omissions of either the Lessor or the Lender, and the Lessor shall give the Lender prompt written notice of such claim, which the lender may contest in behalf of the Lessor at the Lender's expense; (h) when the loan is paid the Lender will give notice to the Lessor to that effect; (i) the Recognition Agreement may contain such different or additional terms as the Lessor and the Lender may agree.

24. LESSEES OBLIGATION TO MAINTAIN THE UNIT. The Lessee shall keep the interior of the unit (including walls, floors and ceilings, and including windows, window panes, window frames, sashes, sills, entrance and terrace doors, frames and saddles) in good repair, shall do all of the painting and decorating of the unit and shall be solely responsible for the maintenance, repair, and replacement of plumbing, gas and heating fixtures and exposed gas, steam and water pipes and any special pipes under the floor, but shall not include gas, steam water or other pipes or conduits within the walls, ceilings or floors or air conditioning or heating equipment which is part of the standard building equipment. The Lessee shall be solely responsible for the maintenance, repair and replacement of all lighting and electrical fixtures, appliances and equipment and all meters, fuse boxes or circuit breakers and electrical wiring and conduits from the junction box at the riser into and through the Lessee's unit. Any ventilator or air conditioning device which shall be visible from the outside of the building shall at all times be painted by the Lessee in a standard color which the Lessor may select for the building.

25. **DAMAGE TO UNIT.** If, in the Lessor's sole judgment, any of the Lessee's equipment or appliances shall result in damage to the building or interruption of service to other portions of the building, or if any such appliances visible from the outside of the building, or if any such appliances visible from the outside of the building shall become rusty or discolored; the Lessee shall promptly, on notice from the Lessor, remedy the condition and, pending such remedy, shall cease using any appliance or equipment which may be creating the objectionable condition.

26. **CHANGES OR ALTERATIONS TO THE UNIT.** The Lessee with the exception of the Sponsor and Holders of Unsold Shares, must obtain prior written consent of the Board of Directors prior to making any alterations or changes in the apartment, which consent shall not unreasonably be withheld. The Lessee will comply with all the requirements of the Board of Fire Underwriters, insurance authorities and all governmental authorities and with all laws, ordinances, rules and regulations with respect to the occupancy or use of the unit. If any mortgage affecting the land or the building shall contain any provision pertaining to the right of the Lessee to make changes or alterations, or to remove any of the fixtures, appliances, equipment or installations, the Lessee herein shall comply with the requirements of such mortgage or mortgages relating thereto. Upon the Lessee's written request, Lessor will furnish Lessee with copies of applicable provisions of each and every such mortgage.

27. **OBLIGATION TO MAKE REPAIRS TO THE UNIT.** If the Lessee shall fail for 30 days after notice to make repairs to any part of the unit, its fixtures, or equipment as herein required, or shall fail to remedy a condition which has become objectionable to the Lessor for reasons set forth above, the Lessor may make such repairs, or remove such objectionable condition or equipment, or perform such act, without liability to the Lessor; provided that, if the condition requires prompt action, notice of less than 30 days or, in case of emergency, no notice need be given. In all such cases the Lessor, its agents, and contractors shall, as between the Lessor and Lessee, be conclusively deemed to be acting as agents for the Lessee, and contracts therefore made by the Lessor shall be so construed whether or not made in the name of the Lessee, and all expenses incurred or for which it has contracted hereunder, shall be payable by the Lessee on demand as additional rent.

28. **INCREASE OF RATE OF FIRE INSURANCE.** The Lessee shall not permit or suffer anything to be done or kept in the unit which will increase the rate of fire insurance on the building. If, by reason of occupancy or use of the unit by the Lessee, the rate of fire insurance on the building is increased, the Lessee shall be liable for the additional insurance premiums incurred by Lessor, and the Lessor shall have the right to collect the same as additional rent.

29. **ALTERATIONS TO UTILITY LINES AND FIXTURES.** The Lessee with the exception of the Sponsor and Holders of Unsold Shares, may not, without the prior written consent of the Board of Directors, which consent shall not be unreasonably withheld, make any alteration, enclosure or addition to the unit or any to the water, gas or steam risers or pipes, heating or

air conditioning system or units, electrical conduits, wiring or outlets, plumbing fixtures, intercommunication or alarm systems, or any other installation of facility in the unit or building. The performance by Lessee of any work shall be in accordance with any applicable rules and regulations of the Lessor and governmental agency having jurisdiction. The Lessee shall not in any case install any appliances which will overload the existing wires or equipment in the building.

30. REMOVAL OF FIXTURES AND APPLIANCES. Lessee shall not remove any fixtures, appliances, additions or improvements from the unit except without structural alterations or permanent damage to the unit, provided that the Lessee shall, at his own expense, repair all damage which shall have been caused by either the installation or removal of any of such additions, improvements, appliances or fixtures; and that if any mortgage had acquired a lien on any such property prior to the execution of this lease, Lessee shall first procure from such mortgagee its written consent to such removal.

31. SURRENDER OF POSSESSION. On the expiration or termination of this lease, the Lessee shall surrender to the Lessor possession of the unit and any additions, improvements, fixtures or appliances not removed by the Lessee on or before such expiration or termination of this lease shall, at the option of the Lessor, be deemed abandoned and shall become the property of the Lessor and may be disposed of by the Lessor without liability or accountability to the Lessee.

32. SUBORDINATION OF LEASE. This lease is and shall be subject and subordinate to all ground or underlying leases and to any mortgages now or hereafter liens upon such leases or on the property of the Lessor, and to any and all extensions modifications, consolidations, renewals and replacements thereof. This clause shall be self-operative and no further instrument of subordination shall be required by any such mortgagee or ground or underlying Lessee. In confirmation of such subordination the Lessee shall at any time, and from time to time, on demand, execute any instruments that may be required by any mortgagee, or by the Lessor for the purpose of more formally subjecting this lease to the lien of any such mortgage or mortgages or ground or underlying leases, and the duly elected officers, of the Lessor are and each of them is hereby irrevocably appointed the attorney-in-fact and agent of the Lessee to execute the same upon such demand, and the Lessee hereby ratifies any such instrument hereafter executed by virtue of the power of attorney hereby given.

33. MECHANICS LIEN. In case a notice of mechanic's lien against the building shall be filed purporting to be for labor or material furnished or delivered at the building or the unit to or for the Lessee, the Lessee shall forthwith cause such lien to be discharged and if the Lessee shall fail to do so within 10 days after notice from the Lessor, then the Lessor may cause such lien to be discharged by payment, bonding or otherwise, without investigation as to the validity thereof or of any offsets or defenses thereto, and shall have the right to collect, as additional rent, all amounts, cost and expenses paid or incurred in connection therewith, including reasonable attorneys' fees and disbursements, together with interest thereon from the time or times of payment.

34. ACCESS TO UNIT BY LESSOR. The Lessor and its agents and their authorized workmen shall be permitted to enter the unit and any storage space assigned to lessee at any reasonable hour of the day upon notice, or at any time and without notice in case of emergency, to make or facilitate repairs in any part of the building or to cure any default by the Lessee and to remove such portions of the walls, floors and ceilings of the unit and storage space as may be required for any such purpose, but the Lessor shall thereafter restore the unit and storage space to its proper and usual condition at Lessor's expense if such repairs are the obligation of Lessor or at Lessee's expense if such repairs are the obligation of Lessee. In order that the Lessor shall have access to the unit or storage rooms for the purposes provided for in the lease, the Lessee shall provide the Lessor with a key to each lock providing access to the unit or the storage rooms. If the Lessee shall not permit any entry at any time when an entry therein shall be necessary or permissible hereunder and shall not have furnished a key to Lessor, the Lessor or the Lessor's agent may forcibly enter the apartment or storage space without liability for damages by reason thereof and without in any manner affecting the obligations and covenants of this lease.

35. WAIVER OF BREACH OF LEASE. The failure of the Lessor to insist, upon a strict performance of any of the provisions of this lease, or to exercise any right or option herein contained, shall not be construed as a waiver, of any such provisions, options or rights, but such provision, option or right shall continue and remain in full force and effect. The receipt by the Lessor of rent, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the Lessor of any provision hereof shall be deemed to have been made unless in a writing expressly approved by the Directors.

36. NOTICES AND DEMANDS. Any notice by or demand from either party to the other shall be duly given only if in writing and sent by registered or certified mail; if by the Lessee, addressed to the Lessor at the building with a copy sent by regular mail to the Lessor's managing agent; if to the Lessee, addressed to the building. Notices or demands shall be deemed given on the date when mailed.

37. DEFAULT BY LESSEE. If the Lessee shall at any time be in default hereunder and the Lessor shall incur any expense in performing acts which the Lessee is required to perform, or in instituting any action or proceeding based on such default, or defending or asserting a counterclaim in, any action or proceeding brought by the Lessee, the expense thereof to the Lessor, including reasonable attorney fees and disbursements, shall be paid by the Lessee to the Lessor, on demand as additional rent.

38. LESSOR'S LIABILITY. The Lessor shall not be liable, except by reason of Lessor's negligence, for any failure or insufficiency of heat, water supply, electric current, gas, telephone, or elevator service or other service to be supplied by the Lessor hereunder. No abatement of rent or other compensation or claim of eviction shall be made or allowed because of failure to make repairs, alterations or decorations to the building, or for interruption or curtailment of any service agreed to be furnished by the Lessor, unless due to Lessor's negligence.

39. STORAGE SPACE AND BUILDING FACILITIES. If the Lessor shall furnish to the Lessee any storage bins or space, the use of the laundry, or any facility outside the unit, the same shall be deemed to have been furnished gratuitously by the Lessor under a revocable license. The Lessee shall not use such storage space for the storage of valuable or perishable property, and any such storage space assigned to Lessee shall be kept by Lessee clean and free of combustibles. Any use that Lessee may make of such equipment or space shall be at his own cost, risk and expense.

40. WINDOW CLEANING. The Lessee will not permit the cleaning of any window in the premises from the outside in violation of Section 202 of the New York Labor Law.

41. TERM OF LEASE. The term of this lease shall expire and the Lessee shall quit and surrender the unit to the Lessor upon at least 5 days written notice (it being the intention of the parties hereto to create hereby a conditional limitation,) upon the happening of any of the following events:

(a) If the Lessee shall cease to be the owner of the shares and this lease to which they are appurtenant;

(b) If the Lessee hereof shall be adjudicated a bankrupt a receiver of all of the property of the Lessee shall be appointed; or lessee shall make a general assignment for the benefit of creditors;

(c) If there by an assignment of this lease, or any subletting, without full compliance with the requirements of this lease; or if any person not authorized by paragraph 18 shall be permitted to use or occupy the unit;

(d) If the Lessee shall be in default for a period of one month in the payment of any rent or additional rent;

(e) If the Lessee shall be in default in the performance of any covenant or provision hereof;

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

(g) If at any time the Lessor shall determine, upon the affirmative vote of two-thirds of its then Board of Directors, at a meeting of such Directors duly called for that purpose, and the affirmative vote of the holders of at least 75% of its issued shares, at a shareholders' meeting duly called for that purpose, to terminate all proprietary leases;

(h) If the building shall be damaged and the shareholders shall decide not to repair or rebuild as provided in this lease.

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

42. REPOSSESSION BY LESSOR. In the event the Lessor resumes possession of the unit, by summary proceedings, or otherwise, Lessee shall continue to remain liable for payment of a sum equal to the rent which would have become due hereunder and shall pay the same in installments at the time such rent would be due hereunder. After resuming possession, the Lessor may, at its option, relet the unit for its own account, or relet the unit as the agent of the Lessee, in its discretion. If the Lessor relets the unit as agent for the Lessee, it shall, after reimbursing itself for its expenses in connection therewith, including leasing commissions and attorneys' fees and decorations, alterations and repairs to the unit, apply the balance against the Lessee's continuing obligations hereunder. There shall be a final accounting between the Lessor and the Lessee upon the date of expiration of the term of this lease, or the date as of which a new proprietary lease shall become effective.

43. TERMINATION OF LEASE. Upon the termination of this lease, the Lessee shall surrender to the corporation the certificate for the shares of the corporation owned by the Lessee to which this lease is appurtenant.

44. WAIVER OF RIGHT OF REDEMPTION. The Lessee hereby expressly waives any and all right of redemption in case the Lessee shall be disposed by judgment or warrant of any court or judge.

45. SURRENDER OF POSSESSION. On or before any termination of this lease, the Lessee shall vacate and surrender possession thereof to the Lessor or its assigns, and upon demand of the Lessor, shall execute, acknowledge and deliver to the Lessor or its assigns any instrument which may reasonably be required to evidence the surrendering of this lease or the unit.

46. CANCELLATION OF LEASE BY LESSEE. This lease may be cancelled by the Lessee (except if he is a holder of "Unsold Shares") on any September 30th after September 30, 1987. Irrevocable written notice of intention to cancel must be given by the Lessee to Lessor on or before April 1, in the calendar year in which such cancellation is to occur. At the time of the giving of such notice there must be deposited with the Lessor by the Lessee: the Lessee's counterpart of this lease with a written assignment in form required by the Lessor, effective as of August 31 of the year of cancellation, free from all subleases, tenancies, liens, encumbrances and other charges whatsoever and the Lessee's certificate for his shares appurtenant to the lease, endorsed in blank for transfer and with all necessary transfer taxes due thereon; for which shares the Lessee is to receive no payment or compensation of any kind whatsoever; and on or before said August 31st the Lessee shall deliver possession of the unit to the Lessor in good condition with all required equipment, fixtures and appliances installed and in proper operating condition and Lessee shall pay to the Lessor all rent and other charges which shall be payable under this lease up to and including the following September 30th.

Holders of Unsold Shares may not cancel their proprietary leases unless (i) shareholders owning a majority of the Apartment Corporation's outstanding shares (other than unsold shares) shall have given notice of intent to cancel or (ii) all unsold shares constitute fifteen (15%) percent or less of the Apartment Corporation's outstanding shares, at least five (5) years have elapsed since the Apartment Corporation acquired title to the building and on the effective date of cancellation holders of unsold shares shall pay to the Apartment Corporation a sum equal to the product of the then current monthly rent, payable under the proprietary lease, multiplied by twenty-four (24).

47. **SHOWING OF UNIT.** The Lessor and its agents may show the unit to prospective Lessees, and others at reasonable times after notice of the Lessee's intention to cancel.

48. **CANCELLATION OF LEASES BY LESSEES.** If Lessees owning at least 80% of the issued shares of the Lessor shall exercise the option to cancel their leases, then this and all other proprietary leases shall thereupon terminate on the September 30th of the year in which such options shall have been exercised.

49. **UNSOLD SHARES.** The term "Unsold Shares" means the shares of the Lessor which were issued to the Lessor's grantor or Sponsor or individuals produced by Sponsor or any of the formers' assignees, as well as purchasers for investment or resale, pursuant to the Offering Statement-Plan of Cooperative Organization and, all shares which are Unsold Shares retain their character as such (regardless of transfer) until such shares become the property of a purchaser or a holder of "Unsold Shares" for bona fide occupancy of the unit to which such shares are allocated.

50. **ASSIGNMENT AND SUBLETTING BY HOLDERS OF UNSOLD SHARES.** The owner of Unsold Shares may assign this lease and sublet the unit without the consent of the Lessor, its Directors or shareholders or any other person.

51. **TRIAL BY JURY.** The parties hereto waive trial by jury in any action, proceeding or counterclaim brought by either of the parties against the other on any matters whatsoever arising out of or in any way connected with this lease.

52. **INVALIDITY OF PROVISIONS.** If any provision herein contained shall adjudged invalid, the same shall not affect the validity of any other provision of this lease.

53. **CHANGES IN LEASE.** The provisions of this lease cannot be changed orally.

54. **CAPTIONS.** Captions of the several paragraphs of this lease shall not be deemed part of this lease.

IN WITNESS WHEREOF, the parties have executed this lease.

DAHILL GARDENS APT. INC.

By: _____
President/Secretary

Lessee (L.S.)

Lessee (L.S.)

STATE OF NEW YORK)

: ss.:

COUNTY OF)

On the _____ day of _____, in the year 19____, before me personally appeared _____ to me known, who being by me duly sworn, did depose and say that he resides at _____; the he is the _____ of DAHILL GARDENS APT. INC., the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

STATE OF NEW YORK)

: ss.:

COUNTY OF)

On the _____ day of _____, in the year 19____, before me personally appeared _____ to me personally known and known to me to be the individual described in and who executed the foregoing instrument, and duly acknowledged to me that he executed the same.

HOUSE RULES

1. The public halls and stairways of the building shall not be obstructed or used for any purpose other than ingress and egress from the units in the building.
2. No lessee shall make or permit any disturbing noises in the building or do or permit anything to be done therein which will interfere with the rights, comfort or convenience of other lessees. No lessee shall play or permit to be played upon any musical instrument or phonograph or a radio or television in lessee's unit if the same shall disturb or annoy other occupants of the building. No construction or repair work involving noise shall be conducted in any unit except on weekdays (not including legal holidays) and only between the hours of 8:30 a.m. and 5:00 p.m.
3. No article shall be placed in the halls or on the staircase landings or fire towers, nor shall anything be hung or shaken from the doors, windows, terraces or balconies or placed upon the window sills of the building.
4. No awnings, window air-conditioning units or ventilators shall be used except such as shall have been expressly approved by the Lessor, nor shall anything be projected out of any window of the building without similar approval.
5. No sign, notice, advertisement or illumination shall be inscribed or exposed on or at any window or other part of the building, except such as shall have been approved in writing by the Lessor.
6. No radio or television aerial shall be attached to or hung from the exterior of the building without the prior written approval of the Lessor.
7. The Lessor shall have the right from time to time to curtail or relocate any space devoted to storage or laundry purposes.
8. These House Rules may be added to, amended or repealed at any time by resolution of the Board of Directors of the Lessor.

BY-LAWS
OF
DAHILL GARDENS APT. INC.

Purpose of Business

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

ARTICLE II

Meetings of Shareholders

Section 1: Annual Meetings: The first annual meeting of the shareholders of the Corporation, for the election of directors and for such other business as may properly come before said meeting, shall be held within 30 days after the closing under the Plan of Cooperative Organization for the Corporation, and subsequent annual meetings shall be held on the 1st day of May in each year, commencing with the year following the year in which the first annual meeting is held. Such meetings shall be in the State of New York, at such time and place as shall be determined by the Board of Directors. Written notice of each meeting shall be given to all shareholders.

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

Section 3: Waiver of Notices: The notice provided for in the two foregoing sections is not indispensable but any shareholders' meeting shall be valid for all purposes if all the outstanding shares of the Corporation are represented there at in person or by proxy, or if a quorum is present, and waiver of notice of such meeting shall be duly executed in writing by such shareholders as are not so represented and were not given such notice.

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

Section 5: Voting: At each meeting of shareholders each shareholder present in person or by proxy shall be entitled to one vote for each share registered in his name. The proxies shall be in writing duly signed by the shareholder. Voting by shareholders shall be voice vote unless any shareholder present at the meeting, in person or by proxy, demands a vote by written ballot, in which case the voting shall be by ballot.

Section 6: Inspectors of Election: Inspectors of election shall not be required to be appointed at any meeting of shareholders unless requested by a shareholder.

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

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

ARTICLE III Directors

Section 1: Number: The number of the Directors of the Corporation shall be not less than three nor more than nine, commencing with the first election of Directors by tenant-shareholders of the Corporation. At such time as the "Unsold Shares" (as defined in the proprietary lease of the Corporation) constitute less than 50% of all the shares of the Corporation issued and outstanding, but in no event later than the fifth anniversary of the date the Corporation acquires title to the building, not less than a majority of Directors to be elected at all subsequent annual meetings of shareholders shall be resident tenant/shareholders of the building of the Corporation.

Section 2: Election: The Directors shall be elected at the annual meeting of shareholders or at a special meeting called for that purpose by a plurality of votes cast at such meeting, and thereafter until their respective successors are elected and qualify. It shall not be necessary for a director of this Corporation to be a shareholder.

Section 3: Quorum:
constitute a quorum.

A majority of the Directors shall

Section 4: Vacancies: Vacancies in the Board of Directors resulting from death, resignation or otherwise may be filled without notice to any of the shareholders by a vote of a majority of the remaining directors present at the meeting at which such election is held even though no quorum is present, which may be at any regular meeting of the Board of Directors or any special meeting thereof called for such purpose.

Section 5: Meetings: The Board of Directors shall meet immediately after the annual meeting of shareholders and also whenever called by any officer of the Corporation or upon the written request of any two directors, upon notice give to each director, by delivering personally, mailing or telegraphing the same to him at least two days prior to such meeting at the last address furnished by him to the Corporation. Regular meetings may be held without notice at such times and places as the Board of Directors may determine. Meetings of directors may be held at the principal office of the Corporation or as designated by the Board of Directors by resolution. At all meetings of the Board of Directors, each director shall be entitled to one vote. The vote of a majority of the Board of Directors present at the time of a vote shall be the act of the Board of Directors.

Section 6: Resignation and Removal: Any director may resign at any time by written notice delivered in person or sent by certified or registered mail to the president or secretary of the Corporation. Such resignation shall take effect at the time specified therein.

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

Section 7: Annual Cash Requirements: The Board of Directors shall, from time to time, determine the cash requirements as defined in the Corporation's proprietary lease. The Board of Directors shall have discretionary power to prescribe the manner of maintaining and operating the property of the Corporation. Every such determination by the Board of Directors shall be final and conclusive as to all shareholder-tenants.

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

Section 9: Executive Committee and Other Committees: The Board of Directors may by resolution appoint an Executive Committee, and such other committees as it may deem appropriate, each to consist of one or more directors of the Corporation. Such committees shall have such of the powers of the Board in the management of the business and affairs of the Corporation as may be established by resolution of the Board of Directors, except that no committee shall have power to determine the cash requirements defined in the proprietary lease, or to fix the rent to be paid under the proprietary leases, or to vary the terms of payment thereof as fixed by the Board.

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

ARTICLE IV

Officers

Section 1: Election and Removal: The officers of the Corporation shall be a president, one or more vice presidents, a secretary and a treasurer. Such officers shall be elected by the Board of Directors and shall serve until removed or until their successors shall have been elected. The Board of Directors may from time to time appoint one or more assistant secretaries and one or more assistant treasurers to hold office at the pleasure of the Board. Any officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the directors.

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

Section 3: Duties of the Treasurer: The treasurer shall have the care and custody of all funds and securities of the Corporation, and shall deposit such funds in the name of the Corporation in such bank or trust companies as the directors may determine, and he shall perform all other duties incidental to his office.

Within three months after the end of each fiscal year, the treasurer shall cause to be transmitted to each shareholder-tenant an annual report of operations and balance sheet of the Corporation which shall be certified by an independent Certified Public Accountant.

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

Section 4: Duties of Secretary: The secretary shall keep the minutes of the meetings of the Board of Directors and of the meetings of shareholders; he shall attend to the giving and serving of all notices of the Corporation and shall be empowered to affix the corporate seal to all written instruments authorized by the Board of Directors or these By-Laws. He shall also perform all other duties incidental to his office.

ARTICLE V

Proprietary Leases

Section 1: Form of Lease: The Board of Directors shall adopt a form of proprietary lease to be used by the Corporation for the leasing of all units and other space in the building of the Corporation to be leased to shareholder-tenants.

After a proprietary lease in the form so adopted by the Board of Directors shall have been executed and delivered by the Corporation, all proprietary leases (as distinct from the house rules) subsequently executed and delivered shall be in the same form, except with respect to the statement as to the number of shares owned by the lessee, the use of the premises and the date of the commencement of the term, unless any change or alteration is approved by tenant-shareholders owning at least two-thirds of the shares of the Corporation then issued and outstanding.

Section 2: Assignment: Proprietary leases shall be assigned or transferred only in compliance with the terms, conditions or provisions of such proprietary leases. A duplicate original of each proprietary lease shall be kept on file in the principal office of the Corporation or with the managing agent. Following any assignment of shares and the proprietary lease allocated thereto for an apartment occupied by a non-purchasing tenant in occupancy prior to the date of presentation of the offering plan to convert the building to cooperative ownership, the Secretary of the Apartment Corporation shall serve the non-purchasing tenant with notice advising such tenant of the assignment of the shares and proprietary lease for his or her apartment including the identity of the purchaser of the shares.

Section 3: Allocation of Shares: The Board of Directors shall allocate to each unit or other space in the building of the Corporation the number of shares of the Corporation which must be owned by the proprietary lessee of such unit or other space.

Section 4: Assignment of Lease and Transfer of Shares: No assignment of any lease or transfer of the shares of the Corporation shall take effect until a proper assignment has been delivered to the Corporation; the assignee has assumed and agreed to perform and comply with all the covenants and conditions of the assigned lease or has entered into a new lease for the remainder of the term; all shares of the Corporation appurtenant to the lease have been transferred to the assignee; all sums due have been paid to the Corporation; and all necessary consents have been properly obtained. The action of the Board of Directors with respect to the written application for consent of a proposed assignment or subletting must be made within 15 days after receipt of said written application.

Where the Sponsor named in the Plan of Cooperative Organization or a nominee of the Sponsor or a Holder of Unsold Shares or a purchaser for investment or resale is a lessee, then consent to an assignment or transfer of his lease and the shares appurtenant thereto will not be required.

Section 5: Fees on Assignment: The Board of Directors shall have authority before an assignment or sublet of a proprietary lease or reallocation of shares takes effect as lessor, to fix a reasonable fee to cover actual expenses and attorneys' fees of the Corporation, a service fee of the Corporation and such other conditions as it may determine, in connection with each such proposed assignment or sublet. This provision shall not apply to the Sponsor or a nominee of the Sponsor or a Holder of Unsold Shares.

Section 6: Lost Proprietary Leases: In the event that any proprietary lease is lost, stolen, destroyed or mutilated, the Board of Directors may authorize the issuance of a new proprietary lease in lieu thereof, in the same form and with the same terms. The Board may, in its discretion, require the

owner thereof to make an affidavit setting forth such facts as to the loss, destruction or mutilation as it deems necessary, and to give the Corporation a bond in such reasonable sum as it directs, to indemnify the Corporation.

Section 7: Regrouping of Space: The Board of Directors, upon the written request of the owner of one or more proprietary leases covering one or more units in the building and of the shares issued to accompany the same, may in its discretion, permit such owner at his expense A: (1) to subdivide any unit; (2) to combine any such units into one unit; and (3) to reallocate the shares issued to accompany the proprietary lease, but the total number of shares so reallocated shall not be less than the number of shares previously allocated to the unit or units involved; and, in connection with any such regrouping, the Board of Directors may require that the number of shares allocated to the resulting unit or units be greater than the number of shares allocated to the original unit or units, and may authorize the issuance of shares from its treasury for such purpose; or B: to incorporate one or more rooms, or other spaces in the building not covered by any proprietary lease, into one or more units covered by a proprietary lease, and in allocating shares to any such resulting unit, shall determine the number of shares from its treasury to be issued and allocated in connection with the appropriation of such additional space.

In respect of units for which the proprietary lease and shares issued are owned by the Sponsor named in the Plan of Cooperative Organization or the Sponsor's Nominee or the Sponsor's Assignee (who while entitled to occupy any such units for his personal use does not do so), such Sponsor, Nominee, or Assignee may change the number of such units by increasing or decreasing their size, or change the size, layout or location of any such unit; and such Sponsor, Nominee, or Assignee shall have the right to reallocate the shares allocated to any of the units offered for sale under said Plan provided that such reallocation does not cause any increase or decrease in the total number of shares attributable to the unit or units, or the total number of shares attributable to all of the units as reflected in said Plan.

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

ARTICLE VI Capital Shares

Section 1: Shares: No shares shall be issued except with the delivery by the Corporation of a proprietary lease of a unit in the building owned by the Corporation. The ownership of shares shall entitle the holder thereof to occupy the unit, subject to the provisions contained in the proprietary lease appurtenant thereto.

Section 2: Form and Share Register: Certificates of the shares of the Corporation shall be in the form adopted by the Board of Directors, and shall be signed by the president or a vice president and the secretary or an assistant secretary or the treasurer or an assistant treasurer, and sealed with the seal of the Corporation, and shall be numbered in the order in which issued. Certificates shall be issued in consecutive order and there shall be recorded the name of the person holding the shares, the number of shares and the date of

issue. Each certificate exchanged or returned to the corporation shall be cancelled, and the date of cancellation shall be indicated thereon and such certificates shall be retained in the Corporate records.

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

Section 4: Transfers: Transfers of shares shall be made upon the books of the Corporation only by the holder in person or by power of attorney, and on the surrender of the certificate for such shares, except that shares sold by the Corporation to satisfy any lien which it or any secured party holds thereon may be transferred without the surrender of the certificate representing such shares.

Section 5: Units of Issuance: Except as otherwise provided in Article V, Section 7, the shares appurtenant to each proprietary lease shall not be sold or assigned except as an entirety.

Section 6: Corporation's Lien: The Corporation shall at all times have a first lien upon the shares owned by each shareholder for all indebtedness and obligations owing and to be owing by such shareholder to the Corporation. The Corporation may refuse to consent to the transfer of shares of any shareholder indebted to the Corporation unless and until such indebtedness is paid.

ARTICLE VII

Section 1: Indemnification: To the extent allowed by law, the Corporation shall indemnify any person, made a party to an action by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he was a director or officer of the Corporation, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defense of such action, or in connection with an appeal therein, except in relation to matters as to which such director or officer is adjudged to have breached his duty to the Corporation, as such duty is defined in Section 717 of the Business Corporation Law.

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

ARTICLE VIII

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

ARTICLE IX

Section 1: Fiscal Year: The fiscal year of the Corporation shall be the Calendar year unless otherwise determined by resolution of the Board of Directors.

ARTICLE X

Section 1: Salaries: . No salary or other compensation for services shall be paid to any director or officer of the Corporation for services rendered by him, unless authorized in writing or by affirmative vote, taken at a duly held meeting of shareholders, by shareholder owning at least a majority of the then outstanding shares of the Corporation.

ARTICLE XI

Section 1: Amendments: These By-Laws may be amended, at any shareholders' meeting by vote of shareholders owning two-thirds of the amount of the outstanding shares, except that as long as any shares of the Corporation are held by holders of "Unsold Shares", these By-Laws may not be amended without the consent of all holders of "Unsold Shares".

TEXT OF §352-eeee OF THE NEW YORK STATE GENERAL BUSINESS LAW

Conversions to cooperative or condominium ownership
in the City of New York.

* * *

1. As used in this section, the following words and terms shall have the following meanings:

(a) "Plan". Every offering statement or prospectus submitted to the department of law pursuant to section three hundred fifty-two-e of this article for the conversion of a building or group of buildings or development from residential rental status to cooperative or condominium ownership or other form of cooperative interest in realty, other than an offering statement or prospectus for such conversion pursuant to article two, eight or eleven of the private housing finance law.

(b) "Non-Eviction Plan". A plan which may not be declared effective until written purchase agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family intend to occupy the unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made in good faith without fraud and discriminatory repurchase agreements or other discriminatory inducements.

(c) "Eviction Plan". A plan which, pursuant to the provisions of this section, can result in the eviction of a non-purchasing tenant by reason of the tenant failing to purchase pursuant thereto, and which may not be declared effective until at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(d) "Purchaser under the plan". A person who owns the shares allocated to a dwelling unit or who owns such dwelling unit itself.

(e) "Non-purchasing tenant". A person who has not purchased under the plan and who is a tenant entitled to possession at the time the plan is declared effective or a person to whom a dwelling unit is rented subsequent to the effective date. A person who sublets a dwelling unit from a purchaser under the plan shall not be deemed a non-purchasing tenant.

(c) The plan provides, if it is a non-eviction plan, as follows:

(i) The plan may not be declared effective until written purchase agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made without discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced at any time against non-purchasing tenants for failure to purchase or any other reason applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach of the non-purchasing tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto; and provided further that an owner of a unit or of the shares allocated thereof may not commence an action to recover possession of a dwelling unit from a non-purchasing tenant on the grounds that he seeks the dwelling unit for the use and occupancy of himself or his family.

(iii) Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to the conversion of the building or group of buildings or development to cooperative or condominium ownership shall continue to be subject thereto.

(iv) The rentals of non-purchasing tenants who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and non-purchasing tenants who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing by the attorney general shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy. In determining comparability, consideration shall be given to such factors as building services, level of maintenance and operating expenses.

(v) The plan may not be amended at any time to provide that it shall be an eviction plan.

(vi) The rights granted under the plan to purchasers under the plan and to non-purchasing tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been filed the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth day after such date and at least once every thirty days until the plan is declared effective or is abandoned, as the case may be, and on the second day before the expiration of any exclusive purchase period provided in a substantial amendment to the plan (1) file with the attorney general a written statement, under oath, setting forth the percentage of dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant as of the date of such statement, and (2) before noon of the date such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(d) The plan provides, if it is an eviction plan, as follows:

(i) The plan may not be declared effective unless at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced against a non-purchasing tenant for failure to purchase or any other reason applicable to expiration of tenancy until the later to occur of (1) the date which is the expiration date provided in such non-purchasing tenant's lease or rental agreement, and (2) the date which is three years after the date on which the plan is declared effective. Non-purchasing tenant who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to conversion shall continue to be subject thereto during the period of occupancy provided in this paragraph. Thereafter, if a tenant has not purchased, he may be removed by the owner of the dwelling unit or the shares allocated to such dwelling unit.

(iii) No eviction proceedings will be commenced, except as hereinafter provided, at any time against either eligible senior citizens or eligible disabled persons. The rentals of eligible senior citizens and eligible disabled persons who reside in dwelling units not subject to government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy considering, in determining comparability, such factors as building services, level of maintenance and operating expenses; provided that such proceedings may be commenced against such tenants for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto.

(iv) Eligible senior citizens and eligible disabled persons who reside in dwelling units subject to government regulation as to rentals and continued occupancy shall continue to be subject thereto.

(v) The rights granted under the plan to eligible senior citizens and eligible disabled persons may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vi) Any offeror who disputes the election by a person to be an eligible senior citizen or eligible disabled person must apply to the attorney general within thirty days of the receipt of the election forms for a determination by the attorney general of such person's eligibility. The attorney general shall, within thirty days thereafter, issue his determination of eligibility. The foregoing shall, in the absence of fraud, be the sole method for determining a dispute as to whether a person is an eligible senior citizen or eligible disabled person. The determination of the attorney general shall be reviewable only through a proceeding under article seventy-eight of the civil practice law and rules, which proceeding must be commenced within thirty days after such determination by the attorney general becomes final.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been accepted for filing, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth days after such date and at least once every thirty days until the plan is declared effective or abandoned, as the case may be, and on the second day before the expiration of any exclusive purchase period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the

date the offering statement or prospectus was accepted for filing by the attorney general who have executed and delivered written agreements to purchase under the plan as of the date of such statement, and (2) before noon on the date such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by this plan.

(viii) If the plan is amended before it is declared effective to provide that it shall be a non-eviction plan, any person who has agreed to purchase under the plan prior to such amendment shall have a period of thirty days after receiving written notice of such amendment to revoke his agreement to purchase under the plan.

(ix) The tenants in occupancy on the date the attorney general accepts the plan for filing shall have the exclusive right to purchase their dwelling units or the shares allocated thereto for ninety days after the plan is accepted for filing by the attorney general, during which time a tenant's dwelling unit shall not be shown to a third party unless he has, in writing, waived his right to purchase; subsequent to the expiration of such ninety day period, a tenant in occupancy of a dwelling unit who has not purchased shall be given the exclusive right for an additional period of six months from said expiration date to purchase said dwelling unit or the shares allocated thereto on the same terms and conditions as are contained in an executed contract to purchase said dwelling unit or shares entered into by a bona fide purchaser, such exclusive right to be exercisable within fifteen days from the date of mailing by registered mail of notice of the execution of a contract of sale together with a copy of said executed contract to said tenant.

(e) The attorney general finds that an excessive number of long-term vacancies did not exist on the date the offering statement or prospectus was first submitted to the department of law. "Long-term vacancies" shall mean dwelling units not leased or occupied by bona fide tenants for more than five months prior to the date of such submission to the department of law. "Excessive" shall mean a vacancy rate in excess of the greater of (i) ten percent and (ii) a percentage that is double the normal average vacancy rate for the building or group of buildings or development for two years prior to the January preceding the date the offering statement or prospectus was first submitted to the department of law.

(f) The attorney general finds that, following the submission of the offering statement or prospectus to the department of law, each tenant in the building or group of buildings or development was provided with a written notice stating that such offering statement or prospectus has been submitted to the department of law for filing. Such notice shall be accompanied by a copy of the

offering statement or prospectus and a statement that the statements submitted pursuant to subparagraph (vii) of paragraph (c) or subparagraph (vii) of paragraph (d) of this subdivision, whichever is applicable, will be available for inspection and copying at the office of the department of law where the submission was made and at the office of the offeror or a selling agent of the offeror. Such notice shall also be accompanied by a statement that tenants or their representatives may physically inspect the premises at any time subsequent to the submission of the plan to the department of law, during normal business hours, upon written request made by them to the offeror, provided such representatives are registered architects or professional engineers licensed to practice in the State of New York. Such notice shall be sent to each tenant in occupancy on the date the plan is first submitted to the department of law.

3. All dwelling units occupied by non-purchasing tenants shall be managed by the same managing agent who manages all other dwelling units in the building or group of buildings or development. Such managing agent shall provide to non-purchasing tenants all services and facilities required by law on a non-discriminatory basis. The offeror shall guarantee the obligation of the managing agent to provide all such services and facilities until such time as the offeror surrenders control to the board of directors or board of managers.

4. It shall be unlawful for any person to engage in any course of conduct, including, but not limited to, interruption or discontinuance of essential services, which substantially interferes with or disturbs the comfort, repose, peace or quiet of any tenant in his use or occupancy of his dwelling unit or the facilities related thereto. The attorney general may apply to a court of competent jurisdiction for an order restraining the owner from selling the shares allocated to the dwelling unit or the dwelling unit itself or from proceeding with the plan of conversion; provided that nothing contained herein shall be deemed to preclude the tenant from applying on his own behalf for similar relief.

5. Any local legislative body may adopt local laws and any agency, office or public body may prescribe rules and regulations with respect to the continued occupancy by tenants of dwelling units which are subject to regulation as to rentals and continued occupancy pursuant to law, provided that in the event that any such local law, rule or regulation shall be inconsistent with the provisions of this section, the provisions of this section shall control.

6. Any provision of a lease or other rental agreement which purports to waive a tenant's rights under this section or rules and regulations promulgated pursuant hereto shall be void as contrary to public policy.

7. The provisions of this section shall only be applicable in the City of New York.

SECTION 18.1 (P) OF THE REGULATIONS OF THE DEPARTMENT OF LAW

(p) Postings of Subscription Percentages. If GBL Section 352-eee or 352-eeee is applicable, on the thirtieth, sixtieth, eighty-eighth and ninetieth day after the date of presentation of the offering plan and at least once every thirty days until the plan is declared effective or is abandoned, and on the tenth and second day before the expiration of any exclusive purchase period provided in an amendment to the plan, the Sponsor shall post before noon in a prominent place accessible to all tenants in the building, a statement under oath listing the percentage(s) of bona fide tenants in occupancy on the filing date who have signed subscription agreements as of a specified time on the date of the statement. Such statement shall remain posted until the next statement must be posted. The percentage(s) shall be computed in the same manner as the sponsor must compute the minimum percentage(s) needed to declare the plan effective. The statement also shall be filed with the Department of Law. The Department of Law may issue model forms, which are recommended for use by sponsors, for posting statements. The statement shall include the following:

- (i) The date and time of the statement.
- (ii) The date the plan was filed with the Department of Law.
- (iii) The date of presentation of the plan (and the current amendment).
- (iv) The last day of any exclusive period(s).
- (v) If an eviction plan, the last day for eligible senior citizens or eligible disabled persons to elect not to purchase pursuant to GBL Section 352-eeee or the last day for eligible disabled persons to elect not to purchase pursuant to GBL Section 352-eee.
- (vi) If the plan is subject to GBL Section 352-eeee, state the number of bona fide tenants in occupancy on the filing date who have signed subscription agreements as of a time specified in the statement. If the plan is a non-eviction plan subject to GBL section 352-eeee, also state the number of bona fide non-tenant subscribers who have represented that they or member(s) of their immediate family intend to occupy the apartment when it becomes vacant. If the plan is an eviction plan subject to GBL Section 352-eee, state the number of bona fide tenants in occupancy on the filing date and also state the number of bona fide tenants who became tenants in occupancy after the filing date who have signed subscription agreements. Any subscriber who is required to be listed under Section 18.5(3)(6)(v) shall not be

included in the count unless the sponsor has submitted proof satisfactory to the Department of Law establishing that the subscriber is a bona fide tenant, or in a non-eviction plan subject to GBL Section 352-eeee, unless the sponsor has submitted proof satisfactory to the Department of Law establishing that the subscriber is a bona fide purchaser who meets the requirements of Section 18.5(3).

- (vii) The number of subscribers required to be listed under Section 18.5 (e)(6)(v) who may not be included in the count at the time of the posting, but whom sponsor seeks to include in the future.
- (viii) The number of units or tenants counted in the base. If the plan is an eviction plan under GBL Section 352-eee or 352-eeee, also state the number of tenants or units subtracted from the base to date, and the basis in law for each subtraction.
- (ix) The percentage obtained by dividing the number of subscribers to be counted towards effectiveness given in sub-paragraph (vi) by the number of tenants or units counted in the base given in sub-paragraph (viii).
- (x) If the plan is an eviction plan subject to GBL Section 352-eee, also give the percentage obtained by dividing:
 - (a) the number of subscribers to be counted towards effectiveness given in sub-paragraph (vi) by
 - (b) the number of tenants or units counted in the base given in sub-paragraph (viii) plus the eligible senior citizens and eligible disabled persons who were bona fide tenants in occupancy on the filing date and had been subtracted from the base in sub-paragraph (viii).

CERTIFICATION OF SPONSOR AND SPONSOR'S
PRINCIPALS' PURSUANT TO SEC. 19.1(a)(2)
OF THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW, ARTICLE 23-A,
AS AMENDED.

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

Att: Real Estate Financing Bureau

Re: 36-58 Dahill Road

Brooklyn, New York

Name and Address of Property

The undersigned, certify as follows:

We are the sponsor and the principals* of sponsor of the offering to convert the subject property to cooperative ownership.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 16 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for making this certification. We jointly and severally certify that the offering plan does, and that all documents submitted hereafter by us which amend or supplement the offering plan will:

- (1) set forth the detailed terms of the transaction and be complete, current and accurate;

* "Principals" means all individual sponsors; all general partners of sponsors that are partnerships; all officers, directors and shareholders of a corporate sponsor that are actively involved in the planning and consummation of the offering; and all other individuals who both own an interest in or control sponsor and actively participate in the planning and consummation of the offering, regardless of the form of organization of sponsor).

- (2) afford potential investors, purchasers and participants an adequate basis upon which to sound their judgment;
- (3) not omit any material fact;
- (4) not contain any untrue statement of a material fact;
- (5) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
- (6) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (7) not contain any representation or statement which is false, where I/we: (i) knew the truth; (ii) with reasonable effort could have known the truth; (iii) made no reasonable effort to ascertain the truth, or (iv) did not have knowledge concerning the representations or statement made.

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

DAHILL PARK ASSOCIATES

NAME OF SPONSOR

By MORRIS ROKOWSKY & ISAAC ROKOWSKY

Partners

TITLE OR POSITION

SPONSOR'S PRINCIPALS:

X [Signature]
[Signature]
[Signature]
[Signature]
[Signature]

Sworn to before me this

27 day of June

[Signature]

Notary Public

1986 MOSES L. SCHWAB

Notary Public, State of New York

No. 24-8245900

Qualified in Kings County

Comm. Expires Feb. 28, 1989

CERTIFICATION OF SPONSOR AND SPONSOR'S
PRINCIPALS' PURSUANT TO SEC. 15.1(a)(3)
OF THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW, ARTICLE 23-A,
AS AMENDED.

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

Att: Real Estate Financing Bureau

Re: 36-58 Dahill Road

Brooklyn, New York

Name and Address of Property

The undersigned, certify as follows:

We are the sponsor and the principals* of sponsor of the offering to convert the subject property to cooperative ownership.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 16 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for making this certification. We jointly and severally certify that the offering plan does, and that all documents submitted hereafter by us which amend or supplement the offering plan will:

- (1) set forth the detailed terms of the transaction and be complete, current and accurate;

* "Principals" means all individual sponsors; all general partners or sponsors that are partnerships; all officers, directors and shareholders of a corporate sponsor that are actively involved in the planning and consummation of the offering; and all other individuals who both own an interest in or control sponsor and actively participate in the planning and consummation of the offering, regardless of the form of organization of sponsor).

- (2) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (3) not omit any material fact;
- (4) not contain any untrue statement of a material fact;
- (5) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
- (6) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (7) not contain any representation or statement which is false, where I/we: (i) knew the truth; (ii) with reasonable effort could have known the truth; (iii) made no reasonable effort to ascertain the truth, or (iv) did not have knowledge concerning the representations or statement made.

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

DAHILL PARK ASSOCIATES
NAME OF SPONSOR

By SYMCHA ELBERG & MIRIAM ELBERG

Partners
TITLE OR POSITION

SPONSOR'S PRINCIPALS:

X Symcha Elberg
X Miriam Elberg

Sworn to before me this

20th day of January

1986

Notary Public

MOSES L. SCHWAB
Notary Public, State of New York
No. 24-8365900
Qualified in Kings County
Comm. Expires Feb. 28, 1987

OSCAR M. LEHMANN
LICENSED PROFESSIONAL ENGINEER

1097 EAST 8TH STREET
BROOKLYN, N.Y. 11230

718-972-7115
TEL. (212) 258-4289
718

December 8, 1986

CERTIFICATION OF SPONSOR'S ENGINEER
PURSUANT TO SECTION 18.4 (c)
OF THE REGULATIONS ISSUED PURSUANT
TO GENERAL BUSINESS LAW, ARTICLE 23-s
AS AMENDED.

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

Attn: Real Estate Financing Bureau

Re: 36 Dahill Road
58 Dahill Road
Brooklyn, New York 11218

The undersigned, an engineer licensed to practice as a professional engineer in New York State, certifies as follows:

The sponsor of the offering plan to convert the captioned property to a cooperative retained my services to prepare a report disclosing the condition of the property (the "Report"). I visually reinspected the property on December 4, 1986 and prepared addendum No.2 dated December 8, 1986, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report and addendum.

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

I have read the entire report and addendum and investigated the facts set forth in the report and addendum and the facts underlying it and conducted the visual inspection referred to above with due diligence in order to form a basis for this certification. I certify that the Report and addendum and all documents prepared by me disclose all the material facts which were then discernable from a visual inspection of the property. This Certification is made for the benefit of all persons to whom this offer is made. I certify that, the Report and addendum are based on my visual inspection:

To: N.Y.S. Dept. of Law

(i) sets forth in narrative form the physical condition of the entire property and is current and accurate as of the date of the re-inspection;

(ii) in my professional opinion, affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the property;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

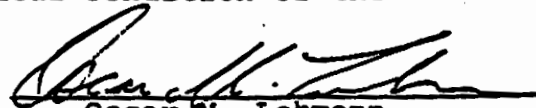
(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where I;

- (a) knew the truth;
- (b) with reasonable effort could have known the truth;
- (c) made no reasonable effort to ascertain the truth; or
- (d) did not have knowledge concerning the representations or statement made.

(viii) it is to be understood that all aspects of the physical condition of the property cannot be determined by a visual inspection and that all statements contained in this Certification are premised on and limited to such visual inspection.

I further certify that I am not owned or controlled by and have no beneficial interest in the sponsor and that my compensation for preparing this Report and addendum is not contingent on the conversion of the property to a cooperative or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.


Oscar M. Lehmann
Consulting Engineer

Sworn to before me this
9th day of December, 1986


Notary Public

131

SARAH KASSAI
Notary Public, State of New York
No. 24-4731297
Qualified in Kings County
Commission Expires March 30, 1987
4/30/88





DAVID DAY REALTY

CERTIFICATION OF ADEQUACY OF BUDGET

532 Madison Avenue, New York, N.Y. 10022 (212) 935-8700

December 30, 1985

DAHILL GARDENS APT. INC.
c/o Schiff, Turek, & Kakoyiannis
136 East 57th Street
New York, New York 10022

Re: 36-58 Dahill Road
Brooklyn, New York

Gentlemen:

The Sponsor of the cooperative offering plan for the captioned property retained our firm to review Schedule B containing projections of income and expenses for the first year of cooperative operation. Our experience in this field includes:

Since 1974 our firm has acted as sales agent for at least 25 buildings in the New York City area and in each situation we have assisted the Sponsor in preparing the proposed budget for the first year of cooperative operation. We have sold individual apartments in some 300 cooperative buildings and accordingly we are quite familiar with cooperative budgets in the New York City area. Additionally, we have acted as managing agent for the following cooperatives: 27 East 38th Street, New York, New York; 315 West End Avenue, New York, New York; and 51 East 98th Street, New York, New York.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 18 insofar as they are applicable to Schedule B.

We have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

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

We certify that the Schedule:

- (i) sets forth in detail the projected income and expenses for the first year of cooperative operation.

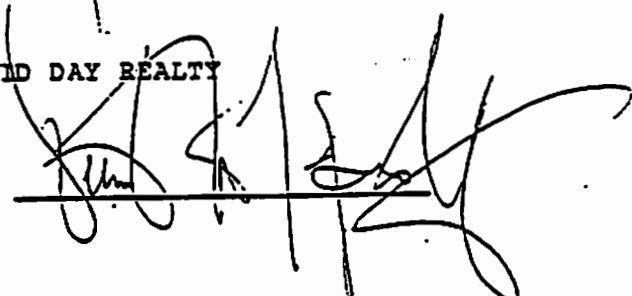
December 30, 1985

- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of cooperative operation;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statement made.

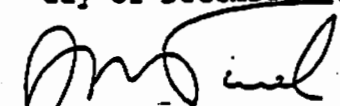
We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of cooperative operation.

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

DAVID DAY REALTY

By: 

Sworn to before me this
30th day of December, 1985.


Notary Public

ALLEN M. TUREK
Notary Public, State of New York
No. 4513441
Qualified in Westchester County
Commission Expires March 30, 1987

FIRST AMENDMENT

TO THE COOPERATIVE OFFERING PLAN OF

36-58 DAHILL ROAD
BROOKLYN, NEW YORK

DATED: JUNE 24, 1987

The Offering Plan - A Plan to Convert to Cooperative Ownership premises at 36-58 Dahill Road, Brooklyn, New York (hereinafter referred to as the "Plan"), dated January 29, 1987 is hereby further amended as follows:

1. Pursuant to the provisions of 13 NYCRR 18.7(aa) of the Regulations of the Department of Law promulgated on August 8, 1986 the Sponsor has retained Environmental Monitoring and Consulting Associates, (the "Consultant"), who has made a determination that there is Asbestos Containing Material ("ACM") in the building. The Consultant has prepared a report dated October 27, 1986 (the "Asbestos Report") containing a detailed inventory of the ACM in the premises, and whether the ACM presents any immediate health or safety hazard. The Asbestos Report contains recommendations for handling the ACM, how such recommendations should be implemented, and a recommended protocol for the future handling and maintenance of any ACM which will remain in the building. The full text of the Asbestos Report is annexed hereto as Exhibit A.

2. ASBESTOS LITIGATION UPDATE:

The Appellate Division, Third Department has recently ruled to sustain the decision of Judge O'Connor which upheld that part of the regulation requiring an ACM report and invalidating that part of the regulations, which required the Sponsor to pay for the cost of correcting or implementing the report's findings. Accordingly, the Sponsor will have no obligation to carry out the recommendations of the asbestos report or to escrow a sum of money sufficient to pay for said work.

3. The Plan will be further amended within 60 days to provide an addendum to the Asbestos Report which provides more information regarding the amount of ACM to be treated, removed or left undisturbed (or which provides cost estimates for same) and which includes an inspection of all accessible basement apartments.

4. The Offering Plan incorrectly states that the shareholders' maintenance charges include gas; maintenance charges do not include payment for gas for individual apartments.

5. There are no changes in the terms of this Offering Plan except as set forth in the First and this Second Amendment.

DAHILL PARK ASSOCIATES, SPONSOR



EM&CA

Environmental Monitoring & Consulting Associates

PO. BOX 872 • SOMERVILLE, NEW JERSEY 08876 • (201) 249-3005

ASBESTOS ASSESSMENT REPORT

36-58 DAHILL ROAD
BROOKLYN, NEW YORK

PREPARED FOR

MORRIS ROKOWSKY MANAGEMENT COMPANY
4819 13TH AVENUE
BROOKLYN, NEW YORK 11219

PREPARED BY

ENVIRONMENTAL MONITORING & CONSULTING ASSOCIATES
P.O. BOX 872
SOMERVILLE, NEW JERSEY

(201) 249-3005
(201) 526-1904



EM&CA

Environmental Monitoring & Consulting Associates

P.O. BOX 872 • SOMERVILLE, NEW JERSEY 08876 • (201) 249-3005

ASBESTOS BUILDING SURVEY

INTRODUCTION

Mr. Victor Fein of the Morris Rokowsky Realty Company authorized Environmental Monitoring & Consulting Associates to conduct an asbestos building survey at 36-58 Dahill Road, Brooklyn, New York.

The survey was conducted by EM&CA personnel Matt Morales and consists of the following:

1. A visual determination as to the extent of suspect materials and conditions of the materials in apartments, boiler/mechanical rooms, hallways, laundry rooms, storage rooms, etc.
2. A physical "Hands Pressure" test for determining friability and condition of suspect materials.
3. Assessment of suspect non-friable materials and location relations.
4. Sampling of suspect materials as per Section 763.4, Volume 47, No. 103 Federal Register, May 27, 1982.
5. Measurement of several factors associated with exposure potential assessment.
6. Provide interim remedial solutions to protect building occupants until long term solutions can be implemented.
7. Provide general operating procedures for accessing contaminated areas and performing minor maintenance work.

The results of the survey integrated with the Polarized Light Microscopy (PLM) analyses of bulk samples taken are outlined in this document.



EM&CA

Environmental Monitoring & Consulting Associates

P.O. BOX 872 • SOMERVILLE, NEW JERSEY 08876 • (201) 249-3005

COMMENTARY

ASBESTOS - A HEALTH HAZARD

Asbestos is a recognized hazard in occupational situations. However, there is currently very little information available on health risks from exposure to asbestos in residential apartment buildings with asbestos containing materials.

The presence of asbestos-containing materials in a building does not necessarily constitute an immediate health hazard. Yet all asbestos-containing materials have the potential to release asbestos fibers into the air if damaged or disturbed during building maintenance, renovation or repair.

It is strongly recommended that all applicable federal, state, and New York City asbestos-related regulations, standards and guidelines be applied to the situation at 36-58 Dahill Road. The U.S. EPA currently has asbestos-related documents available to building owners (Guidance for Controlling Asbestos Containing Materials in Buildings, EPA 550/5-85-024, June 1985). New York City is also currently promulgating asbestos regulations which will go into effect December 2, 1986.



Environmental Monitoring & Consulting Associates

P.O. BOX 872 • SOMERVILLE, NEW JERSEY 08876 • (201) 249-3005

Survey Methods

Bulk samples were collected and analyzed using Polarized Light Microscopy (PLM).

Asbestos containing insulation materials were assigned friability ratings of 1, 2 or 3. Materials assigned with a No. 1 friability rating are not friable, but should be periodically inspected for changes in its rating. Asbestos containing insulation materials found to have low friability have been assigned a No. 2 friability rating (difficult but possible to damage by hand). Highly friable asbestos insulation is given a No. 3 rating (fluffy, spongy or flaking). These materials should either be removed or repaired and encapsulated.

BUILDING DESCRIPTION

The building was constructed in 1950 and consists of eighty four apartment units. There is a a basement level, and six floors plus a garage.

FINDINGS

- 1) Basement - Asbestos pipe, elbow, valve and vessel insulation was found in the basement boiler room, hallway, work shop room, storage room adjacent to work shop room and storage room adjacent to laundry room. Removal or repair and encapsulation is recommended for all asbestos insulation in the general basement area.
- 2) Ten percent of all apartments (Apartment Nos. 1A, 1J, 1K, 2B, 3K, 4A, 4C, 4D, 4E, 4L, 4N) were inspected. Asbestos insulation was found in all rooms of the basement apartments (kitchen, bedroom, bathroom closet) only. Removal is recommended. It is believed that enough apartments were inspected to give an appropriate overview of the asbestos in the apartments.
- 3) There are pipe chases in the building where pipes lead vertically to the upper floors. These spaces that run up from the boiler room are most likely insulated with suspect materials. There may be many pipe chases in the building that are inaccessible and not seen by this inspector.

The condition of all of the insulation materials inspected the 36-58 Dahill Road apartment building ranges from fair to very poor. In many areas it is cracked and flaking and many of the joints in the insulation have become separated. There is evidence of general deterioration and in many cases severe damage due to



EM&CA

Environmental Monitoring & Consulting Associates

P.O. BOX 872 • SOMERVILLE, NEW JERSEY 08876 • (201) 249-3005

expansion and contraction of pipes, condensation, aging and pipe repair.

All of these conditions constitute what is called a "damaged/friable" state, meaning that there is a potential for fiber release into the air. Friable asbestos-containing materials pose a health hazard, as inhalation and ingestion of asbestos fibers is known to cause asbestosis, mesothelioma, lung and other cancers.

Based on the deteriorating condition of the asbestos-containing materials, the positive results from the lab and the continual need for employees and tenants to enter these areas it is recommended that these materials be removed or repaired and encapsulated.

CONCLUSIONS AND RECOMMENDATIONS

General and specific building recommendations are summarized in this section. Environmental Monitoring & Consulting Associates recommends establishing and implementing an Asbestos Management Program that includes the following:

- a) Appoint an asbestos program manager to oversee and coordinate all asbestos abatement activities, maintain detailed records of where asbestos material is, the condition of the material, the dates of inspections and any changes in the asbestos material condition.
- b) Establish an operations and maintenance program that defines and enforces work practices and procedures for routine maintenance work that takes place near or on either friable or non-friable asbestos containing materials and that may result in asbestos exposures to workers or building occupants. Examples are requiring the use of protective equipment by maintenance workers, limiting access to the immediate vicinity of the work area, lining the floor and walls with plastic sheeting, cleaning up the area at the end of work, decontamination of workers and tools prior to leaving a work area; etc.
- c) Establish a training program for Morris Rokowsky Management Company maintenance personnel including such topics as respirator usage, work area isolation, potential hazards of asbestos exposures and proper work methods.



EM&CA

Environmental Monitoring & Consulting Associates

P.O. BOX 872 • SOMERVILLE, NEW JERSEY 08876 • (201) 249-3005

- d) Establish a flagging system in the Facilities Planning Department to alert and inform Morris Rokowsky Management Company employees and outside contractors of potential asbestos hazards.
- e) Establish a disciplinary program to enforce work procedures.
- f) The eventual elimination of all friable asbestos containing materials building wide.
- g) Institute an air monitoring program to establish background airborne asbestos levels.
- h) Maintain records of all activities carried out under this program. For any abatement project, require the presence of an appropriately trained Morris Rokowsky Management Company safety manager representative to:
 - * Thoroughly inspect work area preparation and isolation systems before permitting the contractor to proceed. The inspection must confirm the sealing of air duct systems, the maintenance of sufficient negative pressures and adequate venting of the exhaust, the covering of all surfaces; etc.
 - * Require submittals from the contractor documenting that the contractor has experience in asbestos abatement work and that asbestos workers have been properly trained in the work and examined by a physician; etc.
 - * Frequently monitor the performance of the contractor. Causes for stopping the project should be specified. Examples are elevated fiber level in the clean area, unsafe work practices; etc.
 - * Thoroughly inspect the work area at the end of final cleanup and then verify that the airborne asbestos level is below the level for re-entry.



EM&CA

Environmental Monitoring & Consulting Associates

P.O. BOX 872 • SOMERVILLE, NEW JERSEY 08876 • (201) 249-3005

- * Verify proper disposal of the asbestos waste by the contractor.

10/27/86
Date

Joel Russell
President

MORRIS ROKOWSKY
REALTY COMPANY
36-58 DAHLI. ROAD
BROOKLYN, NEW YORK
SUMMARY OF RECOMMENDATIONS

SAMPLE ID	LOCATION/DESCRIPTION	COMPOSITION	PERCENT	FRIABILITY*	RECOMMENDATIONS
DAH-001	Boiler Room/Sample of Boiler Insulation	Chrysotile Asbestos....	50	2-(3 Where Damaged)	Remove or Repair & Encapsulate
		Calcite.....	30		
		Mineral Wool.....	15		
		Binders.....	5		
DAH-002	Boiler Room/Sample of Pipe Insulation	Chrysotile Asbestos....	60	2-(3 Where Damaged)	Remove or Repair & Encapsulate
		Cellulose.....	30		
		Ground Glass.....	10		
DAH-003	Boiler Room/Sample of Elbow Insulation	Chrysotile Asbestos....	60	2-(3 Where Damaged)	Remove or Repair & Encapsulate
		Cellulose.....	30		
		Ground Glass.....	10		
DAH-004	Boiler Room/Sample of Boiler Insulation	Chrysotile Asbestos....	50	2-(3 Where Damaged)	Remove or Repair & Encapsulate
		Calcite.....	30		
		Mineral Wool.....	15		
		Binders.....	5		
DAH-005	Basement/Work Shop/ Sample of Pipe Insulation	Chrysotile Asbestos....	60	2-(3 Where Damaged)	Remove or Repair & Encapsulate
		Cellulose.....	30		
		Ground Glass.....	10		
DAH-006	Basement/Work Shop/ Sample of Elbow Insulation	Chrysotile Asbestos....	60	2-(3 Where Damaged)	Remove or Repair & Encapsulate
		Cellulose.....	30		
		Ground Glass.....	10		

*Degrees Of Friability

1. No Friability
2. Low Friability (Difficult, But Possible To Damage By Hand)
3. High Friability (Fluffy, Spongy Or Flaking)

MORRIS ROKOWSKY
REALTY COMPANY
36-58 DANIELL ROAD
BROOKLYN, NEW YORK
SUMMARY OF RECOMMENDATIONS

SAMPLE ID	LOCATION/DESCRIPTION	COMPOSITION	PERCENT	FRIABILITY*	RECOMMENDATIONS
DAH-007	Basement/Work Shop/ Sample of Joint Insulation	Chrysotile Asbestos....	60	1-(3 Where Damaged)	Remove or Repair & Encapsulate
DAH-008	Basement/Work Shop/ Sample of Joint Insulation	Cellulose.....	30	1-(3 Where Damaged)	Remove or Repair & Encapsulate
DAH-009	Storage Room/ Adjacent To Work Shop/Sample of Joint Insulation	Ground Glass.....	10	1-(3 Where Damaged)	Remove or Repair & Encapsulate
DAH-010	Storage Room/ Adjacent To Work Shop/Sample of Pipe Insulation	Chrysotile Asbestos....	60	1-(3 Where Damaged)	Remove or Repair & Encapsulate
DAH-011	Storage Room/ Adjacent To Work Shop/Sample of Sheet Rock Material Insulation	Calcite.....	30		
		Diatomaceous Earth....	10		
DAH-012	Basement/Hallway Outside Storage Room/Sample of Pipe Insulation	Plaster.....	100	1	—
		Cellulose.....	100	1	—

*Degrees Of Friability

1. No Friability
2. Low Friability (Difficult, But Possible To Damage By Hand)
3. High Friability (Fluffy, Spongy Or Flaking)

MORRIS ROKOWSKY
REALTY COMPANY
36-58 DARIILL ROAD
BROOKLYN, NEW YORK
SUMMARY OF RECOMMENDATIONS

SAMPLE ID	LOCATION/DESCRIPTION	COMPOSITION	PERCENT	FRIABILITY*	RECOMMENDATIONS
DAII-013	Basement/Hallway Outside Storage Room/Sample of Elbow Insulation	Chrysotile Asbestos....	60	1-(3 Where Damaged)	Remove or Repair & Encapsulate
		Calcite.....	30		
		Diatomaceous Earth....	10		
DAII-014	Basement/Storage Room/Adjacent To Laundry Room/Sample of Pipe Insulation	Chrysotile Asbestos....	60	1-(3 Where Damaged)	Remove or Repair & Encapsulate
		Cellulose.....	30		
		Ground Glass.....	10		
DAII-015	Basement/Storage Room/Adjacent To Laundry Room/Sample of Joint Insulation	Chrysotile Asbestos....	60	1-(3 Where Damaged)	Remove or Repair & Encapsulate
		Calcite.....	30		
		Diatomaceous Earth....	10		
DAII-016	Basement/Apartment/ Kitchen/Sample of Pipe Insulation	Chrysotile Asbestos....	10	1-(3 Where Damaged)	Remove or Repair & Encapsulate
		Cellulose.....	85		
		Ground Glass.....	5		
DAII-017	Basement/Apartment/ Bedroom/Sample of Pipe Insulation	Chrysotile Asbestos....	60	1-(3 Where Damaged)	Remove or Repair & Encapsulate
		Cellulose.....	30		
		Ground Glass.....	10		
DAII-018	Basement/Apartment/ Closet Outside Bedroom/Sample of Pipe Insulation	Chrysotile Asbestos....	10	1-(3 Where Damaged)	Remove or Repair & Encapsulate
		Cellulose.....	85		
		Ground Glass.....	5		

*Degrees Of Friability

1. No Friability
2. Low Friability (Difficult, But Possible To Damage By Hand)
3. High Friability (Fluffy, Spongy Or Flaking)



ENVIRONMENTAL MONITORING

&

CONSULTING ASSOCIATES

STATEMENT OF QUALIFICATIONS



EM&CA

Environmental Monitoring & Consulting Associates

P.O. BOX 872 • SOMERVILLE, NEW JERSEY 08876 • (201) 526-1904

STATEMENT OF SERVICES

Environmental Monitoring and Consulting Associates asbestos abatement professionals have been involved in projects throughout the country at virtually every level of government. Through their training and field experience, EM&CA's asbestos personnel have become thoroughly familiar with national, state and local regulatory requirements governing asbestos abatement. The actual work product stresses and details regulatory safety compliance issues minimizing client liability by protecting the public, the client, and abatement construction workers, as well as EM&CA personnel.

SURVEYING

EM&CA's staff has surveyed over 400,000 square feet of floor space within buildings of all major construction types. Using accepted and proven protocol provides a reliable, comprehensive assessment of the client's facility when confirming the presence of building materials that contain both friable and non-friable asbestos.

SAMPLING

EM&CA has developed techniques of sampling through experience and extensive training as evidenced in the key personnel resumes. This provides our clients with a safe, reliable and statistically significant sampling program. The samples are taken and are well documented for accurate location and evaluation.

ANALYSIS

EM&CA's well staffed and fully accredited laboratory is available for both bulk asbestos and air sample filter analysis utilizing the latest accepted techniques employed by regulatory agencies. EM&CA participates regularly and successfully in both EPA and NIOSH quality control programs to assess the lab's proficiency in analysis of asbestos samples. Data from the quality control and



Environmental Monitoring & Consulting Associates

P.O. BOX 872 • SOMERVILLE, NEW JERSEY 08876 • (201) 526-1904

proficiency tests are available upon request. EM&CA is certified proficient in asbestos analysis by both NIOSH and the U.S. EPA.

ASSESSMENT

Accurate assessment of asbestos-containing building materials and abatement option recommendations are developed through expanding experience in construction, renovation and rehabilitation of building systems of all types, ages, and uses. Although EM&CA professionals depend upon training and use of the accepted criteria for accurate assessments, final recommendations rely heavily upon professional judgment and experience.

DESIGN

EM&CA's engineering design staff prepare detailed plans and specifications for the abatement of asbestos specifying either operations and maintenance procedures, encapsulation, enclosure or removal. It has been EM&CA's experience and the opinion of contractors and clients, that the more detailed the plans and specifications, the fewer the questions that arise and, consequently, the smoother and more satisfactory the project. Without details in specifying the abatement process, contractors cut corners to reduce costs. In many instances this can result in health and safety violations, poor abatement techniques, improper disposal of waste materials, or a more contaminated area than before abatement. Also, an unhappy client. The work product ensures that the job can be performed properly. The plans and specifications include schedules for conducting the work and accurate cost estimates for completing the job as specified.

ABATEMENT CONTRACTOR SELECTION

Prior to the designated date for selection of an abatement contractor (or bid date), EM&CA professionals conduct site orientation sessions to fully acquaint potential contractors with the unique characteristics of each project. Following receipt of the proposal or bids, EM&CA assists the client in reviewing and tabulating each, confirming contractor qualifications, and recommending award of contract. Construction time limits and a



EM&CA

Environmental Monitoring & Consulting Associates

P.O. BOX 872 • SOMERVILLE, NEW JERSEY 08876 • (201) 526-1904

progression schedule are then determined and applicable submittals are reviewed for compliance with EM&CA specifications.

ABATEMENT SURVEILLANCE

Understanding and expeditious management during the construction phase of a project are enhanced by EM&CA in-depth experience in all phases of asbestos abatement design. To meet a client's objectives economically and effectively, EM&CA construction management and services staff work as a team with the design engineers and abatement contractors to ensure that the design and contractual requirements are fulfilled. Construction services can be provided at any level of intensity desired by the client, ranging from weekly to full-time resident inspection. EM&CA recommends the more frequent schedule of inspection due to the pace at which abatement contractors complete each project. It is not uncommon for contractors to work continuous 24-hour shifts on removal, encapsulation, or enclosure projects.

AIR MONITORING AND CLEARANCE TESTING

EM&CA's trained industrial hygienists participate in the design of the air sampling procedures to be followed during the abatement process. Air monitoring is conducted to detect any increase in levels of fibers outside of the work site enclosure and "down stream" of negative air filtration equipment. The samples are analyzed by EM&CA professional microscopists trained and proficient in the NIOSH procedures for phase contrast air filter fiber analysis. EMC&CA technicians are certified by the State of New Jersey, Department of Health.

Following completion of the abatement project, EM&CA conducts clearance testing to verify that the abatement contractor has met the levels specified in the plans and specifications. When obtained, the project area is certified at that level.



EM&CA

Environmental Monitoring & Consulting Associates

P.O. BOX 872 • SOMERVILLE, NEW JERSEY 08876 • (201) 526-1904

DISPOSAL CERTIFICATION

When requested by the client, EM&CA certifies disposal of waste materials at approved landfills. Each load is inventoried and, when disposed of properly, certified as such. Many clients also request a survey of the disposal site and have the survey recorded in County and/or City records where the facility is located.

FRED DAVIS - ENVIRONMENTAL TECHNICIAN

Fred Davis - Environmental Technician, B.S., Environmental Studies/ Pollution Science, Cook College, Rutgers University. Mr. Davis has routinely performed asbestos surveys and inspections and is thoroughly experienced in asbestos analysis using Phase Contrast Microscopy and Polarized Light Microscopy. Mr. Davis is trained in the use and calibration of the GCA Fibrous Aerosol Monitoring (FAM-1) Instrument for instantaneous fiber readout in the field. Mr. Davis is a member of the Air Pollution Control Association and is currently completing his Masters Degree part time at Rutgers University.

ANN RUSSELL - OFFICE MANAGER

Ann Russell - Office Manager. Ms. Russell is responsible for all office management functions. She also handles all corporate travel reservations and serves as corporate secretary and corporate treasurer. Prior to joining EM&CA she served as Office Manager of a large central New Jersey travel agency. Ms. Russell attended Rahway High School and New York University.

ASBESTOS ABATEMENT PROJECTS - PAGE 1

Environmental Monitoring & Consulting Associates
Somerville, New Jersey

PROJECT	DESCRIPTION	CLIENT
Asbestos Removal Project Bridgewater Raritan Board of Ed. Bridgewater, New Jersey	Air Monitoring and Inspection During Removal	Dr. Peter Mazurek 33 Second Street Bridgewater, N.J. 08869
Asbestos Removal Project Kinnelon Board of Education	Air Monitoring and Inspection During Removal at Kiel School	Mr. Grau 115 Kiel Avenue Kinnelon, N.J. 07405
Asbestos Removal Project Morris Hills Regional District	Air Monitoring and Inspection During Removal at Morris Hills High School	Dr. Malcomb Conner Knoll Drive Denville Mtd. #3 Rockaway, N.J.. 07866
EPA Asbestos Inspection First Fidelity Bank Newark, New Jersey	Inspection of various bank branches for Friable Asbestos	Mr. Joe Wesley 810 Broad Street Newark, N.J. 07193
EPA Asbestos Inspection Chichester School District Aston, Pennsylvania	Inspection of 12 School Buildings for Friable Asbestos Insulation Materials	Dr. Samuel Ferrante Cherry Tree Road Aston, P.A. 19014
EPA Asbestos Inspection Somerset Medical Center Somerville, New Jersey	Inspection of Entire Medical Center for Friable Asbestos Insulation Materials	Mr. Ed Champeil 14 Rehill Avenue Somerville, N.J. 08876
Asbestos Removal Project Hunterdon Central Board of Education	Air Monitoring and Inspection During Removal at Hunterdon Central High School	Mr. Fred Wolsiefer Route 31 Flemington, N.J. 08822

ASBESTOS ABATEMENT PROJECTS - PAGE 2

Environmental Monitoring & Consulting Associates
Somerville, New Jersey

PROJECT	DESCRIPTION	CLIENT
EPA Asbestos Inspection Wallingford-Swarthmore School District	Inspection of 9 School Buildings for Friable Asbestos Insulation Materials	Dr. George Slick 200 South Providence Road Wallingford, P.A. 19086
EPA Asbestos Inspection New York Times Building New York, New York	Inspection of Entire Production Facility for Friable Asbestos Insulation Materials	Mr. Peter Kolb Facility Planning 229 West 43rd Street New York, N.Y. 10036
EPA Asbestos Inspection Abbott Free Union School District Irvington, New York	Inspection of Main High School Building and Auxilliary Middle School	Mr. S. Ford, Asst. Suptndt. 100 North Broadway Irvington, N.Y. 10533
Asbestos Removal Project PSE & G Bergen Generating Station Bergen, New Jersey	Air Monitoring and Inspection During Removal	Mr. Jim Bocksteigel Babcock & Wilcox 1810 Chapel Avenue Cherry Hill, N.J. 08002
Asbestos Removal Project West Orange Board of Education West Orange, New Jersey	Air Monitoring and Inspection During Removal at West Orange High School	Mr. Jim Kreiger 179 Eagle Rock Avenue West Orange, N.J. 07052
Asbestos Removal Project Wall Township Board of Education Wall, New Jersey	Air Monitoring and Inspection During Removal at Wall High School	Mr. Ed Moss P.O. Box 1199 Wall, N.J. 07719
Asbestos Removal Project Fort Jackson Army Base Columbia, South Carolina	Air Monitoring and Inspection During Removal at Various Buildings	Mr. Nelson Foucher Interstate Asbestos Removal Corp. 14 First Street Staten Island, N.Y. 10306

ASBESTOS ABATEMENT PROJECTS - PAGE 3

Environmental Monitoring & Consulting Associates
Somerville, New Jersey

PROJECT	DESCRIPTION	CLIENT
Asbestos Removal Project Scotch Plains Fanwood Bd. of Ed. Scotch Plains, N.J.	Inspection and Air Monitoring During Removal at Brunner, Cole, Terrill and McGinn Schools	Ms. Lyn Pierce Evergreen & Cedar Street Scotch Plains, N.J. 07076
Asbestos Removal Project Plumstead Township School District New Egypt, N.J.	Inspection and Air Monitoring During Removal at New Egypt Elementary School	Mr. Rocco Gambacorta 44 North Main Street New Egypt, N.J. 08533
Asbestos Removal Project East Hanover Bd. of Ed. East Hanover, N.J.	Inspection and Air Monitoring During Removal at East Hanover Middle School	Mr. Manuel Deus 20 School Avenue East Hanover, N.J. 07936
Asbestos Removal Project Hanover Park Regional H.S. District East Hanover, N.J.	Inspection and Air Monitoring During Removal at Whippany Park and Hanover Park High School	Dr. John W. Adamus 75 Mt. Pleasant Avenue East Hanover, N.J. 07936
Asbestos Removal Project Burlington Bd. of Ed. Burlington, N.J.	Inspection and Air Monitoring During Removal at Burlington City High School	Mr. Hobart Stecher 518 Locust Avenue Burlington, N.J. 08016
Asbestos Removal Project Denville Bd. of Ed. Denville, N.J.	Inspection and Air Monitoring During Removal at Riverview and Lakeview Schools	Mr. Tony Mrozinski Openaki Road Denville, N.J. 07834
Asbestos Removal Project Stanhope Bd. of Ed. Stanhope, N.J.	Inspection and Air Monitoring During Removal at Stanhope Public School	Mr. John Ammons Valley Road Stanhope, N.J. 07874

ASBESTOS ABATEMENT PROJECTS - PAGE 4

Environmental Monitoring & Consulting Associates
Somerville, New Jersey

PROJECT	DESCRIPTION	CLIENT
Asbestos Removal Project Pemberton Twp. Bd. of Ed. Browns Mill, N.J.	Air Monitoring During Removal at Stackhouse, Harker Wyle, Emmons, Newcomb and Pemberton High School	Mr. Richard Reeves P.O. Box 98 Browns Mills, N.J. 08015
Asbestos Removal Project Ewing Board of Education Ewing, N.J.	Inspection and Air Monitoring During Removal at William Anthell Middle School	Mr. John Gusz 220 Ewingville Road Ewing, N.J. 08638
Asbestos Removal Project Eatontown Bd. of Ed. Eatontown, N.J.	Air Monitoring Before Removal at Meadowbrook, Woodmere, Steelman, and Vetter Schools	Ms. Donna Cubit-Swoyer 215 Broad Street Eatontown, N.J. 07721
Asbestos Removal Project Ridgefield Park High School Ridgefield Park, N.J.	Inspection and Air Monitoring During Removal at Ridgefield Park High School	Mr. Steve Stavrou Ridgefield Park Board of Ed. Ridgefield Park, N.J. 07660
Asbestos Removal Project Weston School Manville, N.J.	Inspection and Air Monitoring During Removal at Weston School	Mr. John Sincaglia Manville Board of Ed. 1100 Brooks Boulevard Manville, N.J. 08835
Asbestos Removal Project Rutherford Bd. of Ed. Rutherford, N.J.	Air Monitoring During Removal at Rutherford High School	Mr. Leon Auger 176 Park Avenue Rutherford, N.J. 07070
E.P.A. Asbestos Inspection Dorchester and Woodcliff Schools Woodcliff Lake, N.J.	Air Monitoring and EPA Asbestos Survey at Dorchester and Wood- cliff Schools	Ms. Kate Clement Woodcliff Lake Board of Ed. C.O. Dorchester School Woodcliff Lake, N.J. 07675

ASBESTOS ABATEMENT PROJECTS - PAGE 5

Environmental Monitoring & Consulting Associates
Somerville, New Jersey

PROJECT	DESCRIPTION	CLIENT
Asbestos Removal Project Rahway Board of Ed. Rahway, N.J.	Inspection and Air Monitoring During Removal at Grover Cleveland School	Mr. Anthony Rocco, Jr. P.O. Box 42 Rahway, N.J. 07208
Asbestos Removal Project West Orange Bd. of Ed. West Orange, N.J.	Air Monitoring During Removal at St. Cloud, Lincoln, Gregory, Wash- ington and Mountain Schools	Mr. Kreiger 179 Eagle Rock Avenue West Orange, N.J. 07052
EPA Asbestos Inspection Red Clay School District Wilmington, Delaware	Inspection of 22 School Buildings For Friable Asbestos Insulation Materials	Mr. John Shaw 1400 Washington Avenue Wilmington, Delaware 19899
EPA Asbestos Inspection Brandywine School District Wilmington, Delaware	Inspection of 23 School Buildings For Friable Asbestos Insulation Materials	Mr. Dane Brandenberger Pennsylvania Avenue Claymont, Delaware 19703
EPA Asbestos Inspection Del Tech Community College Wilmington, Delaware	Inspection of Del Tech Community College - Stanton and Wilmington Campuses	Mr. Paul Bryant 400 Stanton Christiana Road Newark, Delaware 19702
Asbestos Removal Project South Amboy Board of Ed. South Amboy, N.J.	Inspection and Air Monitoring During Removal at the Elementary School	Mr. Mike Poll 240 John Street South Amboy, N.J. 08879
EPA Asbestos Inspection Fairleigh Dickenson University Madison, N.J.	Air Monitoring and EPA Asbestos Survey	Mr. Bill Hall FED 285 Madison Avenue Madison, N.J. 07940

ASBESTOS ABATEMENT PROJECTS - PAGE 6

Environmental Monitoring & Consulting Associates
Somerville, New Jersey

PROJECT	DESCRIPTION	CLIENT
Asbestos Removal Project Roxbury Board of Education Succasunna, N.J.	Inspection and Air Monitoring During Removal at Lincoln and Roosevelt Schools	Mr. Andy George 25 Meeker Street Succasunna, N.J.
Asbestos Abatement Project North Brunswick Board of Education North Brunswick, N.J.	Analysis of Bulk Samples from Various North Brunswick Schools	Mr. Robert Blessing North Brunswick Board of Ed. North Brunswick, N.J.
EPA Asbestos Inspection N.J. Department of Defense Trenton, N.J.	Inspection at Cape May, Toms River, Trenton, Cherry Hill, Dover Armories	Ms. Barbara Cantor N.J. Department of Defense Trenton, N.J. 08625
EPA Asbestos Inspection N.J. Transit Five Facilities in N.J.	Inspection at Maplewood, Elizabeth Camden, Paterson and Jersey City Garages	Zywtow & Eckert 105 South Harrison Street East Orange, N.J. 07018
Asbestos Abatement Project Metropolitan Realty Management New York, N.Y.	Inspection and Air Monitoring During Remodeling at Pan Am Building	Mr. Richard Tesero 200 Park Avenue New York, N.Y. 10166
EPA Asbestos Inspection Jacoby & Meyers Office New York, N.Y.	Inspection of Office Building at 1457 Broadway, New York, N.Y..	Mr. Hugh Larkin 1457 Broadway New York, N.Y. 10017
EPA Asbestos Inspection Rose Tree Media School District Media, Pennsylvania	Inspection of Penncrest High School for Friable Asbestos Insulation Materials	Dr. Dave Campbell 901 North Providence Rd. Media, P.A. 19063

ASBESTOS ABATEMENT PROJECTS - PAGE 7

Environmental Monitoring & Consulting Associates
Somerville, New Jersey

PROJECT	DESCRIPTION	CLIENT
Asbestos Removal Project Kennedy Airport, British Airways Terminal	Inspection and Air Monitoring During Removal at British Airways Terminal	Mr. Pat Sorensen TAMS Engineering 655 Third Avenue New York, N.Y. 10017
Asbestos Removal Project First Bank of New York New York, N.Y.	Inspection and Air Monitoring During Removal at First Bank of New York	Mr. Bruno Richter/President First Bank of New York 350 Park Avenue New York, N.Y. 10022
Asbestos Abatement Projects Chemical Bank Offices New York, N.Y.	Inspection and Analysis of Bulk Sam- ples from Various Offices	Tim Sekulic/Drew Engineering 262 Main Street Chatham, N.J., 07928
Asbestos Removal Project Westchester Community College Westchester, N.Y.	Inspection and Air Monitoring During Removal at Science Building	Ms. Roellen Garito Asbestos Corporation of America 791 Nepperhan Avenue Yonkers, N.Y. 10703
Asbestos Removal Project Scarsdale Board of Ed. Scarsdale, N.Y.	Inspection and Air Monitoring During Removal at Seely Place School and Edgemont High School	Ms. Roellen Garito Asbestos Corporation of America 791 Nepperhan Avenue Yonkers, N.Y. 10703
Asbestos Removal Project Westchester Medical Center Westchester, N.Y.	Inspection and Air Monitoring During Removal at the Heating Plant	Ms. Roellen Garito Asbestos Corporation of America 791 Nepperhan Avenue Yonkers, N.Y. 10703

ASBESTOS ABATEMENT PROJECTS - PAGE 8

Environmental Monitoring & Consulting Associates
Somerville, New Jersey

PROJECT	DESCRIPTION	CLIENT
Asbestos Removal Project Congers Board of Ed. Congers, N.Y.	Air Monitoring and Inspection at Congers Elementary School	Ms. Roellen Garito Asbestos Corporation of America 791 Nepperhan Avenue Yonkers, N.Y. 10703
Asbestos Removal Project Schulman Office Complex White Plains, N.Y.	Inspection and Air Monitoring During Removal at 3 Corporate Park, White Plains, N.Y.	Ms. Roellen Garito Asbestos Corporation of America 791 Nepperhan Avenue Yonkers, N.Y. 10703
Asbestos Removal Project Olivetti Office Complex White Plains, N.Y.	Inspection and Air Monitoring During Removal at Office Complex	Ms. Roellen Garito Asbestos Corporation of America 791 Nepperhan Avenue Yonkers, N.Y. 10703
Asbestos Removal Project Mayflower School New Rochelle, New York	Inspection and Air Monitoring During Removal	Ms. Roellen Garito Asbestos Corporation of America 791 Nepperhan Avenue Yonkers, N.Y. 10703
Asbestos Abatement Projects Chubb Insurance Co. New York, N.Y.	Bulk Sample Testing From Various Chubb Clients	Mr. Joseph Ciepierski Chubb Insurance Co. 1211 Avenue of Americas New York, N.Y. 10036
Asbestos Removal Project Hun School Princeton, New Jersey	Inspection and Air Monitoring During Removal at Hun School	Mr. Marrio Mazza Mazza & Sons 3230 Wychoff Road Oakhurst, N.J. 07755

ASBESTOS ABATEMENT PROJECTS - PAGE 9

Environmental Monitoring & Consulting Associates
Somerville, New Jersey

PROJECT	DESCRIPTION	CLIENT
Asbestos Removal Project Village School Holmdel, New Jersey	Inspection and Air Monitoring During Removal at Village School	Mr. Marrio Mazza Mazza & Sons 3230 Wychoff Road Oakhurst, N.J. 07755
Asbestos Removal Project Indian Hill School Holmdel, New Jersey	Inspection and Air Monitoring During Removal at Indian Hill school	Mr. Marrio Mazza Mazza & Sons 3230 Wychoff Road Oakhurst, N.J. 07755
Asbestos Removal Project Trenton State Prison Trenton, New Jersey	Inspection and Air Monitoring During Removal at Trenton State Prison	Mr. Marrio Mazza Mazza & Sons 3230 Wychoff Road Oakhurst, N.J. 07755
Asbestos Removal Project Garrison Free Union School Garrison, New York	Inspection and Air Monitoring During Removal at Garrison Free Union School	Mr. Eugene Carcone Industrial Safety Consultants P.O. Box 473 Marcy, N.Y. 13403
Asbestos Removal Project Bedford Fox Lane School Mt. Kisco, N.Y.	Inspection and Air Monitoring During Removal	Mr. Eugene Carcone Industrial Safety Consultants P.O. Box 473 Marcy, N.Y. 13403
Asbestos Removal Project VA Medical Center North Chicago Illinois	Inspection and Air Monitoring During Removal at North Chicago VA Medical Center	Johns Insulation 44-10 30th Avenue Long Island City, N.Y. 11103

ASBESTOS ABATEMENT PROJECTS - PAGE 10
Environmental Monitoring & Consulting Associates
Somerville, New Jersey

PROJECT	DESCRIPTION	CLIENT
Asbestos Removal Project Jenkintown High School Philadelphia, PA	Inspection and Air Monitoring During Removal at Jenkintown High School	Mr. Bob Tarr 4521 Worth Street Philadelphia, PA 19124
Asbestos Removal Project VA Medical Center Beckley W.V.	Inspection and Air Monitoring During Removal	Mr. Nelson Foucher Jencris/Alpine Corp. 14 First Street Staten Island, N.Y. 10306
Asbestos Removal Project VA Medical Center Washington. D.C.	Inspection and Air Monitoring During Asbestos Removal at Washington VA Medical Center	Mr. Nelson Foucher Jencris/Alpine Corp. 14 First Street Staten Island, N.Y. 10306
Asbestos Removal Project F.A.A Technical Center Atlantic City, New Jersey	Inspection and Air Monitoring During Asbestos Removal at F.A.A. Technical Center	Mr. Claude Barnaby Jencris/Alpine Corp. 14 First Street Staten Island, N.Y. 10306
Asbestos Removal Project Ossining Board of Ed. Ossining, New York	Air Monitoring and Inspection During Removal at P.S. 148	Mr. Claude Barnaby Jencris/Alpine Corp. 14 First Street Staten Island, N.Y. 10306
Asbestos Removal Project Philadelphia Main Post Office Philadelphia, PA	Inspection and Air Monitoring During Removal	Mr. Nelson Foucher Jencris/Alpine Corp. 14 First Street Staten Island, N.Y. 10306

ASBESTOS ABATEMENT PROJECTS - PAGE 11

Environmental Monitoring & Consulting Associates
Somerville, New Jersey

<u>PROJECT</u>	<u>DESCRIPTION</u>	<u>CLIENT</u>
Asbestos Removal Project Lawrence Board of Ed. Lawrence, New York	Air Monitoring and Inspection During Removal at Lawrence High School	Mr. Claude Barnaby Jencris/Alpine Corp. 14 First Street Staten Island, N.Y. 10306



United States
Environmental Protection Agency

Air Pollution Training Institute

Joel F. Russell

has successfully completed

Course 420

Air Pollution Microscopy

R. Alan Schuler

Program Manager,
Air Pollution Training Institute

Jean J. Schueneman

Chief, Manpower and
Technical Information Branch



this 16th day of May, 1980

David L. Kirby

Course Moderator

3 CEUs

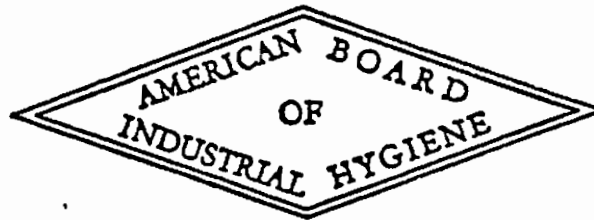
MCCRONE RESEARCH INSTITUTE



John G. Kelly

Walter C. McCrone

THE AMERICAN BOARD OF INDUSTRIAL HYGIENE
INCORPORATED



Organized to improve the practice and educational standards
of the profession of Industrial Hygiene.

This is to certify that

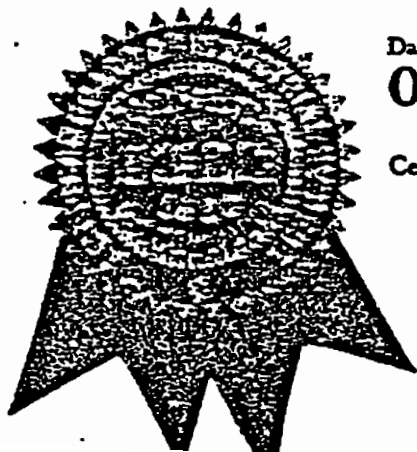
Edward J. Bulava

has met the requirements of this Board through his education, experience,
and professional ability, and is hereby certified in the

COMPREHENSIVE PRACTICE

of

INDUSTRIAL HYGIENE



Date
October 31, 1979

Certificate Number

1651

Newell E. Bolton
Chairman of the
Board of Directors
Henry J. Murchio
Secretary

QUALITY ASSURANCE PROGRAM

EMCA will provide Quality Assurance (Q.A.) monitoring during the entire removal project. Our Quality Assurance Program is designed to help ensure contractor compliance with specifications and to quickly identify and correct potential problem areas. Our program will help prevent the occurrence of major safety and health problems and major time delays.

The Quality Assurance Program has two major parts: 1) monitoring for airborne asbestos fibers and 2) supervision and inspection of the abatement operation.

Air monitoring includes:

- Pre abatement air monitoring (records conditions before abatement activity)
- Daily air monitoring during the abatement project
- Post abatement air monitoring (to ensure that areas are safe for occupancy)
- Analysis of air samples in accordance with approved methods

Supervision and Inspection includes:

- Supervision of contractor for conformance with environmental safety aspects of specifications
- Inspection of containment systems to ensure that they are properly installed and maintained.
- Inspection to confirm that the contractor is adhering to all applicable State and Federal regulations
- Maintenance of daily inspection logs and reports of activities, potential problems and corrective measures taken

Our program meets, and in most instances exceeds the OSHA regulations on asbestos, Section 1910.1001, and the EPA regulations on the National Air Standards for Hazardous Air Pollutants (40 CFR 61 Subpart A and B).

We closely follow the procedures approved by EPA for asbestos monitoring. These are contained in the EPA publication, "Asbestos Containing Materials in School Buildings: A Guidance Document, Parts 1 and 2 (EPA 560/5-83/002)". The laboratory technician who conducts the sample analysis and fiber counting participates, on a continuing basis, in the NIOSH Proficiency Analytical Testing (PAT) Program for asbestos.

A description of the detailed aspects of the Q.A. Program is as follows:

1. PRE REMOVAL MEETING: A representative of our firm will attend the preconstruction meeting with the major participants in the removal project. Our function at this meeting will be to answer questions, determine contractor qualifications, coordinate our efforts with the project team, make recommendations concerning

the environmental and safety aspects of the project, and assist in establishing a time schedule for critical points of services that will minimize delays.

2. PRE-REMOVAL AIR MONITORING: Initial samples shall be taken of the ambient conditions before the contractor begins work at the site. This will establish background conditions before removal activity. If proper removal procedures and clean up procedures are used, TWA taken after removal should be no greater than the initial sample count for the same area, whichever is less. Pre-tests will be taken in each of the removal areas.
3. PRE-REMOVAL INSPECTION: An inspection will be conducted of the asbestos removal areas prior to removal. This will document the existing conditions and attempt to isolate potential problem areas that may contribute to increased fiber release during installation of containment systems. If areas are found where a high likelihood of fiber release exists, recommendations may be made for some worker protection equipment during containment system installation (i.e., respirators).
4. CONTAINMENT SYSTEM INSPECTIONS: After the contractor has isolated the work area, the containment system will be inspected. This includes inspection of the entire containment system:
 - a) Plastic sheeting over floors, vents, doors, windows, corridors, skylights, etc.
 - b) Double barriers - at all entrances and exits to work area.
 - c) Decontamination chamber - for changing, showering and proper equipment handling

This is done to insure that containment systems are properly installed in order to help prevent possible contamination of adjacent areas. The system will be reviewed in relation to the specifications, EPA regulations and OSHA regulations.
5. AIR MONITORING: As per Federal and State regulations, monitoring for airborne asbestos fibers will be conducted during asbestos removal. Samples will be taken daily. Sampling devices will be placed as follows:
 - a) In the immediate area of the removal work. Samples taken in this area should represent, with reasonable accuracy the airborne asbestos concentration which may reach the breathing zone of removal personnel. At times, one asbestos worker shall be required to wear a sampling device.
 - b) Within the work space for the purpose of determining the number of fibers which are becoming airborne.

- c) Outside the work area, but inside the building for the purposes of determining if fibers are escaping into adjacent areas of the building. This sampling device will be placed in locations where potential contamination could occur and will be moved periodically to assess the contamination potential of adjacent areas at all critical points in the containment system.
- d) Outside the building, in order to assess the potential fiber release to the environment. This sampling device will also be moved periodically in order to assess all critical points in the exterior containment system.

6. QUALITY ASSURANCE INSPECTIONS: A daily inspection program will be established and conducted throughout the removal phase. The Q.A. individual will be on the job site throughout the removal phase to quickly identify potential problems and initiate corrective action. The inspector will check to see that:

- The containment systems are being properly maintained
- The specifications are being strictly adhered to
- All procedures agreed to in the pre construction meeting are being met
- All safety and environmental standards of EPA, OSHA and others are being met.
- All applicable time schedules and deadlines are being met

7. POST REMOVAL AIR MONITORING: After the removal phase has been completed and all clean up work done, post testing will be conducted and a certified lab report submitted. Once a satisfactory report is received, a certificate of occupancy can be administered allowing new construction/restoration to begin.

As soon as possible after each area is cleaned (provided no further contamination is expected), the post test will be conducted. This will allow new construction/restoration to begin in that area while removal is proceeding in other areas. The smooth and efficient execution of this step is critical in order to reduce total project time and meet the tight time table for reopening.

8. POST REMOVAL INSPECTION: An inspection of the work site will be made after asbestos removal and clean up, but before commencement of replacement activities. This inspection will insure that the work area is safe for general occupancy.

Air monitoring will be performed in accordance with standards as set forth by the National Institute of Occupational Safety and Health (NIOSH). Air monitoring and laboratory analysis procedures are in accordance with

OSHA regulation No. 1910.1001 and NIOSH Procedure and Certified Analytical Method No. 239.

Sampling is conducted by personnel type portable vacuum pumps. Air is drawn through a 37mm, 0.8 micron AA type membrane filter. Filters collected during sampling are then analyzed using a Phase Contrast Microscope to count total fibers.

The Q.A. personnel will maintain a continuous log and record of all activity during the removal process. This log will note:

- ° Starting and ending dates and times
- ° Times of inspections and information worth noting
- ° Problem areas detected and corrective action taken
- ° The arrival of new removal personnel and the review of their credentials
- ° Pertinent information concerning sampling devices location and performance
- ° How the sequence of work is proceeding in relation to the project schedule and pre construction meeting
- ° Any and all other data essential for maintaining a complete record of the removal program and the quality of the job done

EQUIPMENT RELATED TO ASBESTOS SAMPLING AND ANALYSIS

- I. Three Olympus binocular optical microscopes with all options required to perform asbestos analysis by polarized light microscopy using dispersion staining with or without central stops. Phase contrast microscope and accessories for performing airborne asbestos analysis and fiber counting. Magnification to 1000 Power on all optical microscopes.
- II. Three GCA Fibrous Aerosol Monitors (FAM) for instantaneous airborne asbestos levels.
- III. JEOL Model SEM 120 Scanning Electron Microscopy (magnifications up to 30,000X) with photographic accessories.
- IV. JEOL Model TEM 120 Transmission Electron Microscopy (resolution to 30 Angstroms) with optional Selected Area Electron Diffraction (SAED), and photographic accessories.
- V. Sixty five high volume airborne particulate sample pumps and filter attachments requiring 110 volts AC, but completely portable in all other aspects.
- VI. Fifty portable Gilliam model HFS-113-DK air sampling pumps.
- VII. All necessary air flow calibration equipment (rotometers, wet test meters and bubble tubes) needed for use in calibrating the sampling pumps.
- VIII. Two General Electric GNI X-Ray diffraction spectrometers with powder cameras and Laue cameras for single crystals.
- IX. Phillips (Phillips North American) X-Ray Diffractometer model 12045 with both powder camera and crystal scanning accessory.

TRANSMISSION ELECTRON MICROSCOPY

ENVIRONMENTAL MONITORING &

CONSULTING ASSOCIATES

Environmental Monitoring & Consulting Associates has routinely monitored airborne asbestos levels in public and private school buildings as well as in the ambient air. We have conducted studies with Transmission Electron Microscopy (TEM) comparing airborne levels in buildings before and after sprayed on asbestos containing insulation materials were removed.

We have worked extensively with airborne asbestos fibers in the submicrometer range and have found TEM with Select Area Electron Diffraction (SAED) to be the most accurate test method. The electron beam is focused on a small area (approx. 5 square microns) of a fiber so that electrons are diffracted by the fibers molecular crystal structure and an identifying pattern appears on the screen. Crystallographic data obtained using SAED is specific for the asbestos mineral type present and is required for definite identification.

Fiber identification and counting is carried out by direct observation of the fluorescent viewing screen at magnifications of 20,000 - 30,000 X. The total length of asbestos fibers are recorded for any fiber not excluded on the basis of morphology or SAED pattern. The concentration of airborne asbestos fibers is calculated by converting the total length of asbestos fibers into a mass value by assuming an average fibril diameter of 340 Angstroms.

AIRBORNE ASBESTOS ANALYSIS WITH
PHASE CONTRAST MICROSCOPY
ENVIRONMENTAL MONITORING AND
CONSULTING ASSOCIATES

Phase contrast microscopy is the test method used for determining compliance with U.S. Environmental Protection Agency and Occupational Safety and Health Administration regulations for airborne asbestos concentrations. The purpose of the test is to determine employee exposure to airborne asbestos fibers. It is primarily a personnel monitoring technique, but it is also used for area monitoring.

Environmental Monitoring & Consulting Associates participates in the National Institute for Occupational Safety and Health Administration Proficiency Analytical Testing (PAT) Program for airborne asbestos and is certified proficient. The analytical technique consists of pumping a known volume of air through a 0.8 micron cellulose ester membrane filter. The opaque solid membrane filter is transformed into a transparent optically homogenous gel by treatment with a special solvent. The fibers are sized and counted using transmitted light and a phase contrast objective at 400 X.

Phase contrast microscopy is based entirely on particle morphology rather than on specific chemical properties. Any fiber having an aspect ratio greater than 3:1 and a length of 5 microns or greater is counted. Unlike electron microscopy, the method does not distinguish asbestos fibers from other fibrous particulates. However, under certain conditions, phase contrast microscopy is considered to be a reliable indicator of airborne asbestos levels.

IDENTIFICATION OF ASBESTOS IN BUILDING MATERIALS

ENVIRONMENTAL MONITORING &

CONSULTING ASSOCIATES

Environmental Monitoring & Consulting Associates routinely samples and tests for asbestos fibers in insulation and other building material samples and has provided expert testimony on test results. We are on the US EPA list of laboratories approved for asbestos identification. We use the US EPA recommended method of polarized light microscopy (ref: Asbestos Containing Materials in School Buildings: A Guidance Document, EPA/OPTS # C00090, March 1979).

Bulk samples of building materials are first examined for homogeneity at low magnification with the aid of a stereomicroscope. If discrete strata are identified each is treated as a separate material so that fibers are identified and quantitated in that layer and then as a fraction of the entire sample. Positive identification of suspect fibers is made by analysis of subsamples with the polarized light microscope.

The determination of optical properties such as refractive index, birefringence, extinction, morphology, color and sign of elongation are used to differentiate between the various types of asbestos. Refractive indices are determined by either the Becke line test or dispersion staining. Sign of elongation is determined by the use of the First Order Red 1 Retardation Plate and crossed polars.

JOEL RUSSELL - PRESIDENT

Joel Russell - President, M.S. Environmental Engineer. Mr. Russell has performed numerous asbestos surveys and inspections, prepared expert reports and has analyzed thousands of bulk and airborne asbestos samples for public and private school boards, architects, hospital administrators and government clients throughout the United States. He has also served as a witness at asbestos litigation hearings and has provided expert testimony on asbestos exposure levels and their health consequences. Mr. Russell is an instructor on airborne asbestos monitoring methods and practices at the EM&CA State of New Jersey approved asbestos removal worker training classes. Mr. Russell has attended the McCrone Research Institute internationally recognized course on asbestos identification. He has also attended the US Environmental Protection Agency Air Pollution Training Institute Course on Air Pollution Microscopy. Mr. Russell is a member of the American Industrial Hygiene Association, American Society of Civil Engineers, Air Pollution Control Association and the American Chemical Society.

DR. JOSEPH BOZZELLI - ASSOCIATE

Dr. Joseph Bozzelli - Associate, Ph.D., Chemical Engineering. Dr. Bozzelli has extensive experience in conducting asbestos surveys and inspections and has routinely performed asbestos analysis using Scanning and Electron Microscopy with Select Area Electron Diffraction, Phase Contrast Microscopy and Polarized Light Microscopy. Dr. Bozzelli has taken courses on asbestos identification and has utilized electron microscopy to a significant degree. He is an associate on several research projects with the United States Environmental Protection Agency and the New Jersey Department of Environmental Protection. Dr. Bozzelli has over 20 scientific publications to his credit including "Airborne Asbestos Levels in Several School Buildings Before and After Bulk Asbestos Removal". Dr. Bozzelli is a member of the American Chemical Society and the Air Pollution Control Association.

GEORGE GREENBERG, P.E. - ASSOCIATE

George Greenberg, P.E. - Associate. Bachelor of Electrical Engineering, M.S. - Industrial Engineering. Mr. Greenberg has experience conducting asbestos assessment surveys, preparing plans and specifications for abatement action and administration of construction contracts for corrective action. He has experience performing construction administration for general construction for over twenty years. Mr. Greenberg has taught asbestos abatement training seminars to asbestos removal workers. Mr. Greenberg is a licensed Professional Engineer in both New Jersey and New York.

EDWARD BULAVA - INDUSTRIAL HYGIENIST

Edward Bulava - Industrial Hygienist, B.S., Chemistry. Mr. Bulava has eighteen years experience as an Industrial Hygienist. He has conducted a great variety of asbestos health hazard investigations in public and private schools, industrial plants, office buildings and hospitals. He is certified by NIOSH for sampling and evaluating airborne asbestos dust. Mr. Bulava is thoroughly familiar with all asbestos testing methods including Scanning and Transmission Electron Microscopy, X-Ray Diffraction, Phase Contrast Microscopy and Polarized Light Microscopy. Mr. Bulava is a member of the American Industrial Hygiene Association and the American Academy of Industrial Hygiene.

PATRICK SISK - SENIOR ENVIRONMENTAL TECHNICIAN

Patrick Sisk - Senior Environmental Technician, B.S. Environmental Science, Rutgers University. Mr. Sisk is experienced in all aspects of asbestos removal projects and has performed inspections and monitoring at public and private schools, hospitals and office buildings. Mr. Sisk is trained in the use and calibration of the GCA Fibrous Aerosol Monitoring (FAM-1) Machine. He is also trained to perform airborne asbestos fiber counting using Phase Contrast Microscopy, NIOSH Method No. 7400. Mr. Sisk is a member of the Air Pollution Control Association.

JEFF DOUCETTE - SENIOR ENVIRONMENTAL TECHNICIAN

Jeff Doucette - Environmental Technician, B.S., Environmental Studies/Pollution Science, Cook College, Rutgers University. Mr. Doucette has performed numerous asbestos surveys and inspections at EM&CA for various public and private clients. He is thoroughly familiar with all U.S. Environmental Protection Agency, N.J. Department of Environmental Protection and OSHA regulations covering asbestos removal and disposal. He has been trained to conduct airborne asbestos monitoring in accordance with NIOSH Method No. 7400. Mr. Doucette is a member of the Air Pollution Control Association. He is currently completing his Masters Degree part time at Rutgers University.

JOHN HALSTEAD - SENIOR ENVIRONMENTAL TECHNICIAN

John Halstead - Senior Environmental Technician. Mr. Halstead has ten years experience as an environmental safety inspector. He has assisted both Federal and State inspectors in ensuring proper worker protection practices during asbestos abatement projects. Mr. Halstead has taught asbestos abatement training seminars to asbestos removal workers. He is qualified by the United States Bureau of Mines to collect dust samples, conduct noise surveys, calibrate dust sampling devices and check environmental breathing apparatus. Mr. Halstead is a Certified Emergency Medical Technician.

ALEX IOILEFF - ENVIRONMENTAL TECHNICIAN

Alex Ioileff - Environmental Technician, B.S. Biological Science, Rutgers University. Mr. Ioileff has performed numerous asbestos assessment surveys and inspections for various public and private clients. He is thoroughly experienced in both air and bulk asbestos analyses using Phase Contrast Microscopy and Polarized Light Microscopy. Mr. Ioileff is a New Jersey State Certified Asbestos Safety Technician and is thoroughly familiar with all U.S. Environmental Protection Agency, N.J. Department of Environmental Protection and OSHA regulations regarding asbestos removal and disposal. Mr. Ioileff is currently completing his second Bachelor of Science degree.

THE COUNCIL

The City of New York

Int. No. 891-B

January 22, 1985

Introduced by Council President (Ms. Bellamy) and Council Members Katzman and Greitzer; also Council Members Robles, Albanese, Alter, Berman, Dryfoos, Ferrer, Friedlander, Gerges, Horwitz, Lisa, Maloney, Messinger, Michels, Pinkett and Povman — read and referred to Environmental Protection. Amended November 7, 1985 ordered reprinted and laid over. Further Amended November 19, 1985—(Passed under a Message of Necessity from the Mayor).

A LOCAL LAW

To amend the administrative code of the city of New York, in relation to the control of asbestos.

1 *Be it enacted by the Council as follows:*

2 Section 1. Declaration of legislative findings and intent. The council hereby finds that exposure
3 to airborne asbestos fibers and particles in the air has been linked by reputable medical and scientific
4 authorities to a significant increase in the incidence of diseases such as asbestosis, bronchogenic
5 carcinoma, mesothelioma, and other malignancies and that substantial amounts of materials contain-
6 ing asbestos have been used in buildings for fireproofing, insulation, soundproofing, decorative and
7 other purposes. The council further finds that the predominant cause of asbestos becoming airborne is
8 due to the performance of building renovation and demolition without adequate adherence to proce-
9 dures for safeguarding workers and the general public, by persons who have not received adequate
10 training in the handling of materials containing asbestos.

11 Therefore, it is the purpose of this local law to safeguard the public health by requiring that
12 renovation or demolition projects which disturb asbestos be conducted in accordance with procedures
13 established pursuant to the provisions of this local law and that workers who handle materials
14 containing asbestos receive appropriate training.

15 §2. Article three of part one of title C of chapter twenty-six of the administrative code of the
16 city of New York is amended by adding a new section C26-34.1 to read as follows:

17 *§C26-34.1 Special fees; asbestos.—Whenever application for a permit is made for work which*
18 *will involve the performance of an asbestos project and for which the filing with the department of an*
19 *asbestos inspection report, or proof of approval by the commissioner of environmental protection of*

Note: Matter in *italics* is new; matter in brackets [] to be omitted.

1 *an asbestos removal plan is required, the department shall be entitled to charge an additional fee as*
 2 *established by the commissioner of environmental protection in an amount not to exceed eight*
 3 *hundred dollars. For purposes of this section, the terms "asbestos project," "asbestos inspection*
 4 *report" and "asbestos removal plan" shall have the meanings as are ascribed in section 1403.2-*
 5 *9.12 of part two of chapter fifty-seven of the code.*

6 §3. Section C26-108.7 of sub-article 108.0 of article one of part two of such title of such
 7 chapter of such code, as amended by local law number nineteen for the year nineteen hundred eighty-
 8 three, is amended to read as follows:

9 §C26-108.7 Approval of application and plans.—Except as otherwise provided in section C26-
 10 111.8 and section C26-118.9, application and plans complying with the provisions of this code and
 11 other applicable laws and regulations shall be approved by the commissioner and written notice of
 12 approval shall be given the applicant promptly and no later than 40 calendar days after the submission
 13 thereof, and applications and plans failing to comply with the provisions of this code and other
 14 applicable laws and regulations shall be rejected and written notice of rejection, stating the grounds of
 15 rejection, shall be given the applicant promptly, and not later than 40 calendar days after the
 16 submission thereof, except that on or before the fortieth day, the commissioner may on good cause
 17 shown, and upon notification to the applicant, extend such times for an additional twenty days.
 18 Whenever an application and accompanying plans have been rejected and are thereafter revised and
 19 resubmitted to meet stated grounds of rejection, the revised application and plans shall be approved if
 20 they meet the stated grounds of rejection, or shall be rejected if they fail to meet the stated grounds of
 21 rejection; and written notice of approval or written notice of rejection, stating the ground of rejection
 22 shall be given the applicant promptly and not later than 20 calendar days after the resubmission
 23 thereof.

24 §4. Section C26-109.4 of sub-article 109.0 of such article of such part of such title of such
 25 chapter of such code, as added by local law number seventy-six for the year nineteen hundred sixty-
 26 eight, is amended to read as follows:

27 C26-109.4. Application for permit. All applications for permits shall be submitted on forms
 28 furnished by the department, and shall be accompanied by the required fee. The application shall
 29 contain a general description of the proposed work or equipment, its location, and such other
 30 pertinent information as required pursuant to section 118.9 or as the commissioner may require.

1 §5. Section C26-113.1 of sub-article 113.0 of such article of such part of such title of such
2 chapter of such code, as amended by such local law, is amended to read as follows:

3 §C26-113.1 General requirements.—All applications for demolition or removal permits shall be
4 subject to the requirements of sub-article 109.0, section C26-11.0 (and), section C16-118.8 and
5 section C26-118.9.

6 §6. Sub-article 118.0 of such article of such part of such title of such chapter of such code is
7 amended by adding a new section C26-118.9 to read as follows:

8 C26-118.9 Approval of plans and permit applications where an asbestos project is performed.

9 a. The commissioner shall not approve any plans pursuant to sub-article 108.0 unless an
10 asbestos investigator has certified that the work to be performed will not constitute an asbestos
11 project or the applicant submits with the application for approval of plans an asbestos inspection
12 report completed in accordance with the provisions of section 1403.2-9.12 of part two of chapter
13 fifty-seven of the code.

14 b. Where the commissioner of environmental protection has by regulation required that, in
15 connection with other work for which a permit but not plans is required under this article, that an
16 asbestos investigator certify that the work to be performed will not constitute an asbestos project or
17 that an asbestos inspection report be completed in accordance with the provisions of section 1403.02-
18 9.12 of part two of chapter fifty-seven of the code, the commissioner shall not issue such permit
19 unless such certification or such report is submitted in connection with the application for such
20 permit.

21 c. Where the commissioner of environmental protection has by regulation required that, in
22 connection with work for which an alteration permit or demolition permit is required under this
23 article, that an asbestos investigator certify that the work to be performed will not constitute an
24 asbestos project or that the applicant submit with the application for such permit proof that an
25 asbestos removal plan has been approved by the commissioner of environmental protection in
26 accordance with the provisions of section 1403.2-9.12 of part two of chapter fifty-seven of the code,
27 the commissioner shall not issue such permit unless such certification or proof of such approval has
28 been submitted in connection therewith.

d. The commissioner shall not issue any permit under this article for work which constitutes an asbestos project and for which an asbestos inspection report is required unless the applicant at the time of application for such permit certifies on forms prescribed by the commissioner of environmental protection that he or she is familiar with federal, state and local laws and regulations applicable to asbestos related work.

e. Whenever proof of approval of an asbestos removal plan is required for plan or permit approval, any requirement for the submission of an asbestos inspection report shall be deemed waived.

f. For purposes of this section, the terms "asbestos", "asbestos inspection report", "asbestos investigator", "asbestos project" and "asbestos removal plan", shall have the meanings as are ascribed in section 1403.2-9.12 of part two of chapter fifty-seven of the code.

§7. Part two of chapter fifty seven of such code is amended by adding a new section 1403.2-9.12 to read as follows:

§1403.2-9.12 Asbestos work.—(a) For purposes of this section, the following terms shall have the following meanings:

(1) "Asbestos" shall mean any hydrated mineral silicate separable into commercially usable fibers, including but not limited to chrysotile (serpentine), amosite (cumingtonite-grunerite), crocidolite (riebeckite), tremolite, anthrophyllite and actinolite.

(2) "Asbestos inspection report" shall mean a report on the condition of a building or structure in relation to the presence and condition of asbestos therein.

(3) "Asbestos investigator" shall mean an individual certified by the commissioner as having satisfactorily demonstrated his or her ability to identify the presence and evaluate the condition of asbestos in a building or structure.

(4) "Asbestos containing material" shall mean asbestos or any material containing more than one percent asbestos by weight.

(5) "Asbestos removal plan" shall mean a plan which will be undertaken so as to prevent asbestos from becoming airborne in the course of the alteration, renovation, modification or demolition of any building or structure.

(6) "Asbestos handling certificate" shall mean a certificate issued to a person who has satisfactorily completed an approved asbestos safety and health program.

1 (7) "Approved safety and health program" shall mean a program certified by the commissioner
 2 providing training in the handling and use of asbestos containing material, and safety and health
 3 risks inherent in such handling and use, together with methods for minimizing the exposure of
 4 workers and the public to asbestos fibers and, instruction in all applicable federal, state and local
 5 laws and regulations pertaining to asbestos related work.

6 (8) "Asbestos project" shall mean any form of work performed in connection with the alter-
 7 ation, renovation, modification or demolition of a building or structure which will disturb more than
 8 two hundred sixty linear feet or more than one hundred sixty square feet of friable asbestos
 9 containing material or such smaller amounts as the commissioner may establish by regulation.

10 (9) "Friable asbestos material" shall mean any asbestos or any asbestos containing material
 11 that can be crumbled, pulverized or reduced to powder when dry, by hand pressure.

12 (b)(1) It shall be unlawful for any individual to handle friable asbestos material in the course of
 13 performing work for compensation on an asbestos project unless such individual is a holder of a
 14 current, valid asbestos handling certificate.

15 (2) It shall be unlawful to employ or otherwise permit any individual to handle friable asbestos
 16 material on an asbestos project when such person is not a holder of a current, valid asbestos
 17 handling certificate.

18 (c) The commissioner shall promulgate regulations establishing procedures for the safeguarding
 19 of the health and safety of the public and all persons who work at or in the vicinity of an asbestos
 20 project.

21 (d)(1) The commissioner shall promulgate regulations establishing criteria for certifying individ-
 22 uals as eligible to receive an asbestos handling certificate and for certifying programs as approved
 23 safety and health programs. The commissioner may restrict the asbestos handling certificate as to
 24 certain supervisory and non-supervisory functions and responsibilities.

25 (2) The commissioner shall promulgate regulations establishing criteria for certifying individu-
 26 als as asbestos investigators.

27 (3) Any certificate issued under this subdivision shall be valid for a period of two years unless
 28 sooner suspended or revoked and may be renewed upon submission of proof satisfactory to the
 29 commissioner that the individual continues to meet the criteria established pursuant to this
 30 subdivision.

1 4. The commissioner, after providing notice and an opportunity to be heard, may suspend or
2 revoke any certificate issued under this subdivision where it is found that the holder has failed to
3 comply with this section or any rules or regulations promulgated thereunder.

4 (5) The commissioner shall charge a fee not to exceed one hundred dollars upon issuing or
5 renewing an asbestos handling certificate and a fee not to exceed one hundred dollars upon certifying
6 an individual as an asbestos investigator.

7 (e)(1) The commissioner shall prescribe forms for and the content of an asbestos inspection
8 report to be submitted in accordance with the provisions of subdivision a of section C26-118.9 of title
9 C of chapter twenty-six of the code. Such report shall require the furnishing of information deemed
10 relevant by the commissioner for evaluating the scope, complexity and duration of an asbestos
11 project, and the compliance with the provisions of this section, any regulations promulgated there-
12 under, and any applicable federal and or state laws or regulations.

13 2. The commissioner may by regulation also require for any work which is not subject to the
14 provisions of subdivision a of section C26-118.9 of title C of chapter twenty-six of the code and for
15 which a permit is required under sub-article 109.0 of such title that an asbestos investigator certify
16 that the work to be performed will not constitute an asbestos project or that an asbestos inspection
17 report be completed and submitted to the department of building in conjunction with an application for
18 such permit. The commissioner may exclude from any regulation promulgated pursuant to this
19 paragraph certain types of work within a permit category.

20 (f)(1) The commissioner shall promulgate regulations establishing the requirements of an asbes-
21 tos removal plan to be submitted in accordance with the provisions of subdivision c of section C26-
22 118.9 of title C of chapter twenty-six of the code and shall specify the type or types of demolition and
23 alteration work for which such submission shall be required. Plans submitted shall be approved by
24 the commissioner only upon a satisfactory showing that such plan will effect compliance with all
25 applicable provisions of this section, regulations promulgated thereunder, all applicable federal or
26 state laws or regulations, and, in addition, that to the extent feasible, the removal of asbestos will be
27 completed prior to the commencement of any demolition work. No plan shall be considered for
28 approval unless accompanied by the payment of a fee established by the commissioner not to exceed
29 one thousand dollars.

1 (2) The commissioner shall act within a reasonable time not to exceed sixty days on an
 2 application for approval of an asbestos removal plan, and shall notify the applicant in writing of his
 3 or her approval or disapproval of the application. If an application is disapproved, the commissioner
 4 shall set forth his objections in the notice of disapproval. Within sixty days after service on the
 5 applicant of the notice of disapproval, the applicant may request the commissioner to reconsider the
 6 application by responding in writing to the stated objections. The commissioner shall consider the
 7 applicant's responses to his objections, and shall notify the applicant in writing within a reasonable
 8 time, not to exceed sixty days, of his approval or denial of the application. Failure to respond to the
 9 stated objections or request an extension of time within sixty days after service of the notice of
 10 disapproval shall be deemed a denial of the application.

11 (g) The commissioner may promulgate any regulations he or she deems necessary to protect the
 12 health and safety of workers and the public in connection with work not constituting an asbestos
 13 project in which asbestos is or is likely to be disturbed.

14 (h) A notice or order to stop work may be issued by the commissioner, or his authorized
 15 representative, at any time when it is found that work is being performed in violation of the
 16 provisions of this section, or any rules or regulations promulgated thereunder and which poses a
 17 threat to human safety. Such notice or order may be given orally or in writing to the owner, lessee or
 18 occupant of the property involved, or to the agent of any of them, or to the person or persons
 19 performing the work and may require all persons in or about the building or premises to vacate the
 20 same forthwith, and also require such work to be done as, in the opinion of the commissioner, may
 21 be necessary to remove any danger therefrom. Such notice or order shall be valid for a period of
 22 time not to exceed seventy-two hours and may be extended only upon application to the board in
 23 accordance with the provisions of section 1403.2-15.01 of this code.

24 (i) The commissioner may promulgate any additional regulations he or she deems necessary to
 25 effectuate the purposes of this section.

26 §8. The table of civil penalties contained in subparagraph A of paragraph five of subdivision b
 27 of section 1403.2-15.01 of such part of such chapter of such code, as added by local law seventy-five
 28 for the year nineteen hundred eighty-two, is amended by inserting between the penalty prescribed for

1 a violation of section 1403.2-11(f) and the penalty prescribed for a violation of section 1403.2-9-13
 2 the following penalties:

	Civil Penalties	
	Maximum	Minimum
3 4 5 1403.2-9.12; provided that such \$1,000-\$10,000	10,000.00	1,000.00
6 penalty shall not apply to violations of		
7 1403.2-9.12 (b)(1)		
8 1403.2-9.12 (b)(1)	1,000.00	250.00

9 §9. Within eighteen months of the enactment of this local law, the commissioner of environ-
 10 mental protection shall submit to the council a report identifying and evaluating the potential risks, if
 11 any, which may be posed to workers and the general public from asbestos which is not disturbed by
 12 renovation, alteration or demolition work and recommending action deemed appropriate to ameliorate
 13 such risks as may be identified.

14 §10. This local law shall take effect sixty days after its enactment into law except that section
 15 C26-118.9 of article one of part two of the administrative code of the city of New York as added by
 16 section six of this local law and paragraphs one and two of subdivision b of section 1403.2-9.12 of
 17 part two of chapter fifty-seven of the administrative code of the city of New York as added by section
 18 seven of this local law shall take effect one year after its enactment.

SECOND AMENDMENT

TO THE COOPERATIVE OFFERING PLAN OF

36-58 DAHILL ROAD
BROOKLYN, NEW YORK

DATED: JUNE 26, 1987

The Offering Plan - A Plan to Convert to Cooperative Ownership premises at 36-58 Dahill Road, Brooklyn, New York (hereinafter referred to as the "Plan"), dated January 29, 1987 is hereby further amended as follows:

The terms of this Second Amendment are conditioned upon at least twenty (20) tenants-in-occupancy subscribing to purchase the shares allocated to their apartments within thirty (30) days of the date of presentation of this Second Amendment.

1. Each tenant in occupancy on the date the plan was presented is given the exclusive right to purchase the shares allocated to their respective apartment during the 30 day period following the date of presentation of this Second Amendment, at a purchase price of \$215.00 per share. The purchase price for all other subscribers is \$430.00 per share. See revised Schedule A annexed.

2. After the 30 day period following the presentation date of this Second Amendment, the purchase price for tenants in occupancy will automatically increase to the purchase price for non-tenants, which is \$430.00 per share.

3. The Sponsor shall set up a reserve fund at the closing or within 30 days thereafter, in an amount equal to 3% of the total cash purchase price (\$215.00 per share) in accordance with Local Law 70. The Sponsor however, agrees to set up a supplemental fund in an amount equal to the difference between the sum of \$150,000.00 and the amount of the 3% reserve fund. The supplemental fund shall be paid to the apartment corporation in installments of 1/3 each, due on the first, second and third anniversaries of the closing. The Sponsor declines to claim any credit against the reserve fund or the supplemental fund for any work done prior to closing.

4. The form of subscription agreement (paragraph 9) to be used by tenants in occupancy during the 30 day period following presentation of this Second Amendment, is amended to provide for the subscription agreement to be conditioned upon bank financing in an amount not less than 80% of the purchase price.

5. The Sponsor agrees that it shall not file for any rent increases for nonpurchasing tenants, as a result of major capital improvements (MCI) made to the building or various apartments, except for the cost of the window replacement program. The Sponsor shall file its MCI application for the window replacement, but agrees to not collect any rent increase from non-purchasing tenants, up to the third anniversary of the transfer of title to the apartment corporation.

6. Tenants in occupancy who subscribe to purchase the shares allocated to their respective apartments within the 30 day period following the date of presentation of the Second Amendment, will have the right to assign their subscription agreements in accordance with the terms contained on page 34 of the Plan, subject to the Sponsor's consent which shall not be unreasonably withheld or delayed, and the payment of the assignment fee noted on page 34 of the Plan.

7. (a) The Sponsor shall subsidize the maintenance charges for tenant purchasers up to the second anniversary of the closing (the "subsidy term") on the transfer of the property to the apartment corporation, in the amount of \$2.58 per share per annum, which is 10% of the present projected maintenance charges contained in the Offering Plan (Schedule B). This maintenance subsidy will not be applicable for any time during the two-year subsidy term that maintenance charges are below \$23.22 per annum (or \$1.85 per month). The Sponsor reserves the right to make any payment due on the subsidy to each shareholder entitled to receive such subsidy, on a quarterly basis during the subsidy term. The Sponsor has been advised by its counsel, that the amounts such shareholders receive from the Sponsor in the form of a subsidy payment may be treated as income for the purposes of federal, state and city income tax purposes.

7. (b) To insure Sponsor's performance under the maintenance guarantee, within thirty (30) days of the closing on each apartment bought by a purchaser whose maintenance is guaranteed hereunder, the Sponsor shall deposit in escrow an amount equal to 10% of the difference between the per share maintenance charges noted in Schedule B (i.e., \$25.80 per annum) and the guaranteed amount (\$23.22 per annum) for that particular apartment pro-rated for the remainder of the guaranteed period. The escrow funds shall be released to the Sponsor at the end of the maintenance guarantee period.

8. The Contract of Sale contained in the Offering Plan is amended to reflect that closing adjustments in favor of the Sponsor shall be paid by the Apartment Corporation executing and delivering to the Sponsor a series of 36 promissory notes (the first to become due one month following the closing date), bearing interest at the imputed interest rate in effect at the time of

closing. The Sponsor agrees that it shall not claim any credit against the working capital fund for the payment of the apartment corporation's closing adjustment obligation to the Sponsor.

9. The management agreement referred to in the Offering Plan shall be amended to provide for an initial one-year term as opposed to two years as originally contemplated.

10. During the 30 day period following the date of presentation of this Second Amendment, a tenant in occupancy may subscribe to purchase a vacant apartment (if available and not already under contract) at a purchase price to be computed in accordance with the terms of the first paragraph on page 29 of the Offering Plan. In addition, such subscribing tenant in occupancy must also execute an interim lease for the vacant apartment and surrender their existing apartment in broom-clean condition, within 45 days of the presentation date of this Second Amendment.

11. On the closing date, the Tenants Association, in care of its counsel, Irwin Landes, Esq., will receive \$20,000.00 to reimburse the association for its professional fees incurred in connection with this Plan.

12. There are no material changes in the terms of this Offering Plan except as set forth in the First and this Second Amendment.

DAHILL PARK ASSOCIATES, SPONSOR

SCHEDULE A

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

PURCHASE PRICES, SHARE ALLOCATIONS, MORTGAGE ALLOCATIONS, ESTIMATED MAINTENANCE CHARGES AND ESTIMATED INCOME TAX DEDUCTIONS FOR THE FIRST YEAR OF COOPERATIVE OPERATION (JULY 1, 1987 - JUNE 30, 1988)

Apt.	(1)		(2)		(3)	
	No.	of	Rooms	&	Cash Purchase	Cash
					Price @ \$215	Purchase
					Per Share	Price
					for Tenants	@ \$430
					in Occupancy	Per
					(during "90	Share
					Day Exclusive	For Non-
					Period")	Tenants
1A	RS	V	4 + 1	200	\$43,000.00	\$86,000.00
2A	RS		4 + 1	204	43,860.00	87,720.00
3A	RS		4 + 1	206	44,290.00	88,580.00
4A	RS	V	4 + 1	208	44,720.00	89,440.00
5A	RS		4 + 1	210	45,150.00	90,300.00
6A	RS		4 + 1	212	45,580.00	91,160.00
1B			4 + 1	PROFESSIONAL APARTMENT - NOT OFFERED		
2B	RS	V	4 + 1	204	43,860.00	87,720.00
3B	RS		4 + 1	206	44,290.00	88,580.00
4B	RS		4 + 1	208	44,720.00	89,440.00
5B	RS	V	4 + 1	210	45,150.00	90,300.00
6B	RS		4 + 1	212	45,580.00	91,160.00
1C	RS		3 + 1	150	32,250.00	64,500.00
2C	RS		3 + 1	154	33,110.00	66,220.00
3C	RS		3 + 1	156	33,540.00	67,080.00
4C	RS	V	3 + 1	158	33,970.00	67,940.00
5C	RS		3 + 1	160	34,400.00	68,800.00
6C	RS		3 + 1	162	34,830.00	69,660.00
1D	RS		2 + 1	100	21,500.00	43,000.00
2D	RS		3 + 1	137	29,455.00	58,910.00
3D	RS		3 + 1	139	29,885.00	59,770.00
4D	RS		3 + 1	141	30,315.00	60,630.00
5D	RS		3 + 1	143	30,745.00	61,490.00
6D	RS		3 + 1	145	31,175.00	62,350.00
1E	RS		3 + 1	158	33,970.00	67,940.00
2E	RS		3 + 1	162	34,830.00	69,660.00
3E	RS	V	3 + 1	164	35,260.00	70,520.00
4E	RS	V	3 + 1	166	35,690.00	71,380.00
5E	RS	V	3 + 1	168	36,120.00	72,240.00
6E	RS		3 + 1	170	36,550.00	73,100.00

SCHEDULE A

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

PURCHASE PRICES, SHARE ALLOCATIONS, MORTGAGE ALLOCATIONS,
ESTIMATED MAINTENANCE CHARGES AND ESTIMATED INCOME TAX
DEDUCTIONS FOR THE FIRST YEAR OF COOPERATIVE OPERATION
(JULY 1, 1987 - JUNE 30, 1988)

Apt.	RS	(1)		(2)		(3)	
		No.	Shares	Cash Purchase	Cash	Price @ \$215	Purchase
		of		for Tenants	Price	Per Share	@ \$430
		Rooms		in Occupancy		(during "90	Per
		&		Day Exclusive		Period")	Share
		Baths					For Non-
							Tenants
1F	RS	SUPERINTENDENT'S APARTMENT - NOT OFFERED					
2F	RS	3 + 1	154	\$33,110.00	\$66,220.00		
3F	RS	3 + 1	156	33,540.00	67,080.00		
4F	RS	3 + 1	158	33,970.00	67,940.00		
5F	RS	3 + 1	160	34,400.00	68,800.00		
6F	RS	3 + 1	162	34,830.00	69,660.00		
1G	RS	3 + 1	162	34,830.00	69,660.00		
2G	RS	3 + 1	166	35,690.00	71,380.00		
3G	RS	3 + 1	168	36,120.00	72,240.00		
4G	RS	3 + 1	170	36,550.00	73,100.00		
5G	RS	3 + 1	172	36,980.00	73,960.00		
6G	RS	3 + 1	174	37,410.00	74,820.00		
1H	RS	3 + 1	150	32,250.00	64,500.00		
2H	RS	3 + 1	154	33,110.00	66,220.00		
3H	RS	3 + 1	156	33,540.00	67,080.00		
4H	RS	3 + 1	158	33,970.00	67,940.00		
5H	RS	3 + 1	160	34,400.00	68,800.00		
6H	RS	3 + 1	162	34,830.00	69,660.00		
1I	RS V	3 + 1	145	31,175.00	62,350.00		
2I	RS	3 + 1	149	32,035.00	64,070.00		
3I	RS	3 + 1	151	32,465.00	64,930.00		
4I	RS	3 + 1	153	32,895.00	65,790.00		
5I	RS	3 + 1	155	33,325.00	66,650.00		
6I	RS	3 + 1	157	33,755.00	67,510.00		
1J	RS	3 + 1	158	33,970.00	67,940.00		
2J	RS	3 + 1	162	34,830.00	69,660.00		
3J	RS	3 + 1	164	35,260.00	70,520.00		
4J	RS	3 + 1	166	35,690.00	71,380.00		
5J	RS	3 + 1	168	36,120.00	72,240.00		
6J	RS	3 + 1	170	36,550.00	73,100.00		

SCHEDULE A

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

PURCHASE PRICES, SHARE ALLOCATIONS, MORTGAGE ALLOCATIONS, ESTIMATED MAINTENANCE CHARGES AND ESTIMATED INCOME TAX DEDUCTIONS FOR THE FIRST YEAR OF COOPERATIVE OPERATION (JULY 1, 1987 - JUNE 30, 1988)

Apt.	(1)		(2)		(3)	
	No. of Rooms & Baths	Shares	Cash Purchase Price @ \$215 Per Share for Tenants in Occupancy (during "90 Day Exclusive Period")	Cash Purchase Price @ \$430 Per Share For Non- Tenants		
1K	RS V 4 + 1	200	\$43,000.00	\$86,000.00		
2K	RS 4 + 1	204	43,860.00	87,720.00		
3K	RS V 4 + 1	206	44,290.00	88,580.00		
4K	RS 4 + 1	208	44,720.00	89,440.00		
5K	RS 4 + 1	210	45,150.00	90,300.00		
6K	RS 4 + 1	212	45,580.00	91,160.00		
1L	RSV Studio+1	92	19,780.00	39,560.00		
2L	RS Studio+1	96	20,640.00	41,280.00		
3L	RS Studio+1	98	21,070.00	42,140.00		
4L	RS Studio+1	100	21,500.00	43,000.00		
5L	RS Studio+1	102	21,930.00	43,860.00		
6L	RS Studio+1	104	22,360.00	44,720.00		
1M	RS 3 + 1	133	28,595.00	57,190.00		
2M	RS V 3 + 1	137	29,455.00	58,910.00		
3M	RS 3 + 1	139	29,885.00	59,770.00		
4M	RS 3 + 1	141	30,315.00	60,630.00		
5M	RS 3 + 1	143	30,745.00	61,490.00		
6M	RS 3 + 1	145	31,175.00	62,350.00		
1N	RS 4 + 1	200	43,000.00	86,000.00		
2N	RS 4 + 1	204	43,860.00	87,720.00		
3N	RS 4 + 1	206	44,290.00	88,580.00		
4N	RS V 4 + 1	208	44,720.00	89,440.00		
5N	RS 4 + 1	210	45,150.00	90,300.00		
6N	RS 4 + 1	212	45,580.00	91,160.00		
TOTALS: 13,563			\$2,916,045.00	\$5,832,090.00		

RS = Rent Stabilized
V = Vacant

THIRD AMENDMENT
TO THE COOPERATIVE OFFERING PLAN OF

36-58 DAHILL ROAD
BROOKLYN, NEW YORK

DATED: AUGUST 4, 1987

The Offering Plan - A Plan to Convert to Cooperative Ownership premises at 36-58 Dahill Road, Brooklyn, New York (hereinafter referred to as the "Plan"), dated January 29, 1987 is hereby further amended as follows:

1. Subscription agreements for 14 of the 82 apartments in the building (17%) have been accepted by the Sponsor. One (1) has been entered into by a bona fide tenant in occupancy on the date the Plan was presented and thirteen (13) subscription agreements have been entered into by bona fide purchasers who represent that they or a designated member of their family will occupy the dwelling unit when it becomes available. Accordingly, the Plan was declared effective by notice dated July 8, 1987, served on all tenants and subscribers. (A copy of the notice is annexed hereto as Exhibit A.)

2. Annexed hereto as Exhibit B is the Sponsor's affidavit pursuant to R18.5(e)(6).

3. Annexed hereto as Exhibit C is a schedule of all subscribers.

4. The closing transaction, whereby title to the Property shall be transferred to the Apartment Corporation, is scheduled to take place at the offices of Schiff, Turek & Kakoyiannis, 136 East 57th Street, New York, New York on September 16, 1987 at 10:00 A.M., unless adjourned.

5. There are no material changes in the terms of the Offering Plan except as set forth in the First, Second and this Third Amendment.

DAHILL PARK ASSOCIATES, Sponsor

**DAHILL PARK ASSOCIATES
4819 13th AVENUE
BROOKLYN, NEW YORK 11219**

July 8, 1987

To the Tenants and Subscribers
of Apartments at
36-58 Dahill Road
Brooklyn, New York

Re: Offering Plan
Declaration of Effectiveness

Dear Ladies and Gentlemen:

Please be advised that subscription agreements have been entered into for more than 15% of the apartments of the building (36-58 Dahill Road, Brooklyn, New York).

Please be further advised that the Offering Plan is hereby declared effective.

You will be advised of the closing date in an amendment to be filed with the Department of Law.

Very truly yours,

DAHILL PARK ASSOCIATES

RMG/jc

EXHIBIT B

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

ISAAC ROKOWSKY, being duly sworn, deposes and says:

1. I am a principal of the Sponsor of the Offering Plan to convert premises 36-58 Dahill Road, Brooklyn, New York, to cooperative status and make this affidavit pursuant to R18.5(e)(6) of the Regulations of the Department of Law.

2. The Offering Plan was accepted for filing on January 29, 1987. The Plan was presented to all offerees as defined by the Regulations on February 11, 1987.

3. I represent that all subscribers who were counted for the purposes of declaring the plan effective are bona fide purchasers who are not purchasing as an accommodation to or for the account or benefit of the Sponsor or principals of Sponsor and have duly executed subscription agreements and paid the full downpayment as required in the Procedure to Purchase section of the Offering Plan.

4. That the Sponsors have no knowledge or reason to believe that any of the subscription agreements counted toward effectiveness have been assigned or transferred by the original subscribers.

EXHIBIT C

LIST OF SUBSCRIBERS

36-58 DAHILL ROAD
BROOKLYN, NEW YORK

<u>SUBSCRIBERS</u>	<u>UNIT</u>	<u>DATE OF SUBSCRIPTION AGREEMENT †</u>	<u>DATE OF OCCUPANCY (IF LESS THAN 3 YEARS)</u>
HEARN	4E	MARCH 3, 1987	September 1, 1987**
COLEN*	4C	APRIL 2, 1987	May 5, 1987*
CAREY	1A	APRIL 27, 1987	September 1, 1987**
AZADIAN*	1L	APRIL 21, 1987	July 1, 1987*
REID	4A	APRIL 15, 1987	September 1, 1987**
BUDGELL	5L	APRIL 17, 1987	September 1, 1987**
SMITH	6E	APRIL 28, 1987	N/A
RUMIGNANI	5E	APRIL 7, 1987	September 1, 1987**
PESSON	2D	APRIL 28, 1987	September 1, 1987**
PECHT	3K	APRIL 23, 1987	September 1, 1987**
MUDERSON/YABROVSKY	6F	APRIL 30, 1987	September 1, 1987**
CASTORE	2M	MAY 13, 1987	September 1, 1987**
LONGMORE	1K	MAY 26, 1987	September 1, 1987**
PICARELLO	3E	MAY 20, 1987	September 1, 1987**

† EACH SUBSCRIBER TENDERED A DOWNPAYMENT, SIMULTANEOUS WITH DELIVERY OF THE SUBSCRIPTION AGREEMENT, IN THE AMOUNT OR PERCENTAGE REQUIRED IN THE OFFERING PLAN.

* TOOK OCCUPANCY PURSUANT TO AN INTERIM LEASE.

**ANTICIPATED DATE OF OCCUPANCY

**FOURTH AMENDMENT
TO THE COOPERATIVE OFFERING PLAN OF**

**36-58 DAHILL ROAD
BROOKLYN, NEW YORK**

DATED: DECEMBER 2, 1987

The Offering Plan - A Plan to Convert to Cooperative Ownership premises at 36-58 Dahill Road, Brooklyn, New York (hereinafter referred to as the "Plan"), dated January 29, 1987 is amended as follows:

1. The title closing transaction, whereby the Sponsor conveyed title to the building premises at 36-58 Dahill Road, Brooklyn, New York to Dahill Garden Apartments Inc., transpired on September 16, 1987, at the offices of Schiff, Turek & Kakoyiannis, 136 East 57th Street, New York, New York 10022.

2. In accordance with the terms of the Second Amendment to the Offering Plan, a reserve fund of \$87,481.35, equal to 3% of the total cash purchase price, was established. The Reserve Fund was deposited in the name of the Apartment Corporation at Manufacturers Hanover Trust Co., 4901 13th Avenue, Brooklyn, New York 11219. The Sponsor will also set up a supplemental fund in the amount equal to the difference between the sum of \$150,000.00 and the amount of the Reserve Fund. The supplemental fund, in the total amount of \$62,518.65, shall be paid to the Apartment Corporation in installments of \$20,839.55 each, due on the first, second and third anniversaries of the closing.

3. In accordance with the terms of the Second Amendment to the Offering Plan, a working capital fund in the amount of \$10,000.00 was established. The working capital fund was deposited in the name of the Apartment Corporation at Manufacturers Hanover Trust Co., 4901 13th Avenue, Brooklyn, New York 11219.

4. The closing adjustments in favor of the Sponsor were \$39,383.32. In accordance with the terms of the Second Amendment to the Offering Plan, closing adjustments in favor of the Sponsor were to be paid by the Apartment Corporation executing and delivering to the Sponsor a series of 36 promissory notes (the first to become due one month following the closing date), bearing interest at the imputed interest rate in effect at the time of closing. Accordingly, the Apartment Corporation executed and delivered to the Sponsor 36 promissory notes, each in the amount of \$1,098.11, together with interest at the rate of 7.08%, which commenced on October 17, 1987 and terminates on September 17, 1990.

5. The Apartment Corporation received title to the premises subject to an existing consolidated first mortgage in the sum of \$1,392,379.66 held by First Nationwide Savings, F.S.B. The interest rate is 10.875% per annum, and requires constant monthly payments, each in the sum of \$13,200.47 (plus escrow payments of \$4,369.53) with such payment being first applied to interest and then to principal. The mortgage matures on July 1, 1996.

6. In accordance with the terms of the Second Amendment to the Offering Plan, Sponsor will subsidize the maintenance charges until the second anniversary of the closing for tenant/purchasers who subscribed to buy the shares allocated to their apartments under the terms of the Second Amendment. The maintenance subsidy covered 3,109 shares at \$2.58 per share per annum and totaled \$16,042.00. The Sponsor set up an escrow account with their attorneys, Schiff, Turek & Kakoyiannis, in the amount of \$1,604.20, equal to 10% of the maintenance subsidy.

7. All violations of record that existed prior to closing are cured.

8. The Sponsor, Dahill Park Associates, received the stock certificates and proprietary leases for all unsold apartments. A list of unsold apartments is annexed hereto as Exhibit A. The form of the Contract of Sale to be used for all future sales by the Sponsor is annexed hereto as Exhibit B.

9. The First Annual Meeting of Shareholders was held on December 1, 1987. The Sponsor designated Isaac Rokowsky, Victor Fein and George Sena to be members of the Board of Directors. The resident-shareholders elected Arthur Colen and Mario Perez to be members of the Board of Directors.

10. There are no material changes in the terms of the Offering Plan except as set forth in the First, Second, Third and this Fourth Amendment.

DAHILL PARK ASSOCIATES, Sponsor

EXHIBIT A

DAHILL GARDENS APT. INC.

UNSOLD SHARES

<u>Apt. No.</u>	<u>No. of Shares</u>	<u>Apt. No.</u>	<u>No. of Shares</u>
2A	204	4H	158
3A	206	5H	160
5A	210	6H	162
6A	212	1I	145
2B	204	2I	149
3B	206	3I	151
4B	208	4I	153
5B	210	5I	155
6B	212	6I	157
1C	150	1J	158
2C	154	3J	164
3C	156	4J	166
5C	160	5J	168
6C	162	6J	170
1D	100	2K	204
3D	139	3K	206
4D	141	4K	208
5D	143	5K	210
6D	145	6K	212
1E	158	2L	96
2E	162	3L	98
3E	164	4L	100
2F	154	6L	104
3F	156	1M	133
4F	158	3M	139
5F	160	4M	141
1G	162	5M	143
2G	166	6M	145
3G	168	1N	200
4G	170	2N	204
5G	172	3N	206
6G	174	4N	208
1H	150	5N	210
2H	154	6N	212
3H	156		

Total Number of Unsold Shares 11,501

CONTRACT OF SALE — COOPERATIVE APARTMENT

Agreement made as of the _____ day of _____ 19__ 87.

between

DAHILL PARK ASSOCIATES

residing at

4819 13th Avenue
Brooklyn, New York 11219

and

hereinafter called "Seller"

residing at

hereinafter called "Purchaser"

WITNESSETH:

1. Seller agrees to sell and transfer and Purchaser agrees to buy (1) _____ shares
(the "Shares") of DAHILL GARDENS APTS INC.

(the "Corporation") allocated to Apartment _____ (the "Apartment") in the cooperative
apartment building located at 36-58 Dahill Road
Brooklyn, New York 11218

and (ii) the Seller's interest, as tenant, in the proprietary lease, as amended (the "Lease"), for
the Apartment, which Lease is appurtenant to the Shares.

2. (a) Subject to the rights of the landlord
under the Lease and any holder of a mortgage
to which the Lease is subordinate, this sale in-
cludes all of the Seller's right, title and interest,
if any, in and to:

(i) the refrigerators, ranges, dishwashers, kitch-
an cabinets and counters, lighting and plumbing
fixtures, air-conditioning equipment and other
fixtures and articles of property attached to or
appurtenant to the Apartment, except those listed in subpara-
graph (b) of this Paragraph 2;
(ii)

(b) Excluded from this sale are:
(i) furniture and furnishings, and
(ii)

4. Seller represents, warrants and covenants
that: a) Seller is the sole owner of the Shares,
the Lease and the property referred to in para-
graph 2(a)(ii); the same are and will at closing be free and
clear of liens, encumbrances and adverse interests, subject to
the matters, if any, affecting the title to the real property of
which the Apartment is a part; and Seller has the full right
and power to sell and transfer the same; (b) the Shares were
duly issued and fully paid for and are non-assessable; (c) the
maintenance (rent) payable on the date hereof is at the rate
of \$ _____ a month and at the date of closing
will be fully paid to said date; (d) Seller has not received any
written notice of any intended assessment or increase in said
maintenance (rent) not reflected in the figure set forth in sub-
paragraph (c); (e) the Lease is and will at closing be in full
force and effect; (f) Seller is not and will not become indebted
for labor or material which might give rise to the filing of a
notice of mechanic's lien against the building in which the
Apartment is located; (g) there are and will at closing be no
violations of record which the tenant would be obligated to
remedy under the terms of the Lease; (h) ~~Seller is not a sponsor~~
~~or a nominee of a sponsor under any plan of cooperative~~
~~organization affecting this Apartment.~~

The representations and warranties contained in this Para-
graph 4 and in Paragraph 14 shall survive the closing but any
action based thereon must be instituted within one year from
the date of closing.

The property referred to in Paragraph 2(a)(i) and 2(a)(ii)
may not be purchased if due to the Shares and the Lease is not
closed hereunder.

3. The purchase price is \$ _____
payable as follows: \$ _____
by check, subject to collection, on the execution
and delivery of this agreement; \$ _____ In cash,
cashier's check or by unendorsed certified check of Purchaser
drawn on a local bank or trust company, to the order of Seller,
to be delivered at the closing.

*To be held in escrow in conformity
with Sections 352-a(2)(b) and
352-h of the GBL by Seller's
attorneys, Schiff, Turak
& Kakoyiannis, pending closing.

5. Purchaser has examined and is satisfied with
the certificate of incorporation, the by-laws of
REPRESENTATIONS the Corporation and the form of the Lease, or
has waived the examination thereof. Purchaser
has inspected the Apartment, its fixtures, appliances and equip-
ment and the personal property, if any, included in the sale,
and knows the condition thereof, and agrees to accept the same
"as is", i.e., in the condition they are in on the date hereof
subject to normal wear and tear. ~~Purchaser has examined or~~
~~waived examination of the last audited financial statement of~~
the Corporation, and has considered or waived consideration of
all other matters pertaining to this agreement and to the pur-
chase to be made hereunder, and does not rely on any repre-
sentations made by any broker or by Seller or anyone acting or
purporting to act on behalf of Seller as to any matters which
might influence or affect the decision to execute this agreement
or to buy the Shares, the Lease, or said personal property except
those representations and warranties which are specifically set
forth in this agreement.

REQUIRED
APPROVAL

~~This sale is subject to the approval of the directors or shareholders of the Corporation as provided in the Lease or the corporate by-laws. Purchaser agrees to submit to Seller or to the Corporation's managing agent, within five (5) days after the execution and delivery hereof the names and addresses of persons to whom, or banks or corporations to which, reference may be had as to Purchaser's character and financial standing, and thereafter to attend [and to cause Purchaser's spouse to attend] one or more personal interviews, as requested by the Corporation, and submit to the Corporation or its managing agent such further references and information as are commonly asked for in such transactions. If any of the aforementioned references are submitted to Seller, Seller shall promptly redeliver same to the Corporation or its managing agent. Seller may, but shall not be required to, take any steps in connection with the procurement of such approval. Seller shall promptly notify Purchaser of such approval or of the refusal thereof upon receipt of notice thereof. In the event of such refusal this agreement shall thereby be deemed cancelled. If approval or refusal be not received by Seller or Purchaser at or before the closing, either may by notice given to the other on or before the date fixed in paragraph 10 for the closing, adjourn the closing for a period not to exceed thirty (30) days for the purpose of obtaining such approval, and if the party who has adjourned the closing is unable to obtain approval of this sale within said period of time, this agreement shall inso facto be deemed cancelled. If this agreement is cancelled as provided in this Paragraph, all sums theretofore paid to Seller by Purchaser on account of the purchase price shall be returned without interest to Purchaser and both parties shall be relieved from all further liability hereunder.~~

SALE AFTER
APPROVAL;
ASSUMPTION

7. ~~If approval of this sale be granted~~, Seller agrees to transfer and assign to Purchaser the Lease, the Shares and the personal property, as in this agreement provided, and Purchaser agrees to pay the purchase price and to assume, with respect to obligations arising from and after the time of the closing, all of the terms, covenants and conditions of the Lease on the part of the lessee thereunder to be performed, and to be bound by the by-laws of the Corporation and the rules and regulations, if any, from time to time promulgated by the Corporation. To that end Purchaser shall execute and deliver to the Corporation at the closing an agreement containing such assumptions in the form requested or approved by the Corporation, and, if requested by the Corporation, a new proprietary lease for the balance of the lease term shall be executed by Purchaser and the Corporation and the Lease being assigned by Seller shall be surrendered for cancellation.

REMOVAL OF
SELLER'S
PROPERTY

8. Seller shall, prior to the closing, remove from the Apartment all the household furniture, furnishings and other personal property not included in this sale, and shall repair any damage caused by such removal, and shall deliver possession of the Apartment at the closing, broom-clean.

RISK OF
LOSS, ETC.

9. (a) The risk of loss or damage to the Apartment, or to the property included in this sale in accordance with Paragraph 2, by fire or other cause, until the time of the closing, is assumed by Seller, but without any obligation on the part of Seller, except at Seller's option, to repair or replace any such loss or damage. Seller shall notify Purchaser of the occurrence of any such loss or damage within five (5) days after such occurrence or by the date of closing, whichever first occurs, and by such notice shall elect whether or not Seller will repair or replace the loss or damage and if Seller elects to do so, that he will complete the same within the sixty (60) day period hereinafter referred to. If Seller elects to make such repairs and/or replacements, then Seller's said notice shall set forth an adjourned date for the closing, which shall be not more than sixty (60) days after the date of the giving of Seller's notice. If Seller does not elect to make such repairs and/or replacements, or if Seller elects to take them and fails to complete the same on or before said adjourned closing date, Purchaser shall have the following options:

i) to declare this agreement cancelled and receive a refund, without interest, from Seller of all sums theretofore paid on account of the purchase price; or

ii) to complete the purchase in accordance with this agreement without reduction in the purchase price except as provided in the next sentence. If Seller carries hazard insurance covering such loss or damage, Seller shall turn over to Purchaser at the closing the net proceeds (after legal and other expenses of

collection) actually collected by Seller under the provisions of such hazard insurance policies to the extent that they are attributable to loss of or damage to any property included in this sale; If Seller has not received such proceeds Seller shall assign (without recourse to Seller) Seller's right to any payment or additional payments from Seller's said insurance which are attributable to the loss of or damage to any property included in this sale, less any sums theretofore expended by him.

(b) If Seller does not elect to make such repairs and/or replacements, Purchaser may exercise the resulting option under (i) or (ii) of (a) only by notice given to Seller within five (5) business days after Purchaser's option arises. If Seller elects to make such repairs and/or replacements and fails to complete the same on or before the adjourned closing date, Purchaser may exercise the resulting options within five (5) business days after the adjourned closing date.

10. The closing documents referred to in Paragraph 11 shall be delivered, and payment of the balance of the purchase price shall be made, at the closing to be held on

19 at M., at the office of

SCHIFF, TUREK & KAKOYIANNIS
136 East 57th Street
New York, New York 10022

CLOSING
DOCUMENTS

11. At the closing: (a) Seller shall deliver to Purchaser:

(i) Seller's certificate for the Shares, duly endorsed for transfer, or accompanied by a separate duly executed stock power, with necessary stock transfer stamps attached and in either case, with any guarantee of Seller's signature required by the Corporation;

(ii) Seller's duplicate original of the Lease and a duly executed assignment thereof to the Purchaser in the form requested or approved by the Corporation;

(iii) ~~Certificate of the secretary of the Corporation as other evidence of the consent of the Corporation or its directors to the transfer of the Shares and Lease to Purchaser in accordance with the applicable provisions of the Lease or the corporate by-laws;~~

(iv) If requested, a statement by the managing agent that the maintenance and any special assessments then due and payable to the Corporation have been paid to the date of the closing;

(v) ~~If requested, a bill of sale in customary form transferring the property referred to in Paragraph 2(a);~~

(vi) Keys to the outer doors of the Apartment.

(b) Purchaser shall deliver to Seller and the Corporation, together with the payment of the balance of the purchase price, the duly executed agreements and/or new lease referred to in Paragraph 7 hereof.

12. (a) Seller shall, at the closing, pay the processing fee, if any, charged by the managing agent for its services in connection with the approval of this sale and the transfer of the Shares and the Lease ~~and the legal fee of the Corporation's attorney, if any, in connection with such transfer.~~ Purchaser shall pay (i) the sales and transfer taxes, if any, on this sale, other than the transfer stamps provided for in Paragraph 11 (a) (i) and (ii) the cost of title search if required by the Corporation. (b) The parties shall at the closing apportion, as of midnight of the day preceding the date of actual closing, the rent under the Lease, and utility charges, if any, due the Corporation. Assessments will not be apportioned but will be payable by the party who is the Owner when the same become due and payable.

PRIOR LEASE
TERMINATION

13. If prior to the closing the Corporation shall elect to cancel and terminate the Lease under any option or privilege reserved therein for any reason except Seller's default, this agreement shall thereupon become a nullity and Seller shall be deemed to be unable to convey the Lease and the Shares and Seller shall refund to Purchaser, without interest, all sums theretofore paid on account of the purchase price.

BROKER
14. Purchaser represents to Seller that Purchaser has not dealt with any brokers in connection with this transaction other than

and Seller agrees to pay said broker a commission.

DEFAULTS, REMEDIES
15. If Purchaser defaults hereunder, Seller's sole remedy shall be to retain as liquidated damages the down payment mentioned in Paragraph 8, it being agreed that Seller's damages in case of Purchaser's default might be impossible to ascertain and that the down payment constitutes a fair and reasonable amount of damages in the circumstances. If Seller willfully defaults, Purchaser shall have such remedies as he is entitled to at law or in equity, including but not limited to specific performance because the Apartment and possession thereof cannot be duplicated.

ENTIRE AGREEMENT
16. All representations, understandings and agreements had between the parties with respect to the subject matter of this agreement are merged in this agreement which alone fully and completely expresses their agreement. except all representations contained in the Plan, which shall survive closing.

NO ASSIGNMENT BY PURCHASER
17. This agreement cannot be changed, discharged or terminated orally. Purchaser may not assign this agreement or any of his rights hereunder.

Note:
Either strike this paragraph because there is no financing condition to the transaction or complete the paragraph as required.

FINANCING CONDITION

21. A. The obligations of Purchaser hereunder are subject:

(a) to the issuance of a commitment letter by a commercial bank, savings bank, savings and loan association or insurance company doing business in the State of New York to Purchaser, on or before , 19 (a copy of which letter shall be furnished to Seller promptly after receipt thereof), pursuant to which the institution agrees to lend not less than \$, at a rate of interest not to exceed / ~~prevailing~~ % per annum, for a term of at least / ~~prevailing~~ years solely upon the security of a pledge, security interest or assignment of, and/or mortgage on, the Shares and the Lease, in order to enable Purchaser to consummate the transaction provided herein;

(b) to the consent of the Corporation to the loan if such consent is required by the terms of the Lease or the by-laws of the Corporation and to the execution by the Corporation of an agreement, in form and substance satisfactory to the institution and the Corporation, for the protection of the institution's rights as a lender; and

(c) to the closing of the loan on or before the date fixed in Paragraph 10 for the closing.

B. Purchaser shall apply for the loan, shall furnish to the institution, within five (5) days of the date hereof, accurate and complete information on Purchaser and members of Purchaser's family, as required, shall advise Seller of the name and address of the institution to which such application has been made and the date upon which it was made and shall cause to be furnished to the Corporation, for its consideration, as soon as practicable, the agreement proposed to be made by the institution with the Corporation. Purchaser shall pay or reimburse Seller the fees charged by the Corporation and its counsel for reviewing and negotiating the aforesaid agreement.

C. Purchaser shall accept any commitment letter complying with the terms of subparagraph A(a) hereof, if issued, shall pay any application, appraisal, commitment or other fees in respect of the loan, and shall comply with the requirements of the commitment letter other than those relating to the Corporation.

D. Provided that Purchaser shall have fulfilled all of Purchaser's obligations under subparagraph B hereof, if the aforementioned commitment letter is not issued by the date provided for in subparagraph A(a) hereof, Purchaser shall have the right to terminate this agreement on Notice given not more than five (5) days thereafter, or if the other conditions provided for in subparagraph A hereof are not met, Purchaser shall have the right to terminate this agreement on Notice to Seller, and in either such event all sums theretofore paid on account of the purchase price shall be returned without delay and without interest to Purchaser, and all parties hereto shall be relieved of and from any further liability hereunder.

SELLER'S EXCULPATION

18. Notwithstanding any contrary provisions of this agreement, express or implied, or any contrary rule of law or custom, if Seller shall be unable to transfer the Lease and the Shares in accordance with this agreement and any conditions hereof, then the sole obligation and liability of Seller shall be to refund to Purchaser, without interest, all sums theretofore paid on account of the purchase price, and upon the making of such refund this agreement shall be deemed cancelled and shall wholly cease and terminate, and neither party shall have any further claim against the other by reason of this agreement. However, nothing contained in this paragraph shall be construed to relieve Seller from liability due to a misrepresentation or wilful default.

NOTICES

19. All notices or demands ("Notice") that must or may be given or made hereunder shall be in writing and sent by certified or registered mail, return receipt requested, to the address above set forth for the party to whom the Notice is given, or to such other address for such party as said party shall hereafter designate by Notice given to the other party pursuant to this paragraph. Each Notice shall be deemed given on the next business day following the date of mailing the same.

MARGIN HEADINGS

20. The margin headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this agreement and shall not be considered in the interpretation of this agreement or any of its provisions.

DAHILL PARK ASSOCIATES

Seller

to

Purchaser

**CONTRACT OF SALE OF
COOPERATIVE APARTMENT**

Form Approved by
The Cooperative Housing
Lawyers Group

Apartment Number:

Address of Premises:

36-58 Dahill Road
Brooklyn, New York 11219

Name of Cooperative Corporation:

Dahill Gardens Apt. Inc.

IN WITNESS WHEREOF, the parties hereto have duly executed this agreement the day and year first
above written.
DAHILL PARK ASSOCIATES

By: _____

Seller

Seller

Purchaser

Purchaser

RIDER annexed to and forming part of the Contract of Sale

22. In the event of any inconsistency between the provisions of this Rider and the provisions of the Contract of Sale, the provisions of the Rider shall govern.

23. Any inconsistency arising between the provisions of the Offering Plan and the Amendments thereto and the Contract of Sale or Rider to the Contract of Sale shall be construed in favor of the Offering Plan and the Amendments thereto.

24. As to Paragraph 9, it is understood and agreed that in the event that Purchaser should fail to send written notice to Seller exercising either of Purchaser's options as set forth in Paragraph 9(a)-i or 9(a)-ii, then it will be conclusively presumed that Purchaser exercised the option under Paragraph 9(a)-ii. Seller shall have the right to retain from the insurance proceeds collected pursuant to Paragraph 9(a)-ii, any sums expended by Seller in connection with the loss or damage.

25. In the event that Purchaser, through no fault of the Seller, fails to close on the day scheduled for closing provided in Paragraph 10, then the apportionments for rent and utility charges due the Corporation shall be as of midnight of the day preceeding scheduled closing day and not as of midnight of the day preceeding actual closing date. Time is of the essence for Purchaser to pay and perform its obligations hereunder within 30 days of the scheduled closing date.

26. Further to Paragraph 14, Purchaser agrees to indemnify and hold Seller harmless from and against any claim, judgment, liability, cost or expense, including without limitation reasonable attorney's fees resulting from any breach of Purchaser's representations set forth in Paragraph 14. This provision shall survive the closing.

27. Purchaser acknowledges that he has received a copy of the Offering Plan together with the Amendments attached thereto. Purchaser further acknowledges that he has had a minimum of three (3) days to review the Offering Plan and amendments thereto before executing this Contract of Sale.

28. Purchaser acknowledges having received a copy of the New York State Real Property Transfer Gains Tax Transferee Questionnaire. Purchaser represents and agrees that he will sign and return the Questionnaire to the Seller within 7 days from the day the Seller delivers fully executed Contract of Sale to Purchaser. In the event Purchaser shall fail to return the Questionnaire within said 7-day period, Purchaser shall be in default of Contract.

29. The acceptance of the shares and the assumption of the proprietary lease by the Purchaser shall be deemed to be full performance and discharge of every agreement and obligation on the part of the Seller to be performed pursuant to the terms of this Contract, except those expressly provided to survive the closing.

30. Supplementary Paragraph 12: Purchaser agrees to pay to the attorneys for the Apartment Corporation the legal fee for services rendered in connection with the preparation of the closing documents as stated in the Offering Plan under section entitled "Procedure to Purchase". This fee is payable to Schiff, Turek and Kakoyiannis by certified check.

31. This document shall not be construed as an offer or a binding contract until the following events have occurred:

- a) The document is executed by Seller and delivered to Purchaser herein; and
- b) The Seller receives the down payment of the purchase price pursuant to paragraph 3 of the Contract.

Seller

Purchaser

/jc45

**FOURTH AMENDMENT
TO THE COOPERATIVE OFFERING PLAN OF**

**36-58 DAHILL ROAD
BROOKLYN, NEW YORK**

DATED: DECEMBER 2, 1987

The Offering Plan - A Plan to Convert to Cooperative Ownership premises at 36-58 Dahill Road, Brooklyn, New York (hereinafter referred to as the "Plan"), dated January 29, 1987 is amended as follows:

1. The title closing transaction, whereby the Sponsor conveyed title to the building premises at 36-58 Dahill Road, Brooklyn, New York to Dahill Garden Apartments Inc., transpired on September 16, 1987, at the offices of Schiff, Turek & Kakoyiannis, 136 East 57th Street, New York, New York 10022.

2. In accordance with the terms of the Second Amendment to the Offering Plan, a reserve fund of \$87,481.35, equal to 3% of the total cash purchase price, was established. The Reserve Fund was deposited in the name of the Apartment Corporation at Manufacturers Hanover Trust Co., 4901 13th Avenue, Brooklyn, New York 11219. The Sponsor will also set up a supplemental fund in the amount equal to the difference between the sum of \$150,000.00 and the amount of the Reserve Fund. The supplemental fund, in the total amount of \$62,518.65, shall be paid to the Apartment Corporation in installments of \$20,839.55 each, due on the first, second and third anniversaries of the closing.

3. In accordance with the terms of the Second Amendment to the Offering Plan, a working capital fund in the amount of \$10,000.00 was established. The working capital fund was deposited in the name of the Apartment Corporation at Manufacturers Hanover Trust Co., 4901 13th Avenue, Brooklyn, New York 11219.

4. The closing adjustments in favor of the Sponsor were \$39,383.32. In accordance with the terms of the Second Amendment to the Offering Plan, closing adjustments in favor of the Sponsor were to be paid by the Apartment Corporation executing and delivering to the Sponsor a series of 36 promissory notes (the first to become due one month following the closing date), bearing interest at the imputed interest rate in effect at the time of closing. Accordingly, the Apartment Corporation executed and delivered to the Sponsor 36 promissory notes, each in the amount of \$1,098.11, together with interest at the rate of 7.08%, which commenced on October 17, 1987 and terminates on September 17, 1990.

5. The Apartment Corporation received title to the premises subject to an existing consolidated first mortgage in the sum of \$1,392,379.66 held by First Nationwide Savings, F.S.B. The interest rate is 10.875% per annum, and requires constant monthly payments, each in the sum of \$13,200.47 (plus escrow payments of \$4,369.53) with such payment being first applied to interest and then to principal. The mortgage matures on July 1, 1996.

6. In accordance with the terms of the Second Amendment to the Offering Plan, Sponsor will subsidize the maintenance charges until the second anniversary of the closing for tenant/purchasers who subscribed to buy the shares allocated to their apartments under the terms of the Second Amendment. The maintenance subsidy covered 3,109 shares at \$2.58 per share per annum and totaled \$16,042.00. The Sponsor set up an escrow account with their attorneys, Schiff, Turek & Kakoyiannis, in the amount of \$1,604.20, equal to 10% of the maintenance subsidy.

7. All violations of record that existed prior to closing are cured.

8. The Sponsor, Dahill Park Associates, received the stock certificates and proprietary leases for all unsold apartments. A list of unsold apartments is annexed hereto as Exhibit A. The form of the Contract of Sale to be used for all future sales by the Sponsor is annexed hereto as Exhibit B.

9. The First Annual Meeting of Shareholders was held on December 1, 1987. The Sponsor designated Isaac Rokowsky, Victor Fein and George Sena to be members of the Board of Directors. The resident-shareholders elected Arthur Colen and Mario Perez to be members of the Board of Directors.

10. There are no material changes in the terms of the Offering Plan except as set forth in the First, Second, Third and this Fourth Amendment.

DAHILL PARK ASSOCIATES, Sponsor

**REQUIRED
APPROVAL**

REFERENCES

**SALE AFTER
APPROVAL
ASSUMPTION**

**REMOVAL OF
SELLER'S
PROPERTY**

**RISK OF
LOSS, ETC.**

9. (a) The risk of loss or damage to the Apartment, or to the property included in this sale in accordance with Paragraph 2, by fire or other cause, until the time of the closing, is assumed by Seller, but without any obligation on the part of Seller, except at Seller's option, to repair or replace any such loss or damage. Seller shall notify Purchaser of the occurrence of any such loss or damage within five (5) days after such occurrence or by the date of closing, whichever first occurs, and by such notice shall elect whether or not Seller will repair or replace the loss or damage and if Seller elects to do so, that he will complete the same within the sixty (60) day period hereinafter referred to. If Seller elects to make such repairs and/or replacements, then Seller's said notice shall set forth an adjourned date for the closing, which shall be not more than sixty (60) days after the date of the giving of Seller's notice. If Seller does not elect to make such repairs and/or replacements, or if Seller elects to make them and fails to complete the same on or before said adjourned closing date, Purchaser shall have the following options:

(i) to declare this agreement cancelled and receive a refund, without interest, from Seller of all sums theretofore paid on account of the purchase price; or

(j) to complete the purchase in accordance with this agreement without reduction in the purchase price except as provided in the next sentence. If Seller carries hazard insurance covering such loss or damage, Seller shall turn over to Purchaser at the closing the net proceeds (after legal and other expenses of

~~2. This sale is subject to the approval of the directors or shareholders of the Corporation as provided in the Lease or the corporate by-laws. Purchaser agrees to submit to Seller or to the Corporation's managing agent, within five (5) days after the execution and delivery hereof the names and addresses of persons to whom, or banks or corporations to which, reference may be had as to Purchaser's character and financial standing and thereafter to attend (and to cause Purchaser's spouse to attend) one or more personal interviews, as requested by the Corporation, and submit to the Corporation or its managing agent such further references and information as are commonly asked for in such transactions. If any of the aforementioned references are submitted to Seller, Seller shall promptly redeliver same to the Corporation or its managing agent. Seller may, but shall not be required to, take any steps in connection with the procurement of such approval. Seller shall promptly notify Purchaser of such approval or of the refusal thereof upon receipt of notice thereof. In the event of such refusal this agreement shall thereby be deemed cancelled. If approval or refusal be not received by Seller or Purchaser at or before the closing, either may by notice given to the other on or before the date fixed in paragraph 10 for the closing, adjourn the closing for a period not to exceed thirty (30) days for the purpose of obtaining such approval, and if the party who has adjourned the closing is unable to obtain approval of this sale within said period of time, this agreement shall ipso facto be deemed cancelled. If this agreement is cancelled as provided in this Paragraph, all sums theretofore paid to Seller by Purchaser on account of the purchase price shall be returned without interest to Purchaser and both parties shall be relieved from all further liability hereunder.~~

~~7. If approval of this sale be granted, Seller agrees to transfer and assign to Purchaser the Lease, the Shares and the personal property, as in this agreement provided, and Purchaser agrees to pay the purchase price and to assume, with respect to obligations arising from and after the time of the closing, all of the terms, covenants and conditions of the Lease on the part of the lessee thereunder to be performed, and to be bound by the by-laws of the Corporation and the rules and regulations, if any, from time to time promulgated by the Corporation. To that end Purchaser shall execute and deliver to the Corporation at the closing an agreement containing such assumptions in the form requested or approved by the Corporation, and, if requested by the Corporation, a new proprietary lease for the balance of the lease term shall be executed by Purchaser and the Corporation, and the Lease being assigned by Seller shall be surrendered for cancellation.~~

8. Seller shall, prior to the closing, remove from the Apartment all the household furniture, furnishing and other personal property not included in this sale, and shall repair any damage caused by such removal, and shall deliver possession of the Apartment at the closing, broom-clean.

collection) actually collected by Seller under the provisions of such hazard insurance policies to the extent that they are attributable to loss of or damage to any property included in this sale; if Seller has not received such proceeds Seller shall assign (without recourse to Seller) Seller's right to any payment or additional payments from Seller's said insurance which are attributable to the loss of or damage to any property included in this sale, less any sums theretofore expended by him.

(b) If Seller does not elect to make such repairs and/or replacements, Purchaser may exercise the resulting option under (i) or (ii) of (a) only by notice given to Seller within five (5) business days after Purchaser's option arises. If Seller elects to make such repairs and/or replacements and fails to complete the same on or before the adjourned closing date, Purchaser may exercise the resulting options within five (5) business days after the adjourned closing date.

10. The closing documents referred to in Paragraph 11 shall be delivered, and payment of the balance of the purchase price shall be made, at the closing to be held on

19 at M., at the office of

SCHIFF, TUREK & KAKOYIANNIS
136 East 57th Street
New York, New York 10022

11. At the closing: (a) Seller shall deliver to Purchaser:

CLOSING DOCUMENTS (i) Seller's certificate for the Shares, duly endorsed for transfer, or accompanied by a separate duly executed stock power, with necessary transfer stamps attached and in either case, with any guarantee of Seller's signature required by the Corporation;

(ii) Seller's duplicate original of the Lease and a duly executed assignment thereof to the Purchaser in the form requested or approved by the Corporation;

~~(iii) Certificate of the secretary of the Corporation as other evidence of the consent of the Corporation or its directors to the transfer of the Shares and Lease to Purchaser in accordance with the applicable provisions of the Lease or the corporate by-laws;~~

(iv) If requested, a statement by the managing agent that the maintenance and any special assessments then due and payable to the Corporation have been paid to the date of the closing;

~~(v) If requested, a bill of sale in customary form transferring the property referred to in Paragraph 2(a);~~

(vi) Keys to the outer doors of the Apartment.

(b) Purchaser shall deliver to Seller and the Corporation, together with the payment of the balance of the purchase price, the duly executed agreements and/or new lease referred to in Paragraph 7 hereof.

12. (a) Seller shall, at the closing, pay the processing fee, if any, charged by the managing agent for its services in connection with the approval of this sale and the transfer of the Shares and the Lease and the legal fee of the Corporation's attorney, if any, in connection with such transfer. Purchaser shall pay (i) the sales and transfer taxes, if any, on this sale, other than the transfer stamps provided for in Paragraph 11 (a) (i) and (ii) the cost of title search if required by the Corporation. (b) The parties shall at the closing apportion, as of midnight of the day preceding the date of actual closing, the rent under the Lease, and utility charges, if any, due the Corporation. Assessments will not be apportioned but will be payable by the party who is the Owner when the same become due and payable.

**PRIOR LEASE
TERMINATION**

13. If prior to the closing the Corporation shall elect to cancel and terminate the Lease under any option or privilege reserved therein for any reason except Seller's default, this agreement shall thereupon become a nullity and Seller shall be deemed to be unable to convey the Lease and the Shares and Seller shall refund to Purchaser, without interest, all sums theretofore paid on account of the purchase price.

BROKER

14. Purchaser represents to Seller that Purchaser has not dealt with any brokers in connection with this transaction other than

and Seller agrees to pay said broker a commission.

**DEFAULTS,
REMEDIES**

15. If Purchaser defaults hereunder, Seller's sole remedy shall be to retain as liquidated damages the down payment mentioned in Paragraph 3, it being agreed that Seller's damages in case of Purchaser's default might be impossible to ascertain and that the down payment constitutes a fair and reasonable amount of damages in the circumstances. If Seller willfully defaults, Purchaser shall have such remedies as he is entitled to at law or in equity, including but not limited to specific performance because the Apartment and possession thereof cannot be duplicated.

**ENTIRE
AGREEMENT**

16. All representations, understandings and agreements had between the parties with respect to the subject matter of this agreement are merged in this agreement which alone fully and completely expresses their agreement. except all representations contained in the Plan, which shall survive closing.

**NO ASSIGNMENT
BY PURCHASER**

17. This agreement cannot be changed, discharged or terminated orally. Purchaser may not assign this agreement or any of his rights hereunder.

**SELLER'S
EXCULPATION**

18. Notwithstanding any contrary provisions of this agreement, express or implied, or any contrary rule of law or custom, if Seller shall be unable to transfer the Lease and the Shares in accordance with this agreement and any conditions hereof, then the sole obligation and liability of Seller shall be to refund to Purchaser, without interest, all sums theretofore paid on account of the purchase price, and upon the making of such refund this agreement shall be deemed cancelled and shall wholly cease and terminate, and neither party shall have any further claim against the other by reason of this agreement. However, nothing contained in this paragraph shall be construed to relieve Seller from liability due to a misrepresentation or wilful default.

NOTICES

19. All notices or demands ("Notice") that must or may be given or made hereunder shall be in writing and sent by certified or registered mail, return receipt requested, to the address above set forth for the party to whom the Notice is given, or to such other address for such party as said party shall hereafter designate by Notice given to the other party pursuant to this paragraph. Each Notice shall be deemed given on the next business day following the date of mailing the same.

**MARGIN
HEADINGS**

20. The margin headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this agreement and shall not be considered in the interpretation of this agreement or any of its provisions.

Note:

Either strike this paragraph because there is no financing condition to the transaction or complete the paragraph as required.

**FINANCING
CONDITION**

21. A. The obligations of Purchaser hereunder are subject:

(a) to the issuance of a commitment letter by a commercial bank, savings bank, savings and loan association or insurance company doing business in the State of New York to Purchaser, on or before , 19 (a copy of which letter shall be furnished to Seller promptly after receipt thereof), pursuant to which the institution agrees to lend not less than \$, at a rate of interest not to exceed / ^{prevailing} % per annum, for a term of at least / ^{prevailing} years solely upon the security of a pledge, security interest or assignment of, and/or mortgage on, the Shares and the Lease, in order to enable Purchaser to consummate the transaction provided herein;

(b) to the consent of the Corporation to the loan if such consent is required by the terms of the Lease or the by-laws of the Corporation and to the execution by the Corporation of an agreement, in form and substance satisfactory to the institution and the Corporation, for the protection of the institution's rights as a lender; and

(c) to the closing of the loan on or before the date fixed in Paragraph 10 for the closing.

B. Purchaser shall apply for the loan, shall furnish to the institution, within five (5) days of the date hereof, accurate and complete information on Purchaser and members of Purchaser's family, as required, shall advise Seller of the name and address of the institution to which such application has been made and the date upon which it was made and shall cause to be furnished to the Corporation, for its consideration, as soon as practicable, the agreement proposed to be made by the institution with the Corporation. Purchaser shall pay or reimburse Seller the fees charged by the Corporation and its counsel for reviewing and negotiating the aforesaid agreement.

C. Purchaser shall accept any commitment letter complying with the terms of subparagraph A(a) hereof, if issued, shall pay any application, appraisal, commitment or other fees in respect of the loan, and shall comply with the requirements of the commitment letter other than those relating to the Corporation.

D. Provided that Purchaser shall have fulfilled all of Purchaser's obligations under subparagraph B hereof, if the aforementioned commitment letter is not issued by the date provided for in subparagraph A(a) hereof, Purchaser shall have the right to terminate this agreement on Notice given not more than five (5) days thereafter, or if the other conditions provided for in subparagraph A hereof are not met, Purchaser shall have the right to terminate this agreement on Notice to Seller, and in either such event all sums theretofore paid on account of the purchase price shall be returned without delay and without interest to Purchaser, and all parties hereto shall be relieved of and from any further liability hereunder.

22. See Rider attached hereto.

DAHILL PARK ASSOCIATES

Seller

Purchaser

CONTRACT OF SALE OF
COOPERATIVE APARTMENT

Form Approved by
The Cooperative Housing
Lawyers Group

Apartment Number:

Address of Premises:

36-58 Dahill Road
Brooklyn, New York 11219

Name of Cooperative Corporation:

Dahill Gardens Apt. Inc.

IN WITNESS WHEREOF, the parties hereto have duly executed this agreement the day and year first above written.

DAHILL PARK ASSOCIATES

By: _____
Seller

Seller

Purchaser

Purchaser

RIDER annexed to and forming part of the Contract of Sale

22. In the event of any inconsistency between the provisions of this Rider and the provisions of the Contract of Sale, the provisions of the Rider shall govern.

23. Any inconsistency arising between the provisions of the Offering Plan and the Amendments thereto and the Contract of Sale or Rider to the Contract of Sale shall be construed in favor of the Offering Plan and the Amendments thereto.

24. As to Paragraph 9, it is understood and agreed that in the event that Purchaser should fail to send written notice to Seller exercising either of Purchaser's options as set forth in Paragraph 9(a)-i or 9(a)-ii, then it will be conclusively presumed that Purchaser exercised the option under Paragraph 9(a)-ii. Seller shall have the right to retain from the insurance proceeds collected pursuant to Paragraph 9(a)-ii, any sums expended by Seller in connection with the loss or damage.

25. In the event that Purchaser, through no fault of the Seller, fails to close on the day scheduled for closing provided in Paragraph 10, then the apportionments for rent and utility charges due the Corporation shall be as of midnight of the day preceeding scheduled closing day and not as of midnight of the day preceeding actual closing date. Time is of the essence for Purchaser to pay and perform its obligations hereunder within 30 days of the scheduled closing date.

26. Further to Paragraph 14, Purchaser agrees to indemnify and hold Seller harmless from and against any claim, judgment, liability, cost or expense, including without limitation reasonable attorney's fees resulting from any breach of Purchaser's representations set forth in Paragraph 14. This provision shall survive the closing.

27. Purchaser acknowledges that he has received a copy of the Offering Plan together with the Amendments attached thereto. Purchaser further acknowledges that he has had a minimum of three (3) days to review the Offering Plan and amendments thereto before executing this Contract of Sale.

28. Purchaser acknowledges having received a copy of the New York State Real Property Transfer Gains Tax Transferee Questionnaire. Purchaser represents and agrees that he will sign and return the Questionnaire to the Seller within 7 days from the day the Seller delivers fully executed Contract of Sale to Purchaser. In the event Purchaser shall fail to return the Questionnaire within said 7-day period, Purchaser shall be in default of Contract.

29. The acceptance of the shares and the assumption of the proprietary lease by the Purchaser shall be deemed to be full performance and discharge of every agreement and obligation on the part of the Seller to be performed pursuant to the terms of this Contract, except those expressly provided to survive the closing.

30. Supplementary Paragraph 12: Purchaser agrees to pay to the attorneys for the Apartment Corporation the legal fee for services rendered in connection with the preparation of the closing documents as stated in the Offering Plan under section entitled "Procedure to Purchase". This fee is payable to Schiff, Turek and Kakoyiannis by certified check.

CONTRACT OF SALE—COOPERATIVE APARTMENT

Agreement

made as of the

day of

19 87

between

DAHILL PARK ASSOCIATES

residing at

4819 13th Avenue
Brooklyn, New York 11219

and

hereinafter called "Seller"

residing at

hereinafter called "Purchaser"

WITNESSETH:

1. Seller agrees to sell and transfer and Purchaser agrees to buy (i) shares
 SHARES (the "Shares") of DAHILL GARDENS APTS INC.

(the "Corporation") allocated to Apartment (the "Apartment") in the cooperative
 apartment building located at 36-58 Dahill Road
 Brooklyn, New York 11218

and (ii) the Seller's interest, as tenant, in the proprietary lease, as amended (the "Lease"), for
 LEASE the Apartment, which Lease is appurtenant to the Shares.

2. (a) Subject to the rights of the landlord
 PERSONAL under the Lease and any holder of a mortgage
 PROPERTY to which the Lease is subordinate, this sale in-
 cludes all of the Seller's right, title and interest,
 If any, in and to:

(i) the refrigerators, ranges, dishwashers, kitch-
 en cabinets and counters, lighting and plumbing
 fixtures, air-conditioning equipment and other
 fixtures and articles of property attached to or
 appurtenant to the Apartment, except those listed in subpara-
 graph (b) of this Paragraph 2;
 (ii)

(b) Excluded from this sale are:
 (i) furniture and furnishings, and
 (ii)

4. Seller represents, warrants and covenants
 WARRANTIES that: a) Seller is the sole owner of the Shares,
 the Lease and the property referred to in para-
 graph 2(a)(ii); the same are and will at closing be free and
 clear of liens, encumbrances and adverse interests, subject to
 the matters, if any, affecting the title to the real property of
 which the Apartment is a part; and Seller has the full right
 and power to sell and transfer the same; (b) the Shares were
 duly issued and fully paid for and are non-assessable; (c) the
 maintenance (rent) payable on the date hereof is at the rate
 of \$ a month and at the date of closing
 will be fully paid to said date; (d) Seller has not received any
 written notice of any intended assessment or increase in said
 maintenance (rent) not reflected in the figure set forth in sub-
 paragraph (c); (e) the Lease is and will at closing be in full
 force and effect; (f) Seller is not and will not become indebted
 for labor or material which might give rise to the filing of a
 notice of mechanic's lien against the building in which the
 Apartment is located; (g) there are and will at closing be no
 violations of record which the tenant would be obligated to
 remedy under the terms of the Lease; (h) Seller is not a sponsor
 or a nominee of a sponsor under any plan of cooperative
 organization affecting this Apartment.

The representations and warranties contained in this Para-
 graph 4 and in Paragraph 14 shall survive the closing but any
 action based thereon must be instituted within one year from
 the date of closing.

The property referred to in Paragraph 2(a)(i) and 2(a)(ii)
 may not be purchased if title to the Shares and the Lease is not
 closed hereunder.

3. The purchase price is \$
 PAYEE payable as follows: \$
 by check, subject to collection, on the execution
 and delivery of this agreement; \$ in cash,
 cashier's check or by unendorsed certified check of Purchaser
 drawn on a local bank or trust company, to the order of Seller,
 to be delivered at the closing.

*To be held in escrow in conformity
 with Sections 352-e(2)(b) and
 352-h of the GBL by Seller's
 attorneys, Schiff, Turek
 & Makoyiannis, pending closing.

5. Purchaser has examined and is satisfied with
 NO OTHER the certificate of incorporation, the by-laws of
 REPRESENTATIONS the Corporation and the form of the Lease, or
 has waived the examination thereof. Purchaser
 has inspected the Apartment, its fixtures, appliances and equip-
 ment and the personal property, if any, included in the sale,
 and knows the condition thereof, and agrees to accept the same
 "as is", i.e., in the condition they are in on the date hereof
 subject to normal wear and tear. Purchaser has examined or
 waived examination of the last audited financial statement of
 the Corporation, and has considered or waived consideration of
 all other matters pertaining to this agreement and to the pur-
 chase to be made hereunder, and does not rely on any repre-
 sentations made by any broker or by Seller or anyone acting or
 purporting to act on behalf of Seller as to any matters which
 might influence or affect the decision to execute this agreement
 or to buy the Shares, the Lease, or said personal property except
 those representations and warranties which are specifically set
 forth in this agreement.

EXHIBIT A

DAHILL GARDENS APT. INC.

UNSOLD SHARES

<u>Apt. No.</u>	<u>No. of Shares</u>	<u>Apt. No.</u>	<u>No. of Shares</u>
2A	204	4H	158
3A	206	5H	160
5A	210	6H	162
6A	212	1I	145
2B	204	2I	149
3B	206	3I	151
4B	208	4I	153
5B	210	5I	155
6B	212	6I	157
1C	150	1J	158
2C	154	3J	164
3C	156	4J	166
5C	160	5J	168
6C	162	6J	170
1D	100	2K	204
3D	139	3K	206
4D	141	4K	208
5D	143	5K	210
6D	145	6K	212
1E	158	2L	96
2E	162	3L	98
3E	164	4L	100
2F	154	6L	104
3F	156	1M	133
4F	158	3M	139
5F	160	4M	141
1G	162	5M	143
2G	166	6M	145
3G	168	1N	200
4G	170	2N	204
5G	172	3N	206
6G	174	4N	208
1H	150	5N	210
2H	154	6N	212
3H	156		

Total Number of Unsold Shares 11,501

31. This document shall not be construed as an offer or a binding contract until the following events have occurred:

- a) The document is executed by Seller and delivered to Purchaser herein; and
- b) The Seller receives the down payment of the purchase price pursuant to paragraph 3 of the Contract.

Seller

Purchaser

/jc45

FIFTH AMENDMENT
TO THE COOPERATIVE OFFERING PLAN OF

36-58 DAHILL ROAD
BROOKLYN, NEW YORK

DATED: DECEMBER 2, 1988

The Offering Plan - A Plan to Convert to Cooperative Ownership premises at 36-58 Dahill Road, Brooklyn, New York (hereinafter referred to as the "Plan"), dated January 29, 1987 is amended as follows:

1. A copy of the balance sheet of Dahill Gardens Apts. Inc. for the period September 16, 1987 to December 31, 1987 is annexed hereto as Exhibit A.

2. The officers of the Apartment Corporation are:

President - Mario Perez
Vice President - Isaac Rokowsky
Secretary - Victor Fein
Treasurer - Arthur Colen

3. The Sponsor made an additional deposit of \$20,839.55 into the reserve fund on the first anniversary of the closing in accordance with the terms of the Second Amendment. The Apartment Corporation expended the sum of \$4,250.00 from the reserve fund in payment of a new fence. The balance in the reserve fund as of October 7, 1988 was \$108,889.61.

4. A list of the unsold shares still held by the Sponsor as Holder of Unsold Shares is annexed hereto as Exhibit B.

5. There are no material changes in the terms of the Offering Plan except as set forth in the First, Second, Third, Fourth and this Fifth Amendment.

DAHILL PARK ASSOCIATES, Sponsor

/el
d-6j\amend.5



Marin, Stylman, Prisand & Montanye

Certified Public Accountants

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

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

February 17, 1988

Board of Directors
DAHILL GARDENS APARTMENTS, INC.
36-58 Dahill Road
Brooklyn, New York 11218

Ladies & Gentlemen:

We have examined the Balance Sheet of DAHILL GARDENS APARTMENTS, INC. as of December 31, 1987, and the related statements of operations, and changes in financial position for the period September 16, 1987 to December 31, 1987. 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 financial statements referred to above present fairly the financial position of DAHILL GARDENS APARTMENTS, INC. as of December 31, 1987 and the results of its operations and the changes in its financial position for the period September 16, 1987 to December 31, 1987, in conformity with generally accepted accounting principles.

Respectfully submitted,

A handwritten signature in cursive script that reads "Marin, Stylman, Prisand & Montanye".

MARIN, STYLMAN, PRISAND & MONTANYE
Certified Public Accountants

BALANCE SHEET

As of December 31, 1987

Page 1 of 2

ASSETSCURRENT ASSETS

Cash - operating	\$	30,090
Cash - working capital fund		10,097
Shareholders' arrears		313
Mortgage escrow		4,641

Prepaid expenses:

Fuel inventory	\$	1,890	
Insurance		1,331	
Water & sewer charges		4,496	
Service contracts		231	
Real estate taxes		<u>20,380</u>	<u>28,328</u>

TOTAL CURRENT ASSETS

73,469

OTHER ASSETS

Supplemental fund - due from sponsor - See Note 5	62,519
Reserve fund - Schedule 1	88,340

FIXED ASSETS

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Land	\$ 680,000	\$ -0-	\$ 680,000
Building	<u>3,339,352</u>	<u>23,853</u>	<u>3,315,499</u>
	<u>\$ 4,019,352</u>	<u>\$ 23,853</u>	

TOTAL FIXED ASSETS3,995,499TOTAL ASSETS\$ 4,219,827

See Notes to Financial Statements

BALANCE SHEET

As of December 31, 1987

Page 2 of 2

LIABILITIESCURRENT LIABILITIES

Notes payable - current monthly	\$ 13,147
Accounts payable & accrued expenses - Schedule 2	15,420
Accrued mortgage interest	12,602
Prepaid occupancy income	397
Sundry payable	<u>1,156</u>
<u>TOTAL CURRENT LIABILITIES</u>	42,722

LONG TERM LIABILITIES

Note payable	24,048
Mortgage payable - (See Notes to Financial Statements)	
First Nationwide Savings and Loan Association	
Interest @ 10.875%; maturity 7/1/96	
Original amount	\$ 1,392,380
Less: amount amortized	<u>1,762</u>
	<u>1,390,618</u>
<u>TOTAL LIABILITIES</u>	1,457,388

STOCKHOLDERS' EQUITY

Capital stock - Common - Authorized 20,000 shares	
Issued 13,563 shares @ \$1.00 par value	13,563
Contributed capital in excess par value	2,773,410
Paid-in surplus - mortgage amortization	1,762
Loss for the period September 16, 1987 -	
December 31, 1987	<u>\$ (26,296)</u>
Deficit Balance - December 31, 1987	<u>(26,296)</u>
<u>TOTAL STOCKHOLDERS' EQUITY</u>	<u>2,762,439</u>
<u>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</u>	<u>\$ 4,219,827</u>

See Notes to Financial Statements

As of December 31, 1987RESERVE FUNDSchedule 1

Reserve fund - September 16, 1987

\$ 87,481

Add: Interest earned during period

859

Reserve fund - December 31, 1987

\$ 88,340Consisting of:

Manufacturers Hanover Trust

\$ 88,000

Accrued interest

340TOTAL RESERVE FUND - December 31, 1987\$ 88,340ACCOUNTS PAYABLE AND ACCRUED EXPENSESSchedule 2

New York State sales tax

\$ 40

Corporate taxes

1,251

Auditing

2,750

Compactor

1,191

Maintenance supplies

226

Payroll taxes

1,015

Repairs

2,326

Electricity and gas

1,314

Insurance

367

Telephone

36

Fuel

4,904TOTAL\$ 15,420

See Notes to Financial Statements

STATEMENT OF OPERATIONSFor The Period September 16, 1987 to December 31, 1987INCOMEIncome from Shareholders

Carrying charges - apartments	\$ 102,060
Less: Paid-in surplus - mortgage amortization	(1,762)
Garage income	<u>2,035</u>

<u>Total Income from Shareholders</u>	\$ 102,333

Other Income

Professional apartment	\$ 2,625	
Laundry income	875	
Interest income	1,100	
Miscellaneous	<u>40</u>	<u>4,640</u>

<u>TOTAL INCOME</u>	106,973

COST OF OPERATIONS

Administrative expenses	Schedule 1	15,102
Operating expenses	Schedule 2	29,390
Maintenance expenses	Schedule 3	7,652
Taxes	Schedule 4	13,139
Financial expenses	Schedule 5	<u>44,133</u>

<u>TOTAL COST OF OPERATIONS</u>	<u>109,416</u>

<u>LOSS FROM OPERATIONS BEFORE DEPRECIATION</u>	(2,443)

Depreciation	Schedule 6	<u>(23,853)</u>

<u>NET LOSS FOR PERIOD - To Exhibit A</u>	<u>\$ (26,296)</u>

See Notes to Financial Statements

For The Period September 16, 1987 to December 31, 1987

ADMINISTRATIVE EXPENSES

Schedule 1

Management fee		\$	2,833
Auditing			2,750
Telephone			121
Stationery, printing, miscellaneous administrative expenses			314
Insurance			<u>9,084</u>

TOTAL ADMINISTRATIVE EXPENSES

\$ 15,102

OPERATING EXPENSES

Schedule 2

Energy

Fuel 21,300 gallons @ avg. 54¢	\$	11,474	
Electricity and gas		<u>3,412</u>	\$ 14,886
Water and sewer charges			<u>2,684</u>

Payroll

Payroll		9,834	
Payroll taxes		763	
Payroll insurance		<u>1,223</u>	<u>11,820</u>

TOTAL OPERATING EXPENSES

\$ 29,390

MAINTENANCE EXPENSES

Schedule 3

Exterminating	\$	258
Compactor		1,191
Repairs - materials & labor to contractors		2,872
Elevator maintenance and repairs		1,040
Supplies & janitorial materials		1,331
Grounds		<u>960</u>

TOTAL MAINTENANCE EXPENSES

\$ 7,652

See Notes to Financial Statements

DAHILL GARDENS APTS., INC.

EXHIBIT 8

For The Period September 16, 1987 to December 31, 1987

TAXES

Schedule 4

New York City real estate taxes
New York State and City corporate taxes

\$ 21,888
1,251

TOTAL TAXES

\$ 13,139

FINANCIAL EXPENSES

Schedule 5

Interest on mortgage payable

\$ 44,133

TOTAL FINANCIAL EXPENSES

\$ 44,133

DEPRECIATION

Schedule 6

Building - 35 years straight line

\$ 23,853

TOTAL DEPRECIATION

\$ 23,853

See Notes to Financial Statements

DAHILL GARDENS APTS., INC.EXHIBITS C & DSTATEMENT OF CHANGES IN FINANCIAL POSITIONEXHIBIT CFor The Period September 16, 1987 to December 31, 1987Source of Funds

Loss per Statement of Operations (Exhibit B)		\$ (26,296)
Depreciation - non cash		23,853
Paid-in surplus - mortgage amortization		1,762
Closing adjustments - note payable		<u>39,383</u>
		38,702

Application of Funds

Increase in reserve fund - net	\$ 858	
Current maturity - long-term debt	15,335	
Amortization of mortgage	<u>1,762</u>	<u>17,955</u>
<u>NET WORKING CAPITAL INCREASE (Exhibit D)</u>		<u>\$ 20,747</u>

RECONCILIATION OF CHANGE IN WORKING CAPITALEXHIBIT DSeptember 16, 1987 December 31, 1987

Current assets	\$ 10,000	\$ 73,469
Current liabilities	<u>-0-</u>	<u>42,722</u>
<u>Working Capital</u>	<u>\$ 10,000</u>	<u>\$ 30,747</u>
<u>NET WORKING CAPITAL INCREASE (Exhibit C)</u>		<u>\$ 20,747</u>

See Notes to Financial Statements

WORKING CAPITAL FLOW STATEMENT OF INCOME AND EXPENDITURES

For The Period September 16 - December 31, 1987

	First Year Operations as per Prospectus Budget	For The Period September 16, 1987-December 31, 1987		Next Year January 1, 1988 December 31, 1988 Budget
		Pro Rata Budget	Actual	
INCOME				
Carrying charges	\$ 349,925	\$ 102,060	\$ 102,060	\$ 349,925
Parking	10,560	3,000	2,035	8,500
Professional	8,970	2,615	2,625	9,000
Laundry income	3,000	875	875	3,000
Miscellaneous income	-0-	-0-	40	-0-
TOTAL INCOME	372,455	108,550	107,635	370,425
EXPENDITURES				
Management	10,000	2,917	2,833	10,000
Legal	(5,000)	(1,458)	(-0-)	(1,000)
Auditing	(-0-)	(-0-)	(2,750)	(4,500)
Miscellaneous administrative expenses	33,800	9,858	9,084	34,800
Fuel:				
Budget - 63,100 gallons @ 53¢	33,445			
Budget - 17,500 gallons @ 53¢		9,275		
Actual - 21,300 gallons @ 54¢			11,474	
Budget - 64,000 gallons @ 54¢				34,500
Electricity and gas	13,149	3,700	3,412	13,500
Water and sewer charges	7,566	2,207	2,684	10,700
Wages	32,136	9,373	9,834	32,500
Payroll taxes and employee benefits	(3,680)	(1,073)	(1,986)	(3,720)
Workers' compensation & disability insurance	(5,000)	(1,991)	(-0-)	(-0-)
Miscellaneous operating expenses	(-0-)	(-0-)	(258)	(700)
Exterminating	(-0-)	(-0-)	(1,191)	(-0-)
Compressor	(-0-)	(-0-)	(1,040)	(4,000)
Elevator maintenance and repairs	(21,069)	(6,145)	(1,331)	(4,000)
Supplies and janitorial materials	(-0-)	(-0-)	(960)	(3,000)
Grounds	(-0-)	(-0-)	(2,872)	(8,500)
Maintenance repairs and supplies	(-0-)	(-0-)	(-0-)	(-0-)
Mortgage interest and amortization	158,406	46,202	45,895	158,500
Real estate taxes	44,585	13,004	11,888	40,500
Corporate taxes	889	259	1,251	2,500
Contingency	3,730	1,088	-0-	-0-
TOTAL EXPENDITURES	372,455	108,550	111,178	368,420
BUDGETED SURPLUS (DEFICIT)	\$ -0-	\$ -0-		\$ 2,005
ACTUAL OPERATING (DEFICIT)			(3,543)	
Add: Interest income			1,100	
ACTUAL NET OPERATING (DEFICIT) (Per Exhibit B)			\$ (2,443)	

We are precluded from expressing an opinion on the portions of this Exhibit that reflect budgetary forecasts due to the fact that these forecasts are based upon assumptions concerning future events.

See Notes to Financial Statements.

DAHILL GARDENS APARTMENTS, INC.

NOTES TO FINANCIAL STATEMENTS

As Of DECEMBER 31, 1987

1. The building converted to co-operative housing on September 16, 1987.

2. MORTGAGE

The mortgage is currently being held by First Nationwide Savings & Loan Association in the original amount of \$1,392,380. The indebtedness requires constant monthly payments of principal and interest of \$13,200.47 with interest first being applied at a rate of 10.875% per annum. The mortgage is due and payable July 1, 1986.

3. NOTE PAYABLE

A series of 36 consecutive notes were executed by an officer of the Apartment Corporation for the benefit of the Sponsor, evidencing the Apartment Corporation's indebtedness in the sum of \$39,383.32. The notes require monthly payments of \$1,093.98 commencing on October 17, 1987 plus interest at the rate of 7.08% per annum and terminating on September 17, 1990.

4. SIGNIFICANT ACCOUNTING POLICIES

The building is being depreciated using the straight-line method, over a period of 35 years.

5. SUPPLEMENTAL RESERVE FUND

The Sponsor set up a reserve fund at the closing in an amount equal to 3% of the total cash purchase price (\$215.00 per share) in accordance with Local Law 70. The Sponsor however, agreed to set up a supplemental fund in an amount equal to the difference between the sum of \$150,000 and the amount of the 3% reserve fund. The supplemental fund shall be paid to the apartment corporation in installments of 1/3 each, due on the first, second and third anniversaries of the closing.

6. FEDERAL INCOME TAXES

The Internal Revenue Service has taken the position that real estate cooperatives are subject to Section 277 of the Internal Revenue Code.

Section 277 of the Code provides that a membership organization that is operated to provide services to members is permitted to deduct expenses attributable to the furnishing of services to the members only to the extent of the income derived during such year from its members. Section 277 permits a membership organization to reduce income from non-membership sources only by expenses incurred in generating this income. Accordingly, income from non-membership sources such as interest, commercial rental, professional apartment rental, etc. in excess of expenses properly attributable thereto may be subject to federal tax.

Any income tax liability that may result from the above is not reflected in the attached financial statements. If the position of the Internal Revenue Service is sustained by the courts, such liability will be reflected in future financial statements.

UNSOLD SHARES

<u>Apartment</u>	<u>No. of Shares</u>	<u>Apartment</u>	<u>No. of Shares</u>
2A	204	4G	170
3A	206	6G	174
6A	212	2H	154
3B	206	4H	158
4B	208	5H	160
6B	212	2I	149
1C	150	4I	153
2C	154	5I	155
3C	156	6I	157
5C	160	5J	168
1D	100	2K	204
3D	139	6K	212
4D	141	4L	100
6D	145	1M	133
1E	158	3M	139
2E	162	4M	141
2F	154	5M	143
3F	156	1N	200
4F	158	3N	206
5F	160	5N	210
1G	162		
2G	166		
3G	168		



SIXTH AMENDMENT

**36-58 DAHILL ROAD
BROOKLYN, NEW YORK**

DATED: January 12, 1990

The Offering Plan - A Plan to Convert to Cooperative Ownership premises at 36-58 Dahill Road, Brooklyn, New York (hereinafter referred to as the "Plan") accepted for filing on January 29, 1987 is amended as follows:

1. The control of the Apartment Corporation is still with the Sponsor. The present members of the Board of Directors are as follows:

MARIO PEREZ	- Resident Shareholder
WILLIAM TONER	- Resident Shareholder
ISAAC ROKOWSKY	- Sponsor Representative
SOLOMON ROKOWSKY	- Sponsor Representative
VICTOR FEIN	- Sponsor Representative

2. A list of unsold shares currently held by the Sponsor is annexed hereto as Exhibit A.

3. A copy of the certified financial statement for the year ended December 31, 1988 and the 1989 Budget are annexed hereto as Exhibit B.

4. There are no other material changes except as set forth in Amendments One through Five and this Sixth Amendment.

DAHILL PARK ASSOCIATES, Sponsor

BAA/aem
0025A.16/Amend.6th

UNSOLD SHARES
36-58 Dahill Road
Brooklyn, New York

<u>APARTMENT</u>	<u>NO. OF SHARES</u>	<u>APARTMENT</u>	<u>NO. OF SHARES</u>
2A	204	2G	166
3A	206	3G	168
6A	212	4G	170
3B	206	6G	174
4B	208	2H	154
6B	212	4H	158
1C	150	5H	160
2C	154	2I	149
3C	156	4I	153
5C	160	5I	155
1D	100	6I	157
3D	139	5J	168
4D	141	2K	204
6D	145	6K	212
1E	158	1M	133
2E	162	3M	139
2F	154	4M	141
3F	156	5M	143
4F	158	1N	200
5F	160	3N	206
1G	162	5N	210

Marin & Montanye

CERTIFIED PUBLIC ACCOUNTANTS

MARTIN M. MARIN, CPA
RICHARD B. MONTANYE, CPA

PATRICIA PRUSINSKI, CPA
ROBERT R. SURIKSIAD, CPA
JANICE H. TEMPLE, CPA

February 2, 1989

Board of Directors
DAHILL GARDENS APARTMENTS, INC.
36-58 Dahill Road
Brooklyn, N.Y. 11218

Ladies & Gentlemen:

Independent Auditor's Report

We have audited the accompanying balance sheet of DAHILL GARDENS APARTMENTS, INC. as of December 31, 1988, and the related statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DAHILL GARDENS APARTMENTS, INC. as of December 31, 1988, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Respectfully submitted,



MARIN & MONTANYE
Certified Public Accountants

BALANCE SHEETAs of December 31, 1988Page 1 of 2A S S E T SCURRENT ASSETS

Cash - operating	\$	21,459
Cash - working capital fund		10,668
Shareholders' arrears		854
Mortgage escrow		22,815
Sundry receivables		1,471

Prepaid expenses:

Fuel inventory	\$	2,598	
Insurance		3,114	
Water & sewer charges		5,773	
Service contracts		<u>234</u>	<u>11,719</u>

TOTAL CURRENT ASSETS

68,986

OTHER ASSETS

Supplemental fund - due from sponsor - See Note 5	41,679
Reserve fund - Schedule 1	110,384

FIXED ASSETS

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Land	\$ 680,000	\$ -0-	\$ 680,000
Building	3,339,352	143,115	3,196,237
Building improvements	<u>4,250</u>	<u>450</u>	<u>3,800</u>
	<u>\$ 4,023,602</u>	<u>\$ 143,565</u>	

TOTAL FIXED ASSETS3,880,037TOTAL ASSETS\$ 4,101,086

7

See Notes to Financial Statements.

BALANCE SHEETAs of December 31, 1988Page 2 of 2LIABILITIESCURRENT LIABILITIES

Notes payable - current maturity	\$	13,126
Accounts payable & accrued expenses - Schedule 2		13,440
Accrued mortgage interest		12,534
Prepaid occupancy income		1,391
Sundry payable		<u>1,088</u>
<u>TOTAL CURRENT LIABILITIES</u>		41,579

LONG TERM LIABILITIES

Notes payable - See Note 3		9,848
Mortgage payable - (See Note 2)		
First Nationwide Savings and Loan Association		
Interest @ 10.875%; maturity 7/1/96		
Original amount	\$ 1,392,380	
Less: amount amortized	<u>9,307</u>	<u>1,383,073</u>
<u>TOTAL LIABILITIES</u>		1,434,500

STOCKHOLDERS' EQUITY

Capital stock - Common - Authorized 20,000 shares		
Issued 13,563 shares @ \$1.00 par value	13,563	
Contributed capital in excess par value	2,773,410	
Paid-in surplus - mortgage amortization	9,307	
Deficit Balance - January 1, 1988	\$ (26,296)	
Loss for the year ended		
December 31, 1988	<u>(103,398)</u>	
Deficit Balance - December 31, 1988	<u>(129,694)</u>	
<u>TOTAL STOCKHOLDERS' EQUITY</u>		<u>2,666,586</u>
<u>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</u>		<u>\$ 4,101,086</u>

See Notes to Financial Statements.

DAHILL GARDENS APARTMENTS, INC.

EXHIBIT A

As of December 31, 1988

RESERVE FUND

Schedule 1

Reserve fund - January 1, 1988	\$ 88,340
Add: Interest earned during period (net of bank charges)	5,454
Sponsor contribution	20,840
Less: Transfer to operations - Building improvements	<u>(4,250)</u>
Reserve fund - December 31, 1988	<u>\$ 110,384</u>

Consisting of:

Manufacturers Hanover Trust	\$ 109,908
Accrued interest	<u>476</u>
<u>TOTAL RESERVE FUND - December 31, 1988</u>	<u>\$ 110,384</u>

ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Schedule 2

New York State sales tax	\$ 49
Exterminating	147
Maintenance supplies	50
Payroll	2,783
Payroll taxes	700
Repairs	200
Electricity and gas	2,692
Insurance	956
Fuel	<u>5,863</u>
<u>TOTAL</u>	<u>\$ 13,440</u>

1

See Notes to Financial Statements.

STATEMENT OF OPERATIONSFor The Year Ended December 31, 1988INCOMEIncome from Shareholders

Maintenance charges - apartments	\$ 349,925
Less: Paid-in surplus - mortgage amortization	(7,545)
Garage income	<u>9,075</u>

<u>Total Income from Shareholders</u>	\$ 351,455

Other Income

Professional apartment	9,000	
Laundry income	3,000	
Interest income	<u>6,260</u>	<u>18,260</u>

<u>TOTAL INCOME</u>	369,715

COST OF OPERATIONS

Administrative expenses	Schedule 1	39,286
Operating expenses	Schedule 2	97,880
Maintenance expenses	Schedule 3	19,954
Taxes	Schedule 4	43,878
Financial expenses	Schedule 5	<u>152,402</u>

<u>TOTAL COST OF OPERATIONS</u>	<u>353,400</u>

<u>INCOME FROM OPERATIONS BEFORE DEPRECIATION</u>	16,315

Depreciation	Schedule 6	<u>(119,713)</u>

<u>NET LOSS FOR THE YEAR - To Exhibit A</u>	<u>\$ (103,398)</u>

DAHILL GARDENS APARTMENTS, INC.EXHIBIT BFor The Year Ended December 31, 1988ADMINISTRATIVE EXPENSESSchedule 1

Management fee	\$	9,667
Legal - tax reduction		150
Auditing		4,500
Telephone		550
Stationery, printing, miscellaneous administrative expenses		339
Insurance		<u>24,080</u>

TOTAL ADMINISTRATIVE EXPENSES\$ 39,286OPERATING EXPENSESSchedule 2Energy

Fuel 59,000 gallons @ avg. 54¢	\$	31,666	
Electricity and gas		<u>11,194</u>	\$ 42,860
Water and sewer charges			<u>10,267</u>

Payroll

Payroll	35,556	
Payroll taxes	2,909	
Payroll insurance	<u>5,327</u>	43,792
Permits		<u>961</u>

TOTAL OPERATING EXPENSES\$ 97,880MAINTENANCE EXPENSESSchedule 3

Exterminating	\$	1,840
Repairs - materials & labor to contractors		7,000
Elevator maintenance and repairs		3,811
Supplies & janitorial materials		4,288
Grounds		<u>3,015</u>

TOTAL MAINTENANCE EXPENSES\$ 19,954

See Notes to Financial Statements.

DAHILL GARDENS APARTMENTS, INC.

EXHIBIT B

For The Year Ended December 31, 1988

TAXES

Schedule 4

New York City real estate taxes
New York State and City corporate taxes

\$ 40,840
3,038

TOTAL TAXES

\$ 43,878

FINANCIAL EXPENSES

Schedule 5

Interest on mortgage payable
Interest on note payable
Other interest

\$ 150,793
755
854

TOTAL FINANCIAL EXPENSES

\$ 152,402

DEPRECIATION

Schedule 6

Building - 35 years straight line
Building improvements

\$ 119,263
450

TOTAL DEPRECIATION

\$ 119,713

1

See Notes to Financial Statements.

DAHILL GARDENS APARTMENTS, INC.EXHIBITS C & DSTATEMENT OF CASH FLOWSEXHIBIT CFor The Year Ended December 31, 1988CASH FLOWS FROM OPERATING ACTIVITIES

Net loss for the year \$ (103,398)

Adjustments to reconcile net loss to cash
provided by operating activities:

Noncash item: depreciation expense \$ 119,713

Paid-in surplus: mortgage amortization 7,545

Changes in working capital (excluding cash):

Decrease in receivables 18,828

Decrease in prepaid expenses 16,609

Decrease in accounts payable and accrued expenses (15,344)

Increase in mortgage escrow (18,174)

Total Adjustments 129,177CASH PROVIDED FROM OPERATING ACTIVITIES 25,779CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of fixed assets (4,250)

Net increase in reserve fund (22,044)CASH USED IN INVESTING ACTIVITIES (26,294)CASH FLOWS FROM FINANCING ACTIVITIESPayment of mortgage principal (7,545)CASH USED FOR FINANCING ACTIVITIES (7,545)NET DECREASE IN CASH AND CASH EQUIVALENTS (8,060)Cash and cash equivalents at January 1, 1988 40,187Cash and cash equivalents at December 31, 1988 (Exhibit D) \$ 32,127SCHEDULE OF CASH AND CASH EQUIVALENTSEXHIBIT D

Cash: Operating account \$ 21,459

Cash: Working capital account 10,668CASH AND CASH EQUIVALENTS - December 31, 1988 \$ 32,127Disclosure of accounting policy

For purpose of the statement of cash flows, the Corporation considers all highly liquid debt instruments (not used to meet reserve fund requirements) purchased with maturity of three months or less to be cash equivalents.

See Notes to Financial Statements.

WORKING CAPITAL FLOW STATEMENT OF INCOME AND EXPENDITURES

For The Year Ended December 31, 1988

	<u>For The Year</u> <u>January 1, 1988 - December 31, 1988</u>		<u>Prior Period</u> <u>September 16, 1987 -</u> <u>December 31, 1987</u>	<u>Next Year</u> <u>January 1, 1989 -</u> <u>December 31, 1989</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>
<u>INCOME</u>				
Maintenance charges	\$ 349,925	\$ 349,925	\$ 102,060	\$ 349,925
Marketing	8,500	9,075	2,035	10,500
Professional	9,000	9,000	2,625	9,000
Sundry income	3,000	3,000	875	3,000
Miscellaneous income	-0-	-0-	40	-0-
TOTAL INCOME	370,425	371,000	107,635	372,425
<u>EXPENDITURES</u>				
Management	10,000	9,667	2,833	10,000
Legal	(1,000)	(150)	(-0-	(-0-
Auditing	(4,500)	(4,500)	(2,750)	(4,500)
Miscellaneous administrative expenses	1,500	889	435	1,000
Insurance	34,800	24,080	9,084	23,975
Fuel:				
Budget - 64,000 gallons for year @ 54¢	34,500			
Actual - 59,000 gallons for year avg. @ 54¢		31,666		
Actual - 21,300 gallons prior year avg. @ 54¢			11,474	
Budget - 64,000 gallons for next year @ 55¢				33,000
Electricity and gas	13,500	11,194	3,412	13,200
Water and sewer charges	10,700	10,267	2,684	12,300
Depreciation	32,500	33,556	9,834	39,000
Payroll taxes and employee benefits	(3,720)	(2,909)	(763)	(3,700)
Workers' compensation & disability insurance	(-0-	(5,327)	(1,223)	(5,500)
Miscellaneous operating expenses	700	961	-0-	500
Terminating	-0-	1,840	258	1,850
Inspector	-0-	-0-	1,191	-0-
Elevator maintenance and repairs	4,000	3,811	1,040	4,000
Supplies and janitorial materials	4,000	4,288	1,331	4,500
Funds	3,000	3,015	960	2,000
Maintenance repairs and supplies	8,500	7,000	2,872	8,000
Mortgage interest and amortization	158,500	158,338	45,895	158,500
Real estate taxes	40,500	40,840	11,888	43,000
Corporate taxes	2,500	3,038	1,251	3,900
Site interest	-0-	755	-0-	-0-
Other interest	-0-	854	-0-	-0-
TOTAL EXPENDITURES	368,420	360,945	111,178	\$ 372,425
BUDGETED SURPLUS	\$ 2,005			
ACTUAL OPERATING SURPLUS (DEFICIT)		10,055	(3,543)	
Additional: Interest income		6,260	1,100	
ACTUAL NET OPERATING SURPLUS (DEFICIT) (Per Exhibit B)		\$ 16,315	\$ (2,443)	

are precluded from expressing an opinion on the portions of this exhibit that reflect budgetary forecasts due to the fact that these forecasts are based upon assumptions concerning future events.

DAHILL GARDENS APARTMENTS, INC.

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 1988

1. The building converted to co-operative housing on September 16, 1987.

2. MORTGAGE

The mortgage is currently being held by First Nationwide Savings & Loan Association in the original amount of \$1,392,380. The indebtedness requires constant monthly payments of principal and interest of \$13,200.47 with interest first being applied at a rate of 10.875% per annum. The mortgage is due and payable July 1, 1996.

3. NOTES PAYABLE

A series of 36 consecutive notes were executed by an officer of the Apartment Corporation for the benefit of the Sponsor, evidencing the Apartment Corporation's indebtedness in the sum of \$39,383.32. The notes require monthly payments of \$1,093.98 commencing on October 17, 1987 plus interest at the rate of 7.08% per annum and terminating on September 17, 1990.

4. SIGNIFICANT ACCOUNTING POLICIES

The building is being depreciated using the straight-line method, over a period of 35 years. Building improvements are being depreciated over the assets useful life.

5. SUPPLEMENTAL RESERVE FUND

The Sponsor set up a reserve fund at the closing in an amount equal to 3% of the total cash purchase price (\$215.00 per share) in accordance with Local Law 70. The Sponsor however, agreed to set up a supplemental fund in an amount equal to the difference between the sum of \$150,000 and the amount of the 3% reserve fund. The supplemental fund shall be paid to the apartment corporation in installments of 1/3 each, due on the first, second and third anniversaries of the closing.

6. FEDERAL INCOME TAXES

The Internal Revenue Service has taken the position that real estate cooperatives are subject to Section 277 of the Internal Revenue Code.

Section 277 of the Code provides that a membership organization that is operated to provide services to members is permitted to deduct expenses attributable to the furnishing of services to the members only to the extent of the income derived during such year from its members. Section 277 permits a membership organization to reduce income from non-membership sources only by expenses incurred in generating this income. Accordingly, income from non-membership sources such as interest, commercial rental, professional apartment rental, etc. in excess of expenses properly attributable thereto may be subject to federal tax.

Any income tax liability that may result from the above is not reflected in the attached financial statements. If the position of the Internal Revenue Service is sustained by the courts, such liability will be reflected in future financial statements.

CERTIFICATION OF EXPERT
PURSUANT TO SEC. 18.4(d)
OF THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW, ARTICLE 23-A,
AS AMENDED.

New York State Department of Law
120 Broadway
New York, New York 10271

Attn: Real Estate Financing Bureau

Re: 36 & 58 Dahill Road
Brooklyn, New York

The undersigned certifies as follows:

The Apartment Corporation, owner of the referenced premises, has requested us to review a schedule of projections of income and expenses for the year of cooperative operation commencing January 1, 1989. Our experience in this field includes the management of residential and cooperative buildings in the City of New York for over ten years.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the Regulations promulgated by the Department of Law in Part 18 insofar as they are applicable.

We have reviewed the schedule incorporated as exhibit E in the financial report for the premises certified by Marin & Montanye for the year ended December 31, 1988 and investigated the fact set forth in the schedule and the facts underlying it with due diligence in order to form a basis for this certification. We have also relied on our experience in managing residential buildings.

We certify that the projections in the schedule appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expense for the projected year of cooperative operation commencing January 1, 1989.

We certify that the schedule:

1. sets forth in detail the projected income and expenses for the year of cooperative operation commencing January 1, 1989;
2. affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the year of cooperative operation;
3. does not omit any material fact;
4. does not contain any untrue statement of a material fact;
5. does not contain fraud, deception, concealment, or suppression;
6. does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
7. does not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; (d) did not have knowledge concerning the representations or statement made;

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

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

Schwab Management Co.

By 

Moses L. Schwab

Sworn to before me this
27th day of December, 1989.


Notary Public

VICTOR K. FEIN
Notary Public, State of New York
No. 41 - 4802237
Qualified in Queens County

**SEVENTH AMENDMENT
TO THE COOPERATIVE OFFERING PLAN FOR**

**36-58 DAHILL ROAD
BROOKLYN, NEW YORK**

DATED: JUNE ⁶____, 1990

The Offering Plan - a Plan to convert to Cooperative Ownership premises at 36-58 Dahill Road, Brooklyn, New York (hereinafter referred to as the "Plan") accepted for filing on January 29, 1987, is amended as follows:

A. The following is information regarding shares for cooperative apartments that are unsold as of the date of this Amendment:

1. A schedule of all apartments that are owned by Sponsor as of this date is attached to this Amendment as Exhibit A. The present holder of all unsold shares is Dahill Park Associates.

2. (a) The aggregate monthly maintenance for all occupied, unsold apartments is \$13,680.45 per month.

(b) The aggregate monthly rents received from tenants of all occupied, unsold apartments, is \$13,877.10 per month.

3. There are presently three (3) unsold apartments which are vacant. The aggregate monthly maintenance for these vacant, unsold apartments is \$1,120.15. As these unsold apartments are vacant, there is no rent collected.

4. There are no financial obligations to the Cooperative which will become due within 12 months from the date of this Amendment (other than payment of maintenance and statutory contributions to the reserve fund in the amount of \$20,839.55 due on September 16, 1990).

5. None of the Unsold Shares are subject to mortgages or financing commitments.

6. The means by which payments of obligations disclosed in items 2, 3 and 4 above will be funded are from rental income received from apartments whose shares are unsold, income from sales of said apartments as they occur from time to time, as well as from the assets of the Sponsor.

7. The Sponsor is current in all of their financial obligations under the Offering Plan, if any, including the payment of maintenance charges and assessments and payments for repairs and improvements promised in the Plan. Sponsor was current on all such obligations, if any, during the year prior to the filing of this Amendment.

8. The following is a list of all other buildings in which the Sponsor or principal of the Sponsor as individual holder of unsold shares or units or as general partner or principal of Sponsor or Holder of Unsold Shares owns more than 10% of the shares or units. Offering Plans for the below listed buildings are on file with the Department of Law and are available for public inspection.

- a. 101 West 23rd Street, New York, New York
- b. 82-35/39 134th Street, Kew Gardens, New York
- c. 150 Hawthorne Street, Brooklyn, New York
- d. 2607-2615 Avenue O, Brooklyn, New York
- e. 2705-2721 Kings Highway, Brooklyn, New York
- f. 1478 East 28th Street, Brooklyn, New York
- g. 2807-2821 Kings Highway, Brooklyn, New York
- h. 385 East 16th Street, Brooklyn, New York
- i. 84-35 Lander Street, Briarwood, New York
- j. 1825 Foster Avenue, Brooklyn, New York
- k. 224 Highland Boulevard, Brooklyn, New York
- l. 1401 Ocean Avenue, Brooklyn, New York
- m. 55 South Bergen Place, Freeport, New York
- n. 190 West Merrick Road, Freeport, New York
- o. 1655 Flatbush Avenue, Brooklyn, New York
- p. 3215 Avenue H, Brooklyn, New York

9. Sponsor is current in its financial obligations in other cooperatives, condominiums or homeowners associations in which it owns shares or units as an individual, general partner or principal.

10. Annexed hereto as Exhibit B are the Financial Certified Statements for the year ended December 31, 1989.

11. Annexed hereto as Exhibit C is the Proposed certified 1990 Budget.

12. Sponsor is presently in control of the Board of Directors. The Offering Plan provides that control of the Board of Directors be relinquished upon the sale of more than fifty (50%) percent of the shares attributable to cooperative apartments or not later than five (5) years from the date the cooperative acquired title to its property. The following is a list of the Board of Directors:

Isaac Rokowsky -- Sponsor Representative
Solomon Rokowsky -- Sponsor Representative
Victor Fein -- Sponsor Representative
Mario Perez -- Resident Shareholder
Bill Toner -- Resident Shareholder

13. The present monthly maintenance is \$2.15 per share.

14. There are no other changes in the terms of the Offering Plan and amendments except as set forth in this Amendment.

DAHILL PARK ASSOCIATES, Sponsor

NYAMEND10.63-65

EXHIBIT A

UNSOLD SHARES
36-58 Dahill Road
Brooklyn, New York

<u>APARTMENT</u>	<u>NO. OF SHARES</u>	<u>APARTMENT</u>	<u>NO. OF SHARES</u>
2A	204	2G	166
3A	206	3G	168
6A	212	4G	170
3B	206	6G	174
4B	208	2H	154
6B	212	4H	158
1C	150	5H	160
2C	154	2I	149
3C	156	4I	153
5C	160	5I	155
1D	100	6I	157
3D	139	5J	168
4D	141	2K	204
6D	145	6K	212
1E	158	1M	133
2E	162		
2F	154	4M	141
3F	156	5M	143
4F	158	1N	200
5F	160	3N	206
1G	162	5N	210

Marin & Montanye

CERTIFIED PUBLIC ACCOUNTANTS

MARTIN M. MARIN, CPA
RICHARD B. MONTANYE, CPA

PATRICIA PRUSINSKI, CPA
ROBERT B. SERIKSTAD, CPA
JANICE H. TEMPLE, CPA

February 1, 1990

Board of Directors
DAHILL GARDENS APARTMENTS, INC.
36-58 Dahill Road
Brooklyn, N.Y. 11218

Ladies & Gentlemen:

Independent Auditor's Report

We have audited the accompanying balance sheet of DAHILL GARDENS APARTMENTS, INC. as of December 31, 1989, and the related statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DAHILL GARDENS APARTMENTS, INC. as of December 31, 1989, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Respectfully submitted,

Marin & Montanye

MARIN & MONTANYE
Certified Public Accountants

BALANCE SHEETAs of December 31, 1989Page 1 of 2A S S E T SCURRENT ASSETS

Cash - operating		\$	5,055
Cash - working capital fund			11,271
Shareholders' arrears			2,830
Laundry income receivable			250
Sundry receivables			833
Prepaid expenses:			
Fuel inventory	\$	5,152	
Insurance		7,216	
Water & sewer charges		7,469	
Service contracts		283	
Real estate tax		<u>25,239</u>	
			<u>45,359</u>
<u>TOTAL CURRENT ASSETS</u>			65,598

OTHER ASSETS

Reserve fund - Schedule 1	139,566
Supplemental fund - Due from Sponsor - See Note 3	20,840

LAND, BUILDING AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Land	\$ 680,000	\$ -0-	\$ 680,000
Building	3,339,352	214,673	3,124,679
Building improvements	<u>11,321</u>	<u>1,300</u>	<u>10,021</u>
	<u>\$ 4,030,673</u>	<u>\$ 215,973</u>	

TOTAL LAND, BUILDING AND EQUIPMENT3,814,700TOTAL ASSETS\$ 4,040,704

See Notes to Financial Statements.

BALANCE SHEETAs of December 31, 1989Page 2 of 2LIABILITIESCURRENT LIABILITIES

Notes payable - current maturity	\$	9,847
Accounts payable & accrued expenses - Schedule 2		18,762
Accrued mortgage interest		12,458
Mortgage escrow payable		7,676
Prepaid occupancy income		372
Due to Sponsor		<u>5,646</u>
<u>TOTAL CURRENT LIABILITIES</u>		54,761

LONG TERM LIABILITIES

Mortgage payable - (See Note 5)		
First Nationwide Savings and Loan Association		
Interest @ 10.875%; maturity 7/1/96		
Original amount	\$ 1,392,380	
Less: amount amortized	<u>17,714</u>	<u>1,374,666</u>
<u>TOTAL LIABILITIES</u>		1,429,427

STOCKHOLDERS' EQUITY

Capital stock - Common - Authorized 20,000 shares		
Issued 13,563 shares @ \$1.00 par value	13,563	
Contributed capital in excess par value	2,773,410	
Paid-in surplus - mortgage amortization	17,714	
Deficit Balance - January 1, 1989	\$ (129,694)	
Prior period adjustment	28,462	
Loss for the year ended		
December 31, 1989	<u>(92,178)</u>	
Deficit Balance - December 31, 1989	<u>(193,410)</u>	
<u>TOTAL STOCKHOLDERS' EQUITY</u>		<u>2,611,277</u>
<u>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</u>		<u>\$ 4,040,704</u>

See Notes to Financial Statements.

DAHILL GARDENS APARTMENTS, INC.

EXHIBIT A

As of December 31, 1989

RESERVE FUND

Schedule 1

Reserve fund - January 1, 1989

\$ 110,384

Add: Interest earned during period (net of bank charges)
Sponsor contribution

8,342

20,840

Reserve fund - December 31, 1989

\$ 139,566

Consisting of:

Manufacturers Hanover Trust
Accrued interest

\$ 138,964

602

TOTAL RESERVE FUND - December 31, 1989

\$ 139,566

ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Schedule 2

Fixed assets
New York State sales tax
Exterminating
Maintenance supplies
Payroll
Payroll taxes
Repairs
Electricity and gas
Auditing
Fuel
Management fee
Telephone
Miscellaneous administrative
Elevator & repairs

\$ 1,200

53

294

282

2,814

888

379

1,348

750

9,508

833

48

32

333

TOTAL

\$ 18,762

See Notes to Financial Statements.

DAHILL GARDENS APARTMENTS, INC.

EXHIBIT B

STATEMENT OF OPERATIONS

For The Year Ended December 31, 1989

INCOME

Income from Shareholders

Maintenance charges - apartments	\$ 349,925	
Less: Paid-in surplus - mortgage amortization	(8,407)	
Garage income	<u>9,870</u>	
<u>Total Income from Shareholders</u>		\$ 351,388

Other Income

Professional apartment	9,000	
Laundry income	3,000	
Interest income	<u>9,100</u>	<u>21,100</u>

TOTAL INCOME 372,488

COST OF OPERATIONS

Administrative expenses	Schedule 1	35,627
Operating expenses	Schedule 2	104,249
Maintenance expenses	Schedule 3	28,829
Taxes	Schedule 4	47,411
Financial expenses	Schedule 5	<u>152,289</u>

TOTAL COST OF OPERATIONS 368,405

INCOME FROM OPERATIONS BEFORE DEPRECIATION 4,083

Depreciation Schedule 6 (96,261)

NET LOSS FOR THE YEAR - To Exhibit A \$ (92,178)

See Notes to Financial Statements.

DAHILL GARDENS APARTMENTS, INC.

EXHIBIT B

For The Year Ended December 31, 1989

ADMINISTRATIVE EXPENSES

Schedule 1

Management fee	\$	10,000
Consulting		500
Auditing		4,500
Telephone		516
Stationery, printing, miscellaneous administrative expenses		591
Insurance		<u>19,520</u>

TOTAL ADMINISTRATIVE EXPENSES

\$ 35,627

OPERATING EXPENSES

Schedule 2

<u>Energy</u>		
Fuel 59,600 gallons @ avg. 53¢	\$	31,458
Electricity and gas		<u>11,535</u>
Water and sewer charges		\$ 42,993
		<u>13,243</u>

Payroll

Payroll	37,178	
Payroll taxes	2,897	
Payroll insurance	<u>6,823</u>	46,898
Permits		<u>1,115</u>

TOTAL OPERATING EXPENSES

\$ 104,249

MAINTENANCE EXPENSES

Schedule 3

Exterminating	\$	1,767
Repairs - materials & labor to contractors		10,403
Elevator maintenance and repairs		4,428
Supplies & janitorial materials		6,435
Grounds		2,501
Painting		<u>3,295</u>

TOTAL MAINTENANCE EXPENSES

\$ 28,829

See Notes to Financial Statements.

DAHILL GARDENS APARTMENTS, INC.

EXHIBIT B

For The Year Ended December 31, 1989

TAXES

Schedule 4

New York City real estate taxes
New York State and City corporate taxes

\$ 45,699
1,712

TOTAL TAXES

\$ 47,411

FINANCIAL EXPENSES

Schedule 5

Interest on mortgage payable
Interest on note payable
Other interest

\$ 149,922
1,665
702

TOTAL FINANCIAL EXPENSES

\$ 152,289

DEPRECIATION

Schedule 6

Building - 35 years straight line
Building improvements

\$ 95,411
850

TOTAL DEPRECIATION

\$ 96,261

See Notes to Financial Statements.

DAHILL GARDENS APARTMENTS, INC.

STATEMENT OF CASH FLOWS

For The Year Ended December 31, 1989

EXHIBITS C & D

EXHIBIT C

CASH FLOWS FROM OPERATING ACTIVITIES

Net loss for the year \$ (92,178)

Adjustments to reconcile net loss to cash
provided by operating activities:

Noncash item: depreciation expense \$ 96,261
Paid-in surplus: mortgage amortization 8,407

Changes in working capital (excluding cash):

Decrease in receivables 19,251
Increase in prepaid expenses (33,640)
Decrease in accounts payable and accrued expenses (4,342)
Decrease in mortgage escrow 30,491
Prior period adjustments 4,609

Total Adjustments 121,037

CASH PROVIDED BY OPERATING ACTIVITIES 28,859

CASH FLOWS FROM INVESTING ACTIVITIES

Net increase in reserve fund (29,182)
Acquisition of fixed asset (7,071)

CASH USED FOR INVESTING ACTIVITIES (36,253)

CASH FLOWS FROM FINANCING ACTIVITIES

Payment of mortgage principal (8,407)

CASH USED FOR FINANCING ACTIVITIES (8,407)

NET DECREASE IN CASH AND CASH EQUIVALENTS

Cash and cash equivalents at January 1, 1989 32,127

Cash and cash equivalents at December 31, 1989 (Exhibit D) \$ 16,326

SCHEDULE OF CASH AND CASH EQUIVALENTS

EXHIBIT D

Cash: Operating account \$ 5,055
Cash: Working capital account 11,271

CASH AND CASH EQUIVALENTS - December 31, 1989 \$ 16,326

Disclosure of accounting policy

For purpose of the statement of cash flows, the Corporation considers all highly liquid debt instruments (not used to meet reserve fund requirements) purchased with maturity of three months or less to be cash equivalents.

See Notes to Financial Statements.

DAHILL GARDENS APARTMENTS, INC.

EXHIBIT E

WORKING CAPITAL FLOW STATEMENT OF INCOME AND EXPENDITURES

For The Year Ended December 31, 1989

	<u>For The Year</u> <u>January 1, 1989 - December 31, 1989</u>		<u>Prior Year</u> <u>January 1, 1988 -</u> <u>December 31, 1988</u>	<u>Next Year</u> <u>January 1, 1990 -</u> <u>December 31, 1990</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>
INCOME				
Maintenance charges	\$ 349,925	\$ 349,925	\$ 349,925	\$ 349,925
Parking	10,500	9,870	9,075	10,500
Professional	9,000	9,000	9,000	9,000
Laundry income	3,000	3,000	3,000	3,000
TOTAL INCOME	372,425	371,795	371,000	372,425
EXPENDITURES				
Management	10,000	10,000	10,000	10,000
Legal	-0-	-0-	150	-0-
Auditing	4,500	4,500	4,500	4,500
Consulting	-0-	500	-0-	-0-
Miscellaneous administrative expenses	1,000	1,107	889	1,100
Insurance	23,975	19,520	24,080	20,000
Fuel:				
Budget - 64,000 gallons for year @ 52¢	33,000			
Actual - 59,600 gallons for year avg. @ 53¢		31,458		
Actual - 53,600 gallons prior year avg. @ 53¢			28,207	
Budget - 61,000 gallons for next year @ 55¢				33,600
Electricity and gas	13,200	11,535	11,194	14,000
Water and sewer charges	12,300	13,243	10,267	16,000
Wages	39,000	37,178	35,556	37,000
Payroll taxes	3,700	2,897	2,909	3,500
Workers' compensation & disability insurance	5,500	6,823	5,327	6,490
Miscellaneous operating expenses	500	1,115	961	1,000
Exterminating	1,850	1,767	1,840	1,800
Elevator maintenance and repairs	4,000	4,428	3,811	4,600
Supplies and janitorial materials	4,500	6,435	4,288	3,400
Grounds	2,000	2,501	3,015	3,200
Maintenance repairs	8,000	13,698 (1)	7,000	10,000
Mortgage interest and amortization	158,500	158,329	158,338	158,500
Real estate taxes	43,000	45,699	40,840	50,900
Corporate taxes	3,900	1,712	2,143	1,700
Note interest	-0-	1,665	755	1,860
Other interest	-0-	702	854	-0-
TOTAL EXPENDITURES	\$ 372,425	376,812	356,924	383,150
BUDGETED (DEFICIT)				\$ (10,725)
ACTUAL OPERATING (DEFICIT) SURPLUS		(5,017)	14,076	
Add: Interest income		<u>9,100</u>	<u>6,260</u>	
ACTUAL NET OPERATING SURPLUS (Per Exhibit B)		\$ 4,083	\$ 20,336	

(1) Includes painting (\$3,295) and fire door installed (\$1,020).

We are precluded from expressing an opinion on the portions of this Exhibit that reflect budgetary forecasts due to the fact that these forecasts are based upon assumptions concerning future events.

See Notes to Financial Statements.

DAHILL GARDENS APARTMENTS, INC.

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 1989

1. The building converted to co-operative housing on September 16, 1987.

2. SIGNIFICANT ACCOUNTING POLICIES

The building is being depreciated using the straight-line method, over a period of 35 years. Building improvements are being depreciated over the assets useful life.

3. SUPPLEMENTAL RESERVE FUND

The Sponsor set up a reserve fund at the closing in an amount equal to 3% of the total cash purchase price (\$215.00 per share) in accordance with Local Law 70. The Sponsor however, agreed to set up a supplemental fund in an amount equal to the difference between the sum of \$150,000 and the amount of the 3% reserve fund. The supplemental fund shall be paid to the apartment corporation in installments of 1/3 each, due on the first, second and third anniversaries of the closing.

4. NOTES PAYABLE

A series of 36 consecutive notes were executed by an officer of the Apartment Corporation for the benefit of the Sponsor, evidencing the Apartment Corporation's indebtedness in the sum of \$39,383.32. The notes require monthly payments of \$1,093.98 commencing on October 17, 1987 plus interest at the rate of 7.08% per annum and terminating on September 17, 1990.

5. MORTGAGE

The mortgage is currently being held by First Nationwide Savings & Loan Association in the original amount of \$1,392,380. The indebtedness requires constant monthly payments of principal and interest of \$13,200.47 with interest first being applied at a rate of 10.875% per annum. The mortgage is due and payable July 1, 1996.

6. FEDERAL INCOME TAXES

The Internal Revenue Service as well as state and local governments have taken the position that real estate cooperatives are subject to Section 277 of the Internal Revenue Code.

Section 277 of the Code provides that a membership organization that is operated to provide services to members is permitted to deduct expenses attributable to the furnishing of services to the members only to the extent of the income derived during such year from its members. Section 277 permits a membership organization to reduce income from non-membership sources only by expenses incurred in generating this income. Accordingly, income from non-membership sources such as interest, commercial rental, professional apartment rental, etc. in excess of expenses properly attributable thereto may be subject to federal tax.

Any income tax liability that may result from the above is not reflected in the attached financial statements. If this position is sustained by the courts, such liability will be reflected in future financial statements.

Saion Realty Corp.

400 E. 87th St.

New York, N.Y. 10128

(212) 534-3131

May 24, 1990

**New York State Department of Law
120 Broadway
New York, New York, 10271**

Attention: Real Estate Financing Bureau

**Re: Dahill Apartments Inc.
Brooklyn, New York**

The Sponsor for the cooperative offering plan for the captioned property retained our firm to review Schedule B containing projections of income and expenses for the second year of cooperative operation. Our experience in this field includes: Nine (9) years of residential property management. We have or are presently managing the following buildings:

330 East 90th Street	252 East 89th Street	133 East 97th Street
126 West 11th Street	319 East 95th Street	170 West 109th Street
328 East 94th Street	1505 Lexington Avenue	172 West 109th Street
1762-1764 First Ave	1443 York Ave	333 East 90th Street

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 18 insofar as they are applicable to Schedule B.

We have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

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

We certify that the Schedule:

- (i) sets forth in detail the projected Income and Expenses for the second year of Cooperative Operation.**
- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the second year of cooperative operation;**

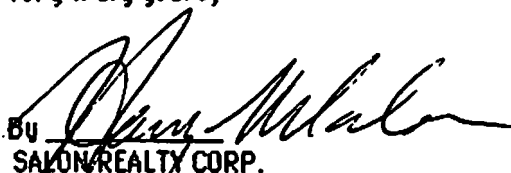
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression,
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; (d) did not have knowledge concerning the representations or statement made.

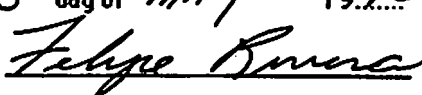
We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the second year of cooperative operation.

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

We are licensed Real Estate Brokers, and have acted as selling agent, sponsors, and managers since 1980. We have prepared, overseen or reviewed the budgets for over 50 offering plans to convert property to cooperative or condominium ownership.

Very truly yours,


By David Malachuk
SALON REALTY CORP.

Sworn to before me this
25 day of MAY 1990


FELIPE RIVERA
Notary Public, State of New York
No. 31-4722376
Qualified in New York County
Commission Expires May 31, 1990

**EIGHTH AMENDMENT
TO THE COOPERATIVE OFFERING PLAN FOR**

**36-58 DAHILL ROAD
BROOKLYN, NEW YORK**

DATED: JUNE 12, 1991

The Offering Plan - a Plan to convert to Cooperative Ownership premises at 36-58 Dahill Road, Brooklyn, New York (hereinafter referred to as the "Plan") accepted for filing on January 29, 1987, is amended as follows:

1. The following is information regarding shares for cooperative apartments that are unsold as of the date of this Amendment:

A. A schedule of all apartments that are owned by Sponsor as of this date is attached to this Amendment as Exhibit A. The present holder of all unsold shares is Dahill Park Associates.

B. (a) The aggregate monthly maintenance for all occupied, unsold apartments is \$13,360.10.

(b) The aggregate monthly rents received from tenants of all occupied, unsold apartments, is \$13,808.50.

C. There are presently two vacant unsold apartments. The aggregate monthly maintenance charges for these two apartments are \$651.00. As the apartments are unoccupied, no rent is collected.

D. There are no financial obligations to the Cooperative which will become due within 12 months from the date of this Amendment (other than payment of maintenance).

E. None of the Unsold Shares are subject to mortgages or financing commitments.

F. The means by which payments of obligations disclosed in items B(a) and C above will be funded is from rental income received from apartments whose shares are unsold, income from sales of said apartments as they occur from time to time, as well as from the assets of the Sponsor.

G. The Sponsor is current in all of their financial obligations under the Offering Plan, if any, including the payment of maintenance charges and assessments and payments for repairs and improvements promised in the Plan. Sponsor was current on all such obligations, if any, during the year prior to the filing of this Amendment.

H. The following is a list of all other buildings in which the Sponsor or principal of the Sponsor as individual holder of unsold shares or units or as general partner or principal of Sponsor or Holder of Unsold Shares owns more than 10% of the shares or units. Offering Plans for the below listed buildings are on file with the Department of Law and are available for public inspection.

- a. 101 West 23rd Street, New York, New York
- b. 82-35/39 134th Street, Kew Gardens, New York
- c. 150 Hawthorne Street, Brooklyn, New York
- d. 2607-2615 Avenue O, Brooklyn, New York
- e. 2705-2721 Kings Highway, Brooklyn, New York
- f. 1478 East 28th Street, Brooklyn, New York
- g. 2807-2821 Kings Highway, Brooklyn, New York
- h. 385 East 16th Street, Brooklyn, New York
- i. 84-35 Lander Street, Briarwood, New York
- j. 1825 Foster Avenue, Brooklyn, New York
- k. 224 Highland Boulevard, Brooklyn, New York
- l. 1401 Ocean Avenue, Brooklyn, New York
- m. 55 South Bergen Place, Freeport, New York
- n. 190 West Merrick Road, Freeport, New York
- o. 1655 Flatbush Avenue, Brooklyn, New York
- p. 3215 Avenue H, Brooklyn, New York

I. Sponsor is current in its financial obligations in other cooperatives, condominiums or homeowners associations in which it owns shares or units as an individual, general partner or principal.

2. Annexed hereto as Exhibit B are the Certified Financial Statements for the year ended December 31, 1990. As set forth in the financials, a loss of \$13,534 before depreciation (approximately 3.6% of the budget) was experienced in 1990. Depreciation is not a monetary expense to the building and, accordingly, is not a line item to the proposed budget. Reference is made to the financials attached for a complete assessment of the building's finances.

3. Annexed hereto as Exhibit C is the Proposed 1991 Budget.

4. Sponsor is no longer in control of the Board of Directors. The following is a list of the Board of Directors:

Mario Perez -- Resident Shareholder, President
Bill Toner -- Resident Shareholder, Treasurer
Lorraine Harrigan -- Resident Shareholder
Solomon Rokowsky -- Sponsor Representative
Victor Fein -- Sponsor Representative, Secretary

Non-director officer:

Isaac Rokowsky - Sponsor Representative, Vice President

5. The present monthly maintenance is \$2.15 per share. An assessment was instituted by the Board of Directors in an amount equal to one month's maintenance charges payable over four months - February 1991 through May, 1991.

6. There are no other changes in the terms of the Offering Plan and amendments except as set forth in this Amendment.

DAHILL PARK ASSOCIATES, Sponsor

NYAMEND180.2-4

UNSOLD SHARES
36 & 58 DAHILL ROAD

UNIT	SHARES
1C	150
1D	100
1E	158
1G	162
1M	133
1N	200
2A	204
2C	154
2E	162
2F	154
2G	166
2H	154
2I	149
2K	204
3A	206
3B	206
3C	156
3D	139
3F	156
3G	168
3N	206
4B	208
4D	141
4F	158
4G	170
4H	158
4I	153
4M	141
5C	160
5F	160
5H	160
5J	168
5M	143
5N	210
6A	212
6B	212
6D	145
6G	174
6I	157

(58) Shareholders

1A
2B ✓
2D ✓
3E ✓
4A ✓
4C ✓
4E ✓
5B ✓
5D ✓
5E ✓
6C ✓
6E ✓

6368

(36) 1H for sale

1I ✓
1J ✓
1K ✓
1L ✓
2A ✓
(2L) ✓
2M ✓
2N ✓
3H ✓
(3I) ✓
3J ✓
3K ✓

3L ✓ 6K =
3M ✓ 6L =
4J ✓ 6M =
4K ✓ (6N) =
4L ✓
4N ✓
5G ✓
5I ✓
5K ✓
5L ✓
6F ✓
6H ✓
6J ✓

~~5155~~
6517
- 149
- 206
6162

53
34

30
128

Boxer

Marin & Montanye

CERTIFIED PUBLIC ACCOUNTANTS

MARTIN M. MARIN, CPA
RICHARD B. MONTANYE, CPA

PATRICIA PRUSINSKI, CPA
ROBERT B. SERIKSTAD, CPA
JANICE H. TEMPLE, CPA

February 6, 1991

Board of Directors
DAHILL GARDENS APARTMENTS, INC.
36-58 Dahill Road
Brooklyn, N.Y. 11218

Ladies and Gentlemen:

Independent Auditor's Report

We have audited the accompanying balance sheet of DAHILL GARDENS APARTMENTS, INC. as of December 31, 1990, and the related statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DAHILL GARDENS APARTMENTS, INC. as of December 31, 1990, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Respectfully submitted,

Marin & Montanye

MARIN & MONTANYE
Certified Public Accountants

BALANCE SHEET

As of December 31, 1990

Page 1 of 2

A S S E T S

CURRENT ASSETS

Cash - working capital fund		\$	1,804
Shareholders' arrears			520
Sundry receivables			4,178
Prepaid expenses:			
Fuel inventory	\$	5,860	
Insurance		2,893	
Water and sewer charges		9,181	
Service contracts		130	
Real estate tax		<u>28,266</u>	
			<u>46,330</u>

TOTAL CURRENT ASSETS 52,832

OTHER ASSETS

Reserve Fund - Schedule 1 131,939

LAND, BUILDING AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Land	\$ 680,000	\$ -0-	\$ 680,000
Building	3,339,352	310,083	3,029,269
Building improvements	<u>39,062</u>	<u>3,576</u>	<u>35,486</u>
	<u>\$ 4,058,414</u>	<u>\$ 313,659</u>	

TOTAL LAND, BUILDING AND EQUIPMENT 3,744,755

TOTAL ASSETS \$ 3,929,526

See Notes to Financial Statements.

BALANCE SHEETAs of December 31, 1990Page 2 of 2LIABILITIESCURRENT LIABILITIES

Cash - overdraft	\$	1,873
Accounts payable and accrued expenses - Schedule 2		19,618
Accrued mortgage interest		12,373
Notes payable - current maturity - (See Note 4)		7,660
Mortgage escrow payable		10,508
Prepaid occupancy income		1,851
Sundry payable		<u>350</u>
<u>TOTAL CURRENT LIABILITIES</u>		54,233

Security payable	670

LONG TERM LIABILITIES

Mortgage payable - (See Note 5)		
First Nationwide Bank		
Interest @ 10.875%; maturity 7/1/96		
Original amount	\$ 1,392,380	
Less: amount amortized	<u>27,083</u>	<u>1,365,297</u>
<u>TOTAL LIABILITIES</u>		1,420,200

STOCKHOLDERS' EQUITY

Capital stock - Common - Authorized 20,000 shares		
Issued 13,563 shares @ \$1.00 par value	13,563	
Contributed capital in excess par value	2,773,410	
Paid-in surplus - mortgage amortization	27,083	
Deficit Balance - January 1, 1990	\$ (193,410)	
Loss for the year ended		
December 31, 1990	<u>(111,320)</u>	
Deficit Balance - December 31, 1990	<u>(304,730)</u>	
<u>TOTAL STOCKHOLDERS' EQUITY</u>		<u>2,509,326</u>
<u>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</u>		<u>\$ 3,929,526</u>

See Notes to Financial Statements.

DAHILL GARDENS APARTMENTS, INC.EXHIBIT AAs of December 31, 1990RESERVE FUNDSchedule 1

Reserve Fund - January 1, 1990		\$ 139,566
Add: Interest earned during period (net of bank charges)	\$ 8,143	
Sponsor contribution - (See Note 3)	<u>20,840</u>	28,983
Less: Transferred to operations		<u>(36,610)</u>
Reserve Fund - December 31, 1990		<u>\$ 131,939</u>

Consisting of:

Manufacturers Hanover Trust - Money Market Account	\$ 131,446
Accrued interest	<u>493</u>
<u>TOTAL RESERVE FUND - December 31, 1990</u>	<u>\$ 131,939</u>

ACCOUNTS PAYABLE AND ACCRUED EXPENSESSchedule 2

New York State sales tax	\$ 263
Exterminating	828
Maintenance supplies	253
Payroll	2,814
Payroll taxes	1,006
Repairs	439
Electricity and gas	1,619
Auditing	750
Fuel	6,538
Management fee	833
Insurance	1,106
Note interest	1,762
Elevator and repairs	347
Corporate taxes	<u>1,060</u>
<u>TOTAL</u>	<u>\$ 19,618</u>

See Notes to Financial Statements.

STATEMENT OF OPERATIONSFor The Year Ended December 31, 1990INCOMEIncome from Shareholders

Maintenance charges - apartments	\$ 349,925	
Less: Paid-in surplus - mortgage amortization	(9,369)	
Garage income	<u>9,846</u>	
<u>Total Income from Shareholders</u>		\$ 350,402

Other Income

Professional apartment	9,525	
Laundry income	3,900	
Interest income	8,677	
Miscellaneous income	<u>1,860</u>	<u>23,962</u>
<u>TOTAL INCOME</u>		374,364

COST OF OPERATIONS

Administrative expenses	Schedule 1	39,783	
Operating expenses	Schedule 2	115,636	
Maintenance expenses	Schedule 3	28,146	
Taxes	Schedule 4	52,488	
Financial expenses	Schedule 5	<u>151,945</u>	
<u>TOTAL COST OF OPERATIONS</u>			<u>387,998</u>

(LOSS) FROM OPERATIONS BEFORE DEPRECIATION (13,634)Depreciation Schedule 6 (97,686)NET LOSS FOR THE YEAR - To Exhibit A \$ (111,320)

See Notes to Financial Statements.

For The Year Ended December 31, 1990ADMINISTRATIVE EXPENSESSchedule 1

Management fee		\$	10,000
Legal			3,042
Auditing			4,500
Telephone			447
Stationery, printing, miscellaneous administrative expenses			2,489
Insurance			<u>19,305</u>
<u>TOTAL ADMINISTRATIVE EXPENSES</u>		\$	<u>39,783</u>

OPERATING EXPENSESSchedule 2

<u>Energy</u>			
Fuel 54,400 gallons @ avg. 63¢	\$	34,113	
Electricity and gas		<u>13,208</u>	\$ 47,321
Water and sewer charges			<u>18,362</u>
<u>Payroll</u>			
Payroll		38,775	
Payroll taxes		3,082	
Payroll insurance		<u>7,326</u>	49,183
Permits			<u>770</u>
<u>TOTAL OPERATING EXPENSES</u>			\$ <u>115,636</u>

MAINTENANCE EXPENSESSchedule 3

Exterminating		\$	3,821
Repairs - materials and labor to contractors			9,228
Elevator maintenance and repairs			4,811
Supplies and janitorial materials			6,028
Grounds			2,625
Painting			<u>1,633</u>
<u>TOTAL MAINTENANCE EXPENSES</u>		\$	<u>28,146</u>

See Notes to Financial Statements.

DAHILL GARDENS APARTMENTS, INC.

EXHIBIT B

For The Year Ended December 31, 1990

TAXES

Schedule 4

New York City real estate taxes
New York State and City corporate taxes

\$ 50,275
2,213

TOTAL TAXES

\$ 52,488

FINANCIAL EXPENSES

Schedule 5

Interest on mortgage payable
Interest on note payable
Other interest

\$ 148,952
2,194
799

TOTAL FINANCIAL EXPENSES

\$ 151,945

DEPRECIATION

Schedule 6

Building - 35 years straight line
Building improvements

\$ 95,410
2,276

TOTAL DEPRECIATION

\$ 97,686

See Notes to Financial Statements.

DAHILL GARDENS APARTMENTS, INC.EXHIBITS C & DSTATEMENT OF CASH FLOWSEXHIBIT C.For The Year Ended December 31, 1990CASH FLOWS FROM OPERATING ACTIVITIES

Net loss for the year

\$ (111,320)

Adjustments to reconcile net loss to cash
provided by operating activities:

Noncash item: depreciation expense

\$ 97,686

Paid-in surplus: mortgage amortization

9,369

Changes in working capital (excluding cash):

Increase in receivables

(785)

Increase in prepaid expenses

(971)

Decrease in accounts payable and accrued expenses

(2,690)

Decrease in mortgage escrow

2,832

Total Adjustments

105,441CASH USED FOR OPERATING ACTIVITIES

(5,879)

CASH FLOWS FROM INVESTING ACTIVITIES

Net decrease in Reserve Fund

28,467

Acquisition of fixed asset

(27,741)CASH PROVIDED BY INVESTING ACTIVITIES

726

CASH FLOWS FROM FINANCING ACTIVITIES

Payment of mortgage principal

(9,369)CASH USED FOR FINANCING ACTIVITIES(9,369)NET DECREASE IN CASH AND CASH EQUIVALENTS

(14,522)

Cash and cash equivalents at January 1, 1990

16,326

Cash and cash equivalents at December 31, 1990 (Exhibit D)

\$ 1,804SCHEDULE OF CASH AND CASH EQUIVALENTSEXHIBIT D

Cash: Working capital account

\$ 1,804CASH AND CASH EQUIVALENTS - December 31, 1990\$ 1,804Disclosure of accounting policy

For purpose of the statement of cash flows, the Corporation considers all highly liquid debt instruments (not used to meet reserve fund requirements) purchased with maturity of three months or less to be cash equivalents.

See Notes to Financial Statements.

DAWILL GARDENS APARTMENTS, INC.
WORKING CAPITAL FLOW STATEMENT OF INCOME AND EXPENDITURES
For The Year Ended December 31, 1990

EXHIBIT E

	<u>For The Year</u> <u>January 1, 1990 - December 31, 1990</u>		<u>Prior Year</u> <u>January 1, 1989 -</u> <u>December 31, 1989</u>	<u>Next Year</u> <u>January 1, 1991 -</u> <u>December 31, 1991</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>
<u>INCOME</u>				
Maintenance charges	\$ 349,925	\$ 349,925	\$ 349,925	\$ 349,925
Parking	10,500	9,846	9,870	15,840
Professional	9,000	9,525	9,000	9,900
Laundry income	3,000	3,900	3,000	4,200
Miscellaneous income	-0-	1,860	-0-	-0-
Special assessment	-0-	-0-	-0-	29,160 (3)
<u>TOTAL INCOME</u>	<u>372,425</u>	<u>375,056</u>	<u>371,795</u>	<u>409,025</u>
<u>EXPENDITURES</u>				
Management	10,000	10,000	10,000	10,000
Legal	-0-	3,042 (1)	-0-	-0-
Auditing	4,500	4,500	4,500	4,500
Consulting	-0-	-0-	500	-0-
Miscellaneous administrative expenses	1,100	2,936	1,107	1,500
Insurance	20,000	19,305	19,520	21,400
Fuel:				
Budget - 61,000 gallons for year @ 55¢	33,600			
Actual - 54,400 gallons for year avg. @ 63¢		34,113		
Actual - 59,600 gallons prior year avg. @ 53¢			31,458	
Budget - 60,000 gallons for next year @ 75¢				45,000
Electricity and gas	14,000	13,208	11,535	12,600
Water and sewer charges	16,000	18,362	13,243	19,800
Wages	37,000	38,775	37,178	38,825
Payroll taxes	3,500	3,082	2,897	3,500
Workers' compensation and disability insurance	6,490	7,326	6,823	8,000
Miscellaneous operating expenses	1,000	770	1,115	1,000
Exterminating	1,800	3,821 (2)	1,767	1,800
Elevator maintenance and repairs	4,600	4,811	4,428	4,200
Supplies and janitorial materials	3,400	6,028	6,435	6,500
Grounds	3,200	2,625	2,501	2,500
Maintenance repairs	10,000	10,861	13,698	8,000
Mortgage interest and amortization	158,500	158,321 (1)	158,329	158,500
Real estate taxes	50,900	50,275	45,699	59,400
Corporate taxes	1,700	2,213	1,712	2,000
Note interest	1,860	2,194	1,665	-0-
Other interest	-0-	799	702	-0-
<u>TOTAL EXPENDITURES</u>	<u>383,150</u>	<u>397,367</u>	<u>376,812</u>	<u>\$ 409,025</u>
<u>BUDGETED (DEFICIT)</u>	<u>\$ (10,725)</u>			
<u>ACTUAL OPERATING (DEFICIT)</u>		(22,311)	(5,017)	
Add: Interest income		<u>8,677</u>	<u>9,100</u>	
<u>ACTUAL NET OPERATING (DEFICIT) SURPLUS (Per Exhibit B)</u>		<u>\$ (13,634)</u>	<u>\$ 4,083</u>	

(1) Real estate tax reduction expense resulting in a refund of \$3,230 for the tax year 89/90.

(2) Includes special exterminating treatment.

(3) Special assessment equal to 1 months maintenance.

We are precluded from expressing an opinion on the portions of this Exhibit that reflect budgetary forecasts due to the fact that these forecasts are based upon assumptions concerning future events.

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 1990

1. The building converted to co-operative housing on September 16, 1987.

2. SIGNIFICANT ACCOUNTING POLICIES

The building is being depreciated using the straight-line method, over a period of 35 years. Building improvements are being depreciated over the assets useful life.

PAID-IN SURPLUS

In accordance with By-Laws of the Corporation, that portion of maintenance charges representing amortization of the mortgage is to be treated as "paid-in Surplus."

3. SUPPLEMENTAL RESERVE FUND

The Sponsor set up a Reserve Fund at the closing in an amount equal to 3% of the total cash purchase price (\$215.00 per share) in accordance with Local Law 70. The Sponsor however, agreed to set up a supplemental fund in an amount equal to the difference between the sum of \$150,000 and the amount of the 3% reserve fund. The supplemental fund shall be paid to the apartment corporation in installments of 1/3 each, due on the first, second and third anniversaries of the closing. As of the balance sheet date December 31, 1990, the supplemental deposits have all been made.

4. NOTES PAYABLE

A series of 36 consecutive notes were executed by an officer of the Apartment Corporation for the benefit of the Sponsor, evidencing the Apartment Corporation's indebtedness in the sum of \$39,383.32. The notes require monthly payments of \$1,093.98 commencing on October 17, 1987 plus interest at the rate of 7.08% per annum and terminating on September 17, 1990. As of the balance sheet date December 31, 1990, seven notes were still unpaid in the total amount of \$7,659.54.

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 1990

5. MORTGAGE

The mortgage is currently being held by First Nationwide Bank in the original amount of \$1,392,380. The indebtedness requires constant monthly payments of principal and interest of \$13,200.47 with interest first being applied at a rate of 10.875% per annum. The mortgage is due and payable July 1, 1996.

6. FEDERAL INCOME TAXES

The Internal Revenue Service as well as state and local governments have taken the position that real estate cooperatives are subject to Section 277 of the Internal Revenue Code.

Section 277 of the Code provides that a membership organization that is operated to provide services to members is permitted to deduct expenses attributable to the furnishing of services to the members only to the extent of the income derived during such year from its members. Section 277 permits a membership organization to reduce income from non-membership sources only by expenses incurred in generating this income. Accordingly, income from non-membership sources such as interest, commercial rental, professional apartment rental, etc. in excess of expenses properly attributable thereto may be subject to federal tax.

If this position is sustained by the courts, the tax liability for 1990 would be approximately \$3,100 and will be reflected in future financial statements.

NINTH AMENDMENT
TO THE COOPERATIVE OFFERING PLAN FOR

36-58 DAHILL ROAD
BROOKLYN, NEW YORK

DATED: ~~November 20~~, 1991

The Offering Plan - a Plan to convert to Cooperative Ownership premises at 36-58 Dahill Road, Brooklyn, New York (hereinafter referred to as the "Plan") accepted for filing on January 29, 1987, is amended as follows:

1. New Law. General Business Law ("GBL") Section 352-e(2-d), a copy of which is attached to this amendment as Exhibit A, became law on July 23, 1991. It applies to all cooperative and condominium conversion plans except those where all shares or units have been sold. The law is intended to provide financial protection for a cooperative corporation or condominium association if a sponsor or investor fails to make monthly payments for its units.

In compliance with this new statute, and provided the statute remains effective, the sponsor and/or holders of unsold shares on behalf of all offerors represent that:

a. In the event payment of maintenance, common charges, assessments or late fees by a sponsor or other investor who does not occupy the unit is more than thirty days late, rental payments from the tenant shall become directly payable to the cooperative corporation or condominium association. When the non-occupying owner resumes payment of maintenance and common charges on a current basis, non-purchasing tenants will be notified within three business days of such payments becoming current and their rental payments will once again be payable to the non-occupying owner.

b. The offeror will provide each non-purchasing tenant with irrevocable notice of the provisions contained in GBL Section 352-e(2-d.).

c. Any rights existing under any other laws are not limited by this statutory requirement.

d. Payment by the non-purchasing tenant to the cooperative corporation or condominium association done pursuant to GBL Section 352-e(2-d) relieves the non-purchasing tenant from the obligation to pay that rent to the non-occupying owner.

e. These requirements apply to the sponsor, its successors or assigns and all purchasers who are owners of occupied units or shares allocated to occupied units.

2. There are no other changes in the terms of the Offering Plan and amendments except as set forth in this Amendment.

DAHILL PARK ASSOCIATES, Sponsor

NYAMEND180.6-7

Chapter 594, Laws 1991

Effective July 23, 1991

Section 1. Section 352-e of the general business law is amended by adding a new subdivision 2-d to read as follows:

2-d. (a) "Non-occupying owner" shall mean the owner of shares in a cooperative corporation who does not reside in the apartment assigned to its shares, when the apartment is occupied by a non-purchasing tenant; or the owner of a unit in a condominium who does not reside in the unit, when the unit is occupied by a non-purchasing tenant. "Non-purchasing tenant" shall have the same meaning as that term is defined in paragraph (e) of subdivision one of section three hundred fifty-two-eee and three hundred fifty-two-eeee of this chapter.

(b) The attorney general shall also refuse to issue a letter stating that the offering has been filed, or in the case of a plan already accepted for filing, shall refuse to accept an amendment to the plan unless the offering statement, prospectus, plan or amendment provides that when a non-occupying owner fails to make all payments due on such shares or units, including but not limited to maintenance payments, common charges, assessments or late fees, within thirty days after they are due, upon notice in accordance with paragraph (c) of this subdivision, all rental payments from the non-purchasing tenant residing in such apartment or unit shall be directly payable to the apartment corporation or condominium association. The offeror shall provide each non-purchasing tenant with irrevocable notice of the provisions of this subdivision.

(c) If maintenance payments, common charges or other fees due from the non-occupying owner have not been paid in full, the cooperative corporation board of directors or condominium board of managers shall provide written notice within forty-five days after the earliest due date to the non-purchasing tenant and the non-occupying owner providing that, commencing immediately and until such time as payments are made current, all rental payments due are to be made payable to the cooperative corporation or condominium association at the address listed on the notice. Where a majority of the board of directors or managers has been elected by and from among the shareholders or unit owners who are in

occupancy, the board may elect not to require that rental payments be made payable to the cooperative corporation or condominium association. At such time as payments from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the non-purchasing tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner. A non-occupying owner who disputes the corporation's or association's right to receive rental payments pursuant to this section shall be entitled to present facts supporting its position at the next scheduled meeting of the board of directors or board of managers, which must be held within thirty days.

(d) Nothing in this subdivision shall limit any rights existing under any other law.

(e) Payment by a non-purchasing tenant to the cooperative corporation or condominium association made in accordance with this subdivision shall relieve that non-purchasing tenant from the obligation to pay that rent to the non-occupying owner.

Section 2. This act shall take effect immediately and shall apply to all offering plans not yet accepted for filing and to all plans already accepted for filing except those plans where all of the shares or units have been sold.

TENTH AMENDMENT
TO THE COOPERATIVE OFFERING PLAN FOR

36-58 DAHILL ROAD
BROOKLYN, NEW YORK

DATED: April 20 , 1992

The Offering Plan - a Plan to convert to Cooperative Ownership premises at 36-58 Dahill Road, Brooklyn, New York (hereinafter referred to as the "Plan") accepted for filing on January 29, 1987, is amended as follows:

1. ESCROW ACCOUNT - The disclosure contained in this amendment replaces and supersedes the former section of the plan dealing with the placing of downpayments in escrow. As of March 1, 1992 all downpayments being held in escrow will be placed in or transferred to an account in conformity with the disclosure contained in this amendment.

The sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto.

Any provision of any contract or agreement, whether oral or in writing, by which a purchaser or subscriber purports to waive or indemnify any obligation of the escrow agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the offering plan or in a purchase or subscription agreement. Purchasers shall not be obligated to pay any legal or other expense of the sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds.

All deposits, downpayments, or advances made by purchasers prior to closing of each individual transaction, whether received before or after the date of consummation of the plan, will be placed, within five business days after the agreement is signed by all necessary parties, in a segregated special escrow account of Edwards & Angell, the Escrow Agent, whose address is 750 Lexington Avenue, New York, New York and whose telephone number is (212)308-4411.

The signatories on this account authorized to withdraw funds are the partners of the firm of Edwards & Angell. The name of the account is Edwards & Angell, Escrow Account, located at Norstar Bank, 56 East 42nd Street, New York, New York. This bank is covered by the Federal Bank Deposit Insurance Company to a maximum of \$100,000 per individual deposit. The account is covered by the Federal Bank Deposit Insurance Company.

The account is an interest bearing account and unless the purchaser defaults, interest will be credited to the purchaser at closing. The interest rate to be earned will be the prevailing rate for these accounts which currently is 3.50%. Interest will begin to accrue within five business days of tender of the downpayment.

All instruments shall be made payable to or endorsed to the order of Edwards & Angell, as escrow agent.

Within ten business days after tender of the deposit submitted with the purchase or subscription agreement, the escrow agent will notify the purchaser or subscriber that such funds have been deposited into the escrow account and will provide the account number and the initial interest rate. If the purchaser or subscriber does not receive notice of such deposit within fifteen business days after tender of the deposit, the purchaser or subscriber may cancel the purchase and rescind so long as the right to rescind is exercised within ninety days after tender of the deposit. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited and requisite notice was timely mailed to the purchaser or subscriber in conformity with the Attorney General's regulations.

The escrow agent will hold funds in escrow until otherwise directed in:

- (i) a writing signed by both sponsor and purchaser or subscriber; or
- (ii) a determination of the Attorney General pursuant to the dispute resolution procedures contained in the Attorney General's regulations; or
- (iii) a judgment or order of a court of competent jurisdiction.

11. If downpayments have been secured by a letter of credit:

(a) Name and address of bank which issued the letter of credit: _____

(b) Date of expiration of the letter of credit, if known: _____

12. Plan information:

(a) Date of filing of plan: _____

(b) Plan
 ☐ has been declared effective. Approximate date: _____
 ☐ has not been declared effective.

(c) If effective, the plan

☐ has closed or the first unit has closed.
 Approximate date: _____

☐ has not closed.

☐ don't know.

(d) Downpayments are secured by

☐ escrow account.

☐ bonds.

☐ letter of credit.

13. Contract information:

(a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)

(b) Date on which subscription or purchase agreement was signed: _____

(c) Date(s) of downpayment(s): _____

(d) Total amount of downpayment(s): _____

(e) Names and addresses of subscribers or purchasers
affected by this application:

State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

I am contemporaneously sending a copy of this application to the following persons: _____

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: _____ Date: _____

Name (Printed): _____

Telephone: (Home) _____ (Business) _____

Mailing Address: _____

EXHIBIT B

ATTORNEY GENERAL
OF THE STATE OF NEW YORK
MODEL FORM
FOR ESCROW AGREEMENT

AGREEMENT made this _____ day of _____,
1992, between Dahill Park Associates, ("SPONSOR") as sponsor of
the offering plan and Edwards & Angell, ("ESCROW AGENT") as
escrow agent.

WHEREAS, Dahill Park Associates is the sponsor of an
offering plan to convert to Cooperative ownership the premises
located at 36-58 Dahill Road, Brooklyn, New York; and

WHEREAS, Edwards & Angell is authorized to act as an escrow
agent hereunder in accordance with General Business Law ("GLB")
Section 352-e(2-b) and the Attorney General's regulations
promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow
agent for deposits and payments by purchasers pursuant to the
terms of this agreement.

NOW, THEREFORE, in consideration of the covenants and
conditions contained herein and other good and valuable
consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT

- 1.1 SPONSOR and ESCROW AGENT hereby establish an escrow account with ESCROW AGENT for the purpose of holding deposits or payments made by purchasers. The escrow account has been opened with Norstar Bank at its branch located at 56 East 42nd Street, New York, New York. The account number is 801-043-134
- 1.2 The name of the account is Edwards & Angell, Escrow Account.
- 1.3 The partners of the firm of Edwards & Angell, as ESCROW AGENT, are the sole signatories on the account.
- 1.4 The escrow account shall be an interest-bearing account as disclosed in the offering plan.
- 1.5 The escrow account is not an IOLA established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT

- 2.1 All funds received from prospective purchasers or subscribers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be

deposited in the escrow account. All instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser to the order of Edwards & Angell, as escrow agent for Offering Plan regarding 36-58 Dahill Road, Brooklyn, New York. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser or subscriber promptly, but in no event more than five business days following receipt of such instrument by ESCROW AGENT. In the event of such return of funds, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

- 2.2 Within ten (10) business days after tender of the deposit submitted with the subscription or purchaser agreement, ESCROW AGENT shall notify the purchaser of the deposit of such funds in the bank indicated in the offering plan, provide the account number, and disclose the initial interest rate. If the purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof

satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the subscriber or purchaser.

3. RELEASE OF FUNDS

- 3.1 ESCROW AGENT shall not release the escrowed funds of a defaulting purchaser until after consummation of the plan as defined in the Attorney General's regulations. Consummation of the plan shall not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.
- 3.2 ESCROW AGENT shall continue to hold the funds in escrow until otherwise directed in (a) a writing signed by both sponsor and purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.
- 3.3 SPONSOR shall not object to the release of the escrowed funds to a purchaser who timely rescinds in accordance with an order of rescission contained in the plan or an amendment to the plan.

3.4 If there is no written agreement between the parties to release the escrowed funds, ESCROW AGENT shall not pay the funds to SPONSOR until ESCROW AGENT has given the purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to SPONSOR unless the purchaser has made application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's regulations and has not notified ESCROW AGENT in accordance with such provisions.

4. RECORD KEEPING

4.1 ESCROW AGENT shall maintain all records concerning the escrow account for seven years after release of the funds.

4.2 Upon dissolution of a law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

- 4.3 ESCROW AGENT shall make available to the Attorney General, upon his request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT

- 5.1 ESCROW AGENT shall maintain the accounts called for in this Agreement under the direct supervision and control of ESCROW AGENT.

- 5.2 A fiduciary relationship shall exist between ESCROW AGENT and Purchasers, and ESCROW AGENT acknowledges its fiduciary obligations.

6. RESPONSIBILITIES OF SPONSOR

- 6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to closing of an individual transaction to ESCROW AGENT.

- 6.2 SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. TERMINATION OF AGREEMENT

7.1 This Agreement shall remain in effect unless and until it is cancelled, by either:

- (a) Written notice by SPONSOR or ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or
- (b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or
- (c) All shares or units offered pursuant to the plan have been sold and all sales transactions have been consummated.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1 above, ESCROW AGENT shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by ESCROW AGENT to the new escrow agent.

8. SUCCESSORS AND ASSIGNS

8.1 This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their successors and assigns.

9. GOVERNING LAW

9.1 This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION

10.1 SPONSOR agrees that ESCROW AGENT's compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to ESCROW AGENT, if any, shall not be deducted from escrowed funds by any financial institution under any circumstances.

11. SEVERABILITY

11.1 If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not

be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. ENTIRE AGREEMENT

12.1 This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT

/s/ Edwards & Angell

By: _____

Dahill Park Associates
SPONSOR

By: /s/

Partner

NYAMEND180.11-19

If there is no written agreement between the parties to release the escrowed funds, the escrow agent will not pay the funds to the sponsor until the escrow agent has given the purchaser written notice of not fewer than ten business days. Thereafter, the funds may be paid to the sponsor unless the purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General regulations and has so notified the escrow agent in accordance with such provisions.

The sponsor will not object to the release of the escrowed funds to a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan.

Purchasers and the escrow agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the downpayment and any interest thereon. The sponsor must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is attached as Exhibit A to this amendment. The party applying for a determination must send all other parties a copy of the application.

Pending the determination of the Attorney General to grant or deny the application, the sponsor, the purchaser and the escrow agent shall abide by any interim directive issued by the Attorney General.

Attached to this amendment as Exhibit B is a copy of the escrow agreement which incorporates the terms of the Attorney General's regulations.

The escrow agent will maintain all records concerning the escrow account for seven years after the release of funds.

2. There are no other material changes except as set forth in Amendments One through Seven and this Eighth Amendment.

DAHILL PARK ASSOCIATES, Sponsor

EXHIBIT A

APPLICATION TO THE ATTORNEY GENERAL
FOR A DETERMINATION ON THE
DISPOSITION OF DOWNPAYMENTS

Send this application to the reviewing attorney assigned to the subject plan.]

Re: _____
Address of Building or
Name of Project

File Number: _____

Application is made to the Attorney General to consider and determine the disposition of down payments held pursuant to GBL sections 352-e(2-b) and 352-h. The following information is submitted in support of this application:

Name _____
of Applicant

Address _____
of Applicant

Name, Address, and Telephone Number
of Applicant's Attorney (if any) _____

This is an application for

- ☐ return of downpayment.
- ☐ forfeiture of downpayment.
- ☐ other: _____

The project is ☐ a conversion of occupied premises.
☐ newly constructed or rehabilitated.
☐ vacant (as is).

The project is structured as

- ☐ a cooperative.
- ☐ a condominium.
- ☐ a homeowners association.
- ☐ a timeshare.

☐ other: _____

Name and Address
of Sponsor: _____

Name and Address
of Escrow Agent: _____

If downpayments are maintained in an escrow account:

- (a) Name of account _____
- (b) Name and address
of bank _____
- (c) Account number (if known) _____
- (d) Initial interest rate (if known) _____

If downpayments have been secured by bonds:

- (a) Name and address of
bond issuer or surety: _____

- (b) Copy of bond included in this application. (DO NOT
SEND ORIGINAL BOND.) If not included, explain:

ELEVENTH AMENDMENT
TO THE COOPERATIVE OFFERING PLAN FOR
36-58 DAHILL ROAD
BROOKLYN, NEW YORK

DATED: September 28, 1992

The Offering Plan - A Plan to Convert to Cooperative Ownership, premises at 36-58 Dahill Road, Brooklyn, New York (hereinafter referred to as the "Plan"), accepted for filing on January 29, 1987, is amended as follows:

1. The following is information regarding shares for cooperative apartments that are unsold shares as of the date of this Amendment:

A. The present owner of all unsold shares is the Sponsor, Dahill Park Associates. A list of unsold shares as of this date is attached to this Amendment as Exhibit A.

B. The aggregate monthly maintenance charges for all occupied unsold apartments, is \$13,048.35.

C. The aggregate monthly rents received from all tenants of unsold apartments, is \$15,244.05.

D. There are presently two (2) vacant unsold apartments. The aggregate monthly maintenance charges for these two apartments are \$623.50. As these apartments are vacant no rent is collected.

E. The Sponsor as Holder of Unsold Shares has no financial obligations to the Apartment Corporation which will become due within 12 months from the date of this Amendment, other than monthly maintenance charges.

F. None of the Unsold Shares are subject to mortgages or financing commitments.

G. The means by which payments of obligations disclosed in items 1(b) and (d) above will be funded are from rental income received from apartments whose shares are unsold, income from sales

of said apartments as they occur from time to time, as well as from the assets of the Sponsor.

H. The Sponsor is current in all of its financial obligations under the Offering Plan, if any, including the payment of maintenance charges and assessments and payments for repairs and improvements promised in the Plan. There were no delinquencies during the year prior to the filing of this Amendment.

I. The following is a list of all other buildings in which the Sponsor, or a principal of the Sponsor, owns more than 10% of the shares or units. Offering Plans for the below listed buildings are on file with the Department of Law and are available for public inspection:

- (a) 101 West 23rd Street, New York, New York;
- (b) 82-35/39 134th Street, Kew Gardens, New York;
- (c) 150 Hawthorne Street, Brooklyn, New York;
- (d) 2607-2615 Avenue O, Brooklyn, New York;
- (e) 2705-2721 Kings Highway, Brooklyn, New York;
- (f) 1478 East 28th Street, Brooklyn, New York;
- (g) 2807-2821 Kings Highway, Brooklyn, New York;
- (h) 385 East 16th Street, Brooklyn, New York;
- (i) 84-35 Lander Street, Briarwood, New York;
- (j) 1825 Foster Avenue, Brooklyn, New York;
- (k) 55 South Bergen, Freeport, New York;
- (l) 1401 Ocean Avenue, Brooklyn, New York;
- (m) 224 Highland Boulevard, Brooklyn, New York;
- (n) 190 West Merrick Road, Freeport, New York;
- (o) 1655 Flatbush Avenue, Brooklyn, New York; and
- (p) 3215 Avenue H, Brooklyn, New York.

J. The Sponsor is current in its financial obligations in other cooperatives, condominiums or homeowners associations in which they own shares or units as an individual, general partner or principal.

2. Annexed hereto as Exhibit B is the Certified Financial Statement for the year ending December 31, 1991. The 1992 Budget is incorporated into this Financial Statement [See page 8 thereof]. As set forth in the Financial Statement a loss of \$16,888 before depreciation (approximately 4.12% of the budget) was experienced in 1991; of the \$16,888 loss, \$12,138 (72%) was attributable to "special repairs" which were paid out of the reserve fund (see page 8 of the Financial Report). Depreciation is not a monetary expense to the corporation and accordingly, is not a line item in the proposed budget. Reference is made to the Financial Statement for a complete assessment of the corporation's finances.

3. The Sponsor is not in control of the Board of Directors. The following is a list of the members of the Board of Directors, elected on July 1, 1992:

President:	Mario Perez
Vice-President:	Solomon Rokowsky (Sponsor Representative)
Secretary:	Victor Fein (Sponsor Representative)
Asst. Secretary:	Lorraine Harrigan
Treasurer:	Margaret Carey

4. The present monthly maintenance is \$2.15 per share. An assessment was instituted by the Board of Directors in an amount equal to \$1.075 per share ($\frac{1}{2}$ month's maintenance charges) payable over two months (March and April, 1992).

5. A copy of the tax deduction letter forwarded to the shareholders for the year ended December 31, 1991, is annexed as Exhibit C.

6. The Escrow Agent noted in the Tenth Amendment has been changed as follows:

- A. Escrow Agent: Schiff, Turek, Kirschenbaum
9 West 57th Street, Suite 4750
New York, New York 10019
(212) 980-5577
- B. Name of Accounts: "Schiff, Turek, Kirschenbaum, as
Escrow Agent for 36-58 Dahill Road"
- C. Signatories to account: Edward L. Schiff, Esq.
Allen M. Turek, Esq.
Steven A. Kirschenbaum, Esq.
- D. Location of Account: Bankers Trust Co.
280 Park Avenue
New York, New York
- E. Interest rate: Prevailing (2.5% as of 7/17/92)
- F. F.D.I.C. coverage: This account is covered by the
Federal Deposit Insurance Co.
to the maximum amount of
\$100,000;
- G. Checks: All checks shall be made payable to the
order of Schiff, Turek, Kirschenbaum;

All remaining terms of the Tenth Amendment remain in effect. A revised Escrow Agreement is annexed as Exhibit D.

7. There are no other material changes in the terms of the Offering Plan except as set forth in this Amendment.

DAHILL PARK ASSOCIATES, Sponsor

AMEND/D6J.11

36 & 58 DAHILL ROAD
UNSOLD SHARES

UNIT	SHARES
1C	150
1D	100
1E	158
1G	162
1M	133
1N	200
2A	204
2C	154
2E	162
2F	154
2G	166
2H	154
2I	149
2K	204
3A	206
3B	206
3C	156
3D	139
3F	156
3G	168
3N	206
4B	208
4D	141
4F	158
4G	170
4I	153
4M	141
5C	160
5F	160
5H	160
5J	168
5M	143
5N	210
6A	212
6B	212
6D	145
6G	174
6I	157

EXHIBIT A

Marin & Montanye

CERTIFIED PUBLIC ACCOUNTANTS

MARTIN M. MARIN, CPA
RICHARD B. MONTANYE, CPA

PATRICIA PRUSINSKI, CPA
ROBERT B. SERIKSTAD, CPA
JANICE H. TEMPLE, CPA

February 19, 1992

Board of Directors
DAHILL GARDENS APT INC.
36-58 Dahill Road
Brooklyn, New York 11218

Ladies and Gentlemen:

Independent Auditor's Report

We have audited the accompanying balance sheet of DAHILL GARDENS APT INC. as of December 31, 1991, and the related statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DAHILL GARDENS APT INC. as of December 31, 1991, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The financial information contained in the accompanying Exhibit "E" is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The figures contained in the column labeled "Budget" were those approved by the Board of Directors and are presented for informational purposes only.

Respectfully submitted,

Marin & Montanye

MARIN & MONTANYE
Certified Public Accountants

BALANCE SHEETAs of December 31, 1991Page 1 of 2A S S E T SCURRENT ASSETS

Cash - Working capital fund		\$	1,898
Shareholders' arrears			897
Mortgage escrow deposits			22,847
Prepaid Expenses:			
Fuel inventory	\$	1,095	
Insurance		3,698	
Water and sewer charges		10,875	
Service contracts		<u>107</u>	<u>15,775</u>
<u>TOTAL CURRENT ASSETS</u>			<u>41,417</u>

OTHER ASSETS

Reserve Fund - Schedule 1	124,271

LAND, BUILDING AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Land	\$ 680,000	\$ -0-	\$ 680,000
Building	3,339,352	405,493	2,933,859
Building improvements	<u>39,062</u>	<u>6,760</u>	<u>32,302</u>
	<u>\$ 4,058,414</u>	<u>\$ 412,253</u>	

TOTAL LAND, BUILDING AND EQUIPMENT 3,646,161

TOTAL ASSETS \$ 3,811,849

See Notes to Financial Statements.

BALANCE SHEET

As of December 31, 1991

Page 2 of 2

LIABILITIESCURRENT LIABILITIES

Cash - overdraft	\$	4,676
Accounts payable and accrued expenses - Schedule 2		16,867
Accrued mortgage interest		12,278
Notes payable - current maturity - (Note 4)		7,660
Mortgage payable - current portion		11,633
Prepaid occupancy income		10,187
Sundry payable		<u>350</u>
<u>TOTAL CURRENT LIABILITIES</u>		63,651

Security payable		690

LONG TERM LIABILITIES

Mortgage payable - (Note 5)		
First Nationwide Bank		
Interest @ 10.875%; maturity 7/1/96		
Original amount	\$	1,392,380
Less: amount amortized		37,523
current portion		<u>11,633</u>
		<u>1,343,224</u>
<u>TOTAL LIABILITIES</u>		1,407,565

STOCKHOLDERS' EQUITY

Capital stock - Common - Authorized 20,000 shares		
Issued \$13,563 shares @ \$1.00 par value		13,563
Contributed capital in excess par value		2,773,410
Paid-in capital - mortgage amortization		37,523
Deficit Balance - January 1, 1991	\$	(304,730)
Loss for the year ended		
December 31, 1991		<u>(115,482)</u>
Deficit Balance - December 31, 1991		<u>(420,212)</u>
<u>TOTAL STOCKHOLDERS' EQUITY</u>		<u>2,404,284</u>
<u>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</u>		<u>\$ 3,811,849</u>

See Notes to Financial Statements.

DAHILL GARDENS APT INC.**EXHIBIT A****As of December 31, 1991****RESERVE FUND****Schedule 1**

Reserve Fund - January 1, 1991		\$	131,939
Add: Interest earned during period (net of bank charges)			6,500
Less: Transferred to operations	\$	839	
Oil tank lines		12,138	
Grounds		<u>1,191</u>	<u>(14,168)</u>
Reserve Fund - December 31, 1991			<u>\$ 124,271</u>

Consisting of:

Manufacturers Hanover Trust - Money Market Account	\$	123,968
Accrued interest		<u>303</u>
<u>TOTAL RESERVE FUND - December 31, 1991</u>	\$	<u>124,271</u>

ACCOUNTS PAYABLE AND ACCRUED EXPENSES**Schedule 2**

New York State sales tax	\$	75
Exterminating		278
Miscellaneous administrative		15
Payroll taxes		1,732
Repairs		1,455
Electricity and gas		1,458
Auditing		917
Fuel		6,036
Management fee		833
Insurance		928
Note interest		2,305
Elevator and repairs		728
Corporate taxes		<u>107</u>
<u>TOTAL</u>	\$	<u>16,867</u>

See Notes to Financial Statements.

DAHILL GARDENS APT INC.EXHIBIT BSTATEMENT OF OPERATIONSFor The Year Ended December 31, 1991INCOMEIncome from Shareholders

Maintenance charges - Apartments	\$	349,925	
Less: Paid-in capital - mortgage amortization		(10,440)	
Garage income		15,480	
Special assessment		<u>29,161</u>	
<u>Total Income from Shareholders</u>	\$		384,126

Other Income

Professional apartment		10,075	
Laundry income		4,200	
Interest income		6,595	
Miscellaneous income		<u>1,632</u>	<u>22,502</u>
<u>TOTAL INCOME</u>			406,628

COST OF OPERATIONS

Administrative expenses	Schedule 1	36,985	
Operating expenses	Schedule 2	121,791	
Maintenance expenses	Schedule 3	49,756	
Taxes	Schedule 4	66,011	
Financial expenses	Schedule 5	<u>148,973</u>	
<u>TOTAL COST OF OPERATIONS</u>			<u>423,516</u>

(LOSS) FROM OPERATIONS BEFORE DEPRECIATION (16,888)Depreciation Schedule 6 (98,594)NET (LOSS) FOR THE YEAR - To Exhibit A \$ (115,482)

See Notes to Financial Statements.

DAHILL GARDENS APT INC.

EXHIBIT B

For The Year Ended December 31, 1991

TAXES

Schedule 4

New York City real estate taxes
New York State and City corporate taxes

\$ 63,948
2,063

TOTAL TAXES

\$ 66,011

FINANCIAL EXPENSES

Schedule 5

Interest on mortgage payable
Interest on note payable
Other interest

\$ 147,871
543
559

TOTAL FINANCIAL EXPENSES

\$ 148,973

DEPRECIATION

Schedule 6

Building - 35 years straight line
Building improvements

\$ 95,410
3,184

TOTAL DEPRECIATION

\$ 98,594

See Notes to Financial Statements.

DANILL GARDENS APT INC.EXHIBIT BFor The Year Ended December 31, 1991ADMINISTRATIVE EXPENSESSchedule 1

Management fee		\$	10,000
Legal			180
Auditing			5,500
Telephone			533
Miscellaneous administrative expenses			2,476
Insurance			<u>18,296</u>
<u>TOTAL ADMINISTRATIVE EXPENSES</u>		\$	<u>36,985</u>

OPERATING EXPENSESSchedule 2Energy

Fuel - 61,900 gallons @ avg. 59¢	\$	36,245	
Electricity and gas		<u>13,617</u>	\$ 49,862
Water and sewer charges			<u>20,056</u>

Payroll

Payroll		38,475	
Payroll taxes		2,991	
Payroll insurance		<u>8,782</u>	50,248
Permits			<u>1,345</u>
Miscellaneous operating			<u>280</u>

TOTAL OPERATING EXPENSES\$ 121,791MAINTENANCE EXPENSESSchedule 3

Exterminating		\$	2,661
Repairs - materials and labor to contractors			14,478
Elevator maintenance and repairs			6,907
Supplies and janitorial materials			7,898
Grounds			4,749
Painting			925
Special repairs			<u>12,138</u>
<u>TOTAL MAINTENANCE EXPENSES</u>		\$	<u>49,756</u>

See Notes to Financial Statements.

DAHILL GARDENS APT INC.**EXHIBITS C & D****STATEMENT OF CASH FLOWS****EXHIBIT C****For The Year Ended December 31, 1991****CASH FLOWS FROM OPERATING ACTIVITIES**

Net loss for the year \$ (115,482)

Adjustments to reconcile net loss to cash provided by operating activities:

Noncash item: depreciation expense \$ - 98,594

Paid-in capital: mortgage amortization 10,440

Changes in working capital (excluding cash):

Decrease in receivables 3,801

Decrease in prepaid expenses 30,555

Increase in accounts payable and accrued expenses 8,313

Increase in mortgage escrow (33,355)

Total Adjustments 118,348

CASH PROVIDED BY OPERATING ACTIVITIES 2,866**CASH FLOWS FROM INVESTING ACTIVITIES**

Net decrease in Reserve Fund 7.668

CASH PROVIDED BY INVESTING ACTIVITIES 7,668**CASH FLOWS FROM FINANCING ACTIVITIES**

Payment of mortgage principal (10,440)

CASH USED FOR FINANCING ACTIVITIES (10,440)**NET INCREASE IN CASH AND CASH EQUIVALENTS** 94

Cash and cash equivalents at January 1, 1991 1,804

Cash and cash equivalents at December 31, 1991 (Exhibit D) \$ 1,898

SCHEDULE OF CASH AND CASH EQUIVALENTS**EXHIBIT D**

Cash: Working capital account \$ 1,898

CASH AND CASH EQUIVALENTS - December 31, 1991 \$ 1,898**Disclosure of accounting policy**

For purpose of the statement of cash flows, the Corporation considers all highly liquid debt instruments (not used to meet reserve fund requirements) purchased with maturity of three months or less to be cash equivalents.

See Notes to Financial Statements.

WORKING CAPITAL FLOW STATEMENT OF INCOME AND EXPENDITURES

For The Year Ended December 31, 1991

	For The Year		Prior Year	Next Year
	January 1, 1991 - December 31, 1991		January 1, 1990 - December 31, 1990	January 1, 1992 - December 31, 1992
	Budget	Actual	Actual	Budget
INCOME				
Maintenance charges	\$ 349,925	\$ 349,925	\$ 349,925	\$ 349,925
Parking	15,840	15,480	9,846	15,720
Professional	9,900	10,075	9,525	10,200
Laundry income	4,200	4,200	3,900	4,200
Miscellaneous income	-0-	1,632	1,860	1,500
Special assessment	29,160 (1)	29,161 (1)	-0-	14,580 (2)
Rental income	-0-	-0-	-0-	3,900
TOTAL INCOME	409,025	410,473	375,056	400,025
EXPENDITURES				
Management	10,000	10,000	10,000	10,000
Legal	-0-	180	3,042	-0-
Auditing	4,500	5,500	4,500	5,000
Miscellaneous administrative expenses	1,500	3,009	2,936	2,600
Insurance	21,400	18,296	19,305	19,000
Fuel:				
Budget - 60,000 gallons for year @ 75¢	45,000			
Actual - 61,900 gallons for year avg. @ 59¢		36,245		
Actual - 54,400 gallons prior year avg. @ 63¢			34,113	
Budget - 60,000 gallons for next year @ 55¢				33,000
Electricity and gas	12,600	13,617	13,208	14,000
Water and sewer charges	19,800	20,056	18,362	22,750
Wages	38,825	38,475	38,775	22,875
Payroll taxes	3,500	2,991	3,082	1,800
Workers' compensation and disability insurance	8,000	8,782	7,326	3,600
Miscellaneous operating expenses	1,000	1,625	770	1,000
Exterminating	1,800	2,661	3,821	2,400
Elevator maintenance and repairs	4,200	6,907	4,811	5,500
Supplies and janitorial materials	6,500	7,898	6,028	6,500
Grounds	2,500	4,749	2,625	2,500
Maintenance repairs	8,000	15,403	10,861	12,000
Mortgage interest and amortization	158,500	158,311	158,321	158,500
Real estate taxes	59,400	63,948	50,275	74,200
Corporate taxes	2,000	2,063	2,213	2,800
Note interest	-0-	543	2,194	-0-
Other interest	-0-	559	799	-0-
TOTAL EXPENDITURES	\$ 409,025	421,818	397,367	\$ 400,025
ACTUAL OPERATING (DEFICIT)		(11,345)	(22,311)	
Add: Interest income		6,595	8,677	
Less: Special repairs		(12,138) (3)	-0-	
ACTUAL NET OPERATING (DEFICIT) (Per Exhibit B)		\$ (16,888)	\$ (13,634)	

(1) Special assessment equal to 1 months maintenance.

(2) Special assessment equal to 1/2 months maintenance payable over 3/92 and 4/92.

(3) Work done to replace oil fill lines and replace sidewalk.
These repairs were paid out of the reserve fund.

We are precluded from expressing an opinion on the portions of this Exhibit that reflect budgetary forecasts due to the fact that these forecasts are based upon assumptions concerning future events.

See Notes to Financial Statements.

DAHILL GARDENS APT INC.

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 1991

1. ORGANIZATION

The building converted to co-operative housing on September 16, 1987.

2. SIGNIFICANT ACCOUNTING POLICIES

The building is being depreciated using the straight-line method, over a period of 35 years. Building improvements are being depreciated over the assets useful life.

PAID-IN CAPITAL

In accordance with By-Laws of the Corporation, that portion of maintenance charges representing amortization of the mortgage is to be treated as "Paid-in Capital."

3. SUPPLEMENTAL RESERVE FUND

The Sponsor set up a Reserve Fund at the closing in an amount equal to 3% of the total cash purchase price (\$215.00 per share) in accordance with Local Law 70. The Sponsor however, agreed to set up a supplemental fund in an amount equal to the difference between the sum of \$150,000 and the amount of the 3% Reserve Fund. The supplemental fund shall be paid to the apartment corporation in installments of 1/3 each, due on the first, second and third anniversaries of the closing. As of the balance sheet date December 31, 1991, the supplemental deposits have all been made.

4. NOTES PAYABLE

A series of 36 consecutive notes were executed by an officer of the Apartment Corporation for the benefit of the Sponsor, evidencing the Apartment Corporation's indebtedness in the sum of \$39,383.32. The notes require monthly payments of \$1,093.98 commencing on October 17, 1987 plus interest at the rate of 7.08% per annum and terminating on September 17, 1990. As of the balance sheet date, December 31, 1991, seven notes were still unpaid in the total amount of \$7,659.54.

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 1991

5. MORTGAGE

The mortgage is currently being held by First Nationwide Bank in the original amount of \$1,392,380. The indebtedness requires constant monthly payments of principal and interest of \$13,200.47 with interest first being applied at a rate of 10.875% per annum. The mortgage is due and payable July 1, 1996.

6. FEDERAL INCOME TAXES

The Internal Revenue Service as well as state and local governments have taken the position that real estate cooperatives are subject to Section 277 of the Internal Revenue Code.

Section 277 of the Code provides that a membership organization that is operated to provide services to members is permitted to deduct expenses attributable to the furnishing of services to the members only to the extent of the income derived during such year from its members. Section 277 permits a membership organization to reduce income from non-membership sources only by expenses incurred in generating this income. Accordingly, income from non-membership sources such as interest, commercial rental, professional apartment rental, etc. in excess of expenses properly attributable thereto may be subject to federal tax.

The Corporation's Federal income tax return for the year ended December 31, 1990 is being audited by the IRS. The ultimate outcome of this audit cannot presently be determined. No provision for any liability that may result from this audit has been made in the accompanying financial statements.

January 6, 1992

TO: Stockholders of DAHILL GARDENS APARTMENTS, INC.

RE: PERSONAL INCOME TAX RETURN DATA FOR 1991

Dear Cooperators:

Under the provisions of Section 216 of the Internal Revenue Code, a tenant stockholder of a Cooperative apartment is entitled to deduct from personal gross income a proportionate share of real estate taxes and interest paid or incurred by the Cooperative Corporation. Note that these deductions are only available if the taxpayer itemizes his deductions.

For the year 1991, your Per Share individual income tax deductions are as follows:

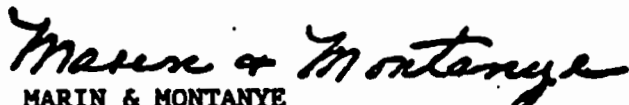
MORTGAGE INTEREST \$ 10.6373 per share

REAL ESTATE TAXES \$ 4.5829 per share

In order to compute your total deductions for 1991, multiply the number of shares owned by you, as indicated on your stock certificate, by the amount per share stated above. If you became a stockholder, or sold your stock in the corporation during 1991, you are permitted to deduct a fractional part of the figures, based on the proportionate part of the year you owned the stock.

Contributed capital in 1991 was \$0.7482 per share. This is not a deduction, but an increase in the basis of your investment.

Very truly yours,


MARIN & MONTANYE
Certified Public Accountants

EXHIBIT

ATTORNEY GENERAL
OF THE STATE OF NEW YORK
MODEL FORM
FOR ESCROW AGREEMENT

AGREEMENT made this _____ day of _____,
1992, between DAHILL PARK ASSOCIATES, ("SPONSOR") as sponsor
of the offering plan and SCHIFF, TUREK, KIRSCHENBAUM ("ESCROW
AGENT") as escrow agent.

WHEREAS, _____ is the sponsor of an offering
plan to convert to cooperative/condominium ownership the
premises located at _____, New York;
and

WHEREAS, SCHIFF, TUREK, KIRSCHENBAUM is authorized to
act as an escrow agent hereunder in accordance with General
Business Law ("GBL") Section 352-e(2-b) and the Attorney
General's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow
agent for deposits and payments by purchasers and subscribers,
pursuant to the terms of this agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT

1.1 SPONSOR and ESCROW AGENT hereby establish an escrow account with ESCROW AGENT for the purpose of holding deposits or payments made by purchasers or subscribers. The escrow account has been opened with Bankers Trust Co. at its branch located at 280 Park Avenue, New York. The account number is .

1.2 The name of the account is "SCHIFF, TUREK, KIRSCHENBAUM, as Escrow Agent for 36-58 Dahill Road".

1.3 ESCROW AGENT is the sole signatory on the account.

1.4 The escrow account shall be an interest-bearing account as disclosed in the offering plan.

1.5 The escrow account is/is not an IOLA established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT

2.1 All funds received from prospective purchasers or subscribers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account. All instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser or subscriber to the order of SCHIFF, TUREK, KIRSCHENBAUM, as escrow agent for the Offering Plan regarding 36-58 Dahill Road. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser or subscriber promptly, but in no event more than five business days following receipt of such instrument by ESCROW AGENT. In the event of such return of funds, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 Within ten (10) business days after tender of the deposit submitted with the subscription or purchaser

agreement, ESCROW AGENT shall notify the purchaser of the deposit of such funds in the bank indicated in the offering plan, provide the account number, and disclose the initial interest rate. If the purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the subscriber or purchaser.

3. RELEASE OF FUNDS

- 3.1 ESCROW AGENT shall not release the escrowed funds of a defaulting purchaser until after consummation of the plan as defined in the Attorney General's regulations. Consummation of the plan shall not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.

- 3.2 ESCROW AGENT shall continue to hold the funds in escrow until otherwise directed in (a) a writing signed by both sponsor and purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.
- 3.3 SPONSOR shall not object to the release of the escrowed funds to (a) a purchaser who timely rescinds in accordance with an order of rescission contained in the plan or an amendment to the plan or (b) all purchasers after an amendment abandoning the plan is accepted for filing by the Department of Law.
- 3.4 If there is no written agreement between the parties to release the escrowed funds, ESCROW AGENT shall not pay the funds to SPONSOR until ESCROW AGENT has given the purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to SPONSOR unless the purchaser has made application to the Department of Law pursuant to the dispute resolution provisions contained in the

Attorney General's regulations and has not notified ESCROW AGENT in accordance with such provisions.

4. RECORD KEEPING

4.1 ESCROW AGENT shall maintain all records concerning the escrow account for seven years after release of the funds.

4.2 Upon dissolution of a law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

4.3 ESCROW AGENT shall make available to the Attorney General, upon his request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT

5.1 ESCROW AGENT shall maintain the accounts called for

in this Agreement under the direct supervision and control of ESCROW AGENT.

5.2 A fiduciary relationship shall exist between ESCROW AGENT and Purchasers, and ESCROW AGENT acknowledges its fiduciary obligations.

6. RESPONSIBILITIES OF SPONSOR

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to closing of an individual transaction to ESCROW AGENT.

6.2 SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. TERMINATION OF AGREEMENT

7.1 This Agreement shall remain in effect unless and until it is cancelled, by either:

- (a) Written notice by SPONSOR or ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or
- (b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or
- (c) All shares or units offered pursuant to the plan have been sold and all sales transactions have been consummated.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1 above, ESCROW AGENT shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by ESCROW AGENT to the new escrow agent.

8. SUCCESSORS AND ASSIGNS

8.1 This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their successors and assigns.

9. GOVERNING LAW

9.1 This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION

10.1 SPONSOR agrees that ESCROW AGENT's compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to ESCROW AGENT, if any, shall not be deducted from escrowed funds by any financial institution under any circumstances.

11. SEVERABILITY

11.1 If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other

circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. ENTIRE AGREEMENT

12.1 This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT

/S/

By: _____

DAHILL PARK ASSOCIATES,
SPONSOR

By: /S/

(TITLE)

TWELFTH AMENDMENT
TO THE COOPERATIVE OFFERING PLAN FOR

36-58 DAHILL ROAD
BROOKLYN, NEW YORK

DATED: SEPTEMBER 16, 1993

The Offering Plan - A Plan to Convert to Cooperative Ownership, premises at 36-58 Dahill Road, Brooklyn, New York (hereinafter referred to as the "Plan"), accepted for filing on January 29, 1987, is amended as follows:

1. The following is information regarding shares for cooperative apartments that are unsold shares as of the date of this Amendment:

A. The present owner of all unsold shares is the Sponsor, Dahill Park Associates. A list of unsold shares as of this date is attached to this Amendment as Exhibit A.

B. The aggregate monthly maintenance charges for all occupied unsold apartments, is \$13,351.50.

C. The aggregate monthly rents received from all tenants of unsold apartments, is \$16,418.32.

D. At present, there are no vacant unsold apartments.

E. The Sponsor as Holder of Unsold Shares has no financial obligations to the Apartment Corporation which will become due within 12 months from the date of this Amendment, other than monthly maintenance charges.

F. None of the Unsold Shares are subject to mortgages or financing commitments.

G. The means by which payments of obligations disclosed in item 1B above will be funded is from rental income received from apartments whose shares are unsold, income from sales of said apartments as they occur from time to time, as well as from the assets of the Sponsor.

H. The Sponsor is current in all of its financial obligations under the Offering Plan, if any, including the payment of maintenance charges. There were no delinquencies during the year prior to the filing of this Amendment.

I. The following is a list of all other buildings in which the Sponsor, or a principal of the Sponsor, owns more than 10% of the shares or units. Offering Plans for the below listed buildings are on file with the Department of Law and are available for public inspection:

- (a) 101 West 23rd Street, New York, New York;
- (b) 82-35/39 134th Street, Kew Gardens, New York;
- (c) 150 Hawthorne Street, Brooklyn, New York;
- (d) 2607-2615 Avenue O, Brboklyn, New York;
- (e) 2705-2721 Kings Highway, Brooklyn, New York;
- (f) 1478 East 28th Street, Brooklyn, New York;
- (g) 2807-2821 Kings Highway, Brooklyn, New York;
- (h) 385 East 16th Street, Brooklyn, New York;
- (i) 84-35 Lander Street, Briarwood, New York;
- (j) 1825 Foster Avenue, Brooklyn, New York;
- (k) 55 South Bergen, Freeport, New York;
- (l) 1401 Ocean Avenue, Brooklyn, New York;
- (m) 224 Highland Boulevard, Brooklyn, New York;
- (n) 190 West Merrick Road, Freeport, New York;
- (o) 1655 Flatbush Avenue, Brooklyn, New York; and
- (p) 3215 Avenue H, Brooklyn, New York.

J. The Sponsor is current in its financial obligations in other cooperatives, in which it own shares as an individual, general partner or principal.

2. Annexed hereto for informational purposes only as Exhibit B, is the Certified Financial Statement for the year ending December 31, 1992. For informational purposes, the 1993 budget is incorporated into this Financial Statement [See page 8 thereof].

3. The Sponsor is not in control of the Board of Directors. The following is a list of the officers and directors of the Board, elected on May 4, 1993:

Mario Perez	-	President/Resident Shareholder
Solomon Rokowsky	-	Vice-President/Sponsor Representative
Victor Fein	-	Secretary/Sponsor Representative
Lorraine Harrigan	-	Asst. Secretary/Resident Shareholder
Margaret Carey	-	Treasurer/Resident Shareholder

4. The present monthly maintenance is \$2.15 per share.

5. For informational purposes, annexed hereto as Exhibit C, is a copy of Marin & Montanye's (the apartment corporation's accountants), letter to shareholders, dated January 5, 1993, advising the per share amount deductible for 1992 tax purposes, in accordance with Section 216 of the Internal Revenue Code.

6. There are no other material changes in the terms of the Offering Plan except as set forth in amendments One through Eleven and this Twelfth Amendment.

DAHILL PARK ASSOCIATES, Sponsor

36 & 58 DAHILL ROAD
UNSOLD SHARES

UNIT SHARES

1C	150
1D	100
1E	158
1G	162
1M	133
1N	200
2A	204
2C	154
2E	162
2F	154
2G	166
2H	154
2K	204
3A	206
3B	206
3C	156
3D	139
3F	156
3G	168
3N	206
4B	208
4D	141
4F	158
4G	170
4I	153
4M	141
5C	160
5F	160
5H	160
5J	168
5M	143
5N	210
6A	212
6B	212
6D	145
6G	174
6I	157

Total:	6,210
Count:	37

EXHIBIT A

Marin & Montanye

CERTIFIED PUBLIC ACCOUNTANTS

RICHARD B. MONTANYE, CPA
PATRICIA A. PRUSINSKI, CPA

JANICE H. TEMPLE, CPA
ROBERT B. SERIKSTAD, CPA
PATRICIA A. STAUDER, CPA
FRANK LABETTI, CPA

Board of Directors
DAHILL GARDENS APT INC.
36-58 Dahill Road
Brooklyn, New York 11218

Ladies and Gentlemen:

Independent Auditor's Report

We have audited the accompanying balance sheet of DAHILL GARDENS APT INC. as of December 31, 1992, and the related statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DAHILL GARDENS APT INC. as of December 31, 1992, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The financial information contained in the accompanying Exhibit "E" is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The figures contained in the column labeled "Budget" were those approved by the Board of Directors and are presented for informational purposes only.

As discussed in the notes to the financial statements, the Corporation has not estimated the remaining lives and replacement costs of the common property and, therefore, has not presented the estimates of future costs of major repairs and replacements that will be required in the future, that the American Institute of Certified Public Accountants has determined is required to supplement, although not required to be a part of, the basic financial statements.

March 4, 1993

EXHIBIT B

Marin & Montanye
MARIN & MONTANYE
Certified Public Accountants

DAHILL GARDENS APT INC.

EXHIBIT A

BALANCE SHEET

As of December 31, 1992

Page 1 of 2

A S S E T S

CURRENT ASSETS

Cash - Operating account - Advanced Management	\$	7,391	
Cash - Working capital fund		1,952	
Shareholders' arrears		3,766	
Mortgage escrow deposits		21,170	
Rental arrears		800	
Sundry receivable		187	
Prepaid Expenses:			
Fuel inventory	\$	523	
Insurance		2,524	
Water and sewer charges		11,934	
Service contracts		54	
Real estate tax		<u>18,787</u>	<u>33,822</u>
<u>TOTAL CURRENT ASSETS</u>			69,088

FUNDS

Reserve Fund - Schedule 1	147,100

PROPERTY AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Land	\$ 680,000	\$ -0-	\$ 680,000
Building	3,339,352	500,904	2,838,448
Building improvements	<u>39,062</u>	<u>9,625</u>	<u>29,437</u>
	<u>\$ 4,058,414</u>	<u>\$ 510,529</u>	

TOTAL PROPERTY AND EQUIPMENT

3,547,885

OTHER ASSETS

Unamortized mortgage costs	<u>53,692</u>
<u>TOTAL ASSETS</u>	<u>\$ 3,817,765</u>

See Notes to Financial Statements.

DAHILL GARDENS APT INC.EXHIBIT ABALANCE SHEETAs of December 31, 1992Page 2 of 2LIABILITIESCURRENT LIABILITIES

Cash - overdraft		\$ 177
Accounts payable and accrued expenses - Schedule 2		25,727
Notes payable - due to sponsor - (Note 4)		7,660
Mortgage payable - current portion		<u>17,588</u>
<u>TOTAL CURRENT LIABILITIES</u>		51,152

LONG TERM LIABILITIES

Mortgage payable - (Note 4)		
Original amount	\$ 1,500,000	
Less: current portion	<u>(17,588)</u>	1,482,412

OTHER LIABILITIES

Garage security payable		690
Security payable		<u>800</u>
<u>TOTAL LIABILITIES</u>		1,535,054

STOCKHOLDERS' EQUITY

Capital stock - Common - Authorized 20,000 shares		
Issued \$13,563 shares @ \$1.00 par value	13,563	
Contributed capital in excess par value	2,773,410	
Paid-in capital - mortgage amortization	48,137	
Deficit Balance - January 1, 1992	\$ (420,212)	
Loss for the year ended		
December 31, 1992	<u>(132,187)</u>	
Deficit Balance - December 31, 1992	<u>(552,399)</u>	
<u>TOTAL STOCKHOLDERS' EQUITY</u>		<u>2,282,711</u>
<u>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</u>		<u>\$ 3,817,765</u>

See Notes to Financial Statements.

DAHILL GARDENS APT INC.**EXHIBIT A****As of December 31, 1992****RESERVE FUND****Schedule 1**

Reserve Fund - January 1, 1992		\$ 124,271
Add: Interest earned during period (net of bank charges)		3,144
Proceeds of mortgage refinancing		52,176
Less: Transferred to operations	\$ 5,000	
Plumbing repairs	5,629	
Grounds	1,110	
Commitment fee - mortgage refinancing	15,000	
Appliances	752	
Renovate apartment 1F for rental and renovate basement apartment for Superintendent	<u>5,000</u>	<u>(32,491)</u>
Reserve Fund - December 31, 1992		<u>\$ 147,100</u>

Consisting of:

Chemical Bank - Money Market Account	\$ 94,768
Accrued interest	156
Proceeds of mortgage refinancing	<u>52,176</u>
<u>TOTAL RESERVE FUND - December 31, 1992</u>	<u>\$ 147,100</u>

ACCOUNTS PAYABLE AND ACCRUED EXPENSES**Schedule 2**

New York State sales tax	\$ 140
Exterminating	278
Miscellaneous administrative	324
Payroll taxes	1,233
Repairs	8,662
Electricity and gas	1,777
Auditing	1,667
Fuel	7,797
Telephone	181
Legal	70
Note interest	2,847
Elevator and repairs	584
Corporate taxes	<u>167</u>
<u>TOTAL</u>	<u>\$ 25,727</u>

See Notes to Financial Statements.

DAHILL GARDENS APT INC.

EXHIBIT B

STATEMENT OF OPERATIONS

For The Year Ended December 31, 1992

INCOME

Income from Shareholders

Maintenance charges - Apartments	\$	349,925	
Less: Paid-in capital - mortgage amortization		(10,615)	
Garage income		15,930	
Special assessment		<u>14,581</u>	
<u>Total Income from Shareholders</u>	\$		369,821

Other Income

Rental income		2,800	
Professional apartment		10,200	
Laundry income		4,200	
Interest income		3,198	
Miscellaneous income		<u>2,983</u>	<u>23,381</u>
<u>TOTAL INCOME</u>			393,202

COST OF OPERATIONS

Administrative expenses	Schedule 1	39,359	
Operating expenses	Schedule 2	114,884	
Maintenance expenses	Schedule 3	53,086	
Taxes	Schedule 4	76,091	
Financial expenses	Schedule 5	<u>147,842</u>	
<u>TOTAL COST OF OPERATIONS</u>			<u>431,262</u>

(LOSS) FROM OPERATIONS BEFORE DEPRECIATION (38,060)

Depreciation	Schedule 6	(98,275)
Real estate tax refund - net		<u>4,148</u>

NET (LOSS) FOR THE YEAR - To Exhibit A \$ (132,187)

See Notes to Financial Statements.

DAHILL GARDENS APT INC.

EXHIBIT B

For The Year Ended December 31, 1992

ADMINISTRATIVE EXPENSES

Schedule 1

Management fee		\$	11,833
Legal			593
Auditing			5,000
Telephone			1,203
Miscellaneous administrative expenses			2,225
Insurance			<u>18,505</u>
<u>TOTAL ADMINISTRATIVE EXPENSES</u>		\$	<u>39,359</u>

OPERATING EXPENSES

Schedule 2

<u>Energy</u>			
Fuel - 71,500 gallons @ avg. 52c	\$	36,962	
Electricity and gas		<u>12,816</u>	\$
Water and sewer charges			49,778
			<u>23,023</u>
<u>Payroll</u>			
Payroll		32,783	
Payroll taxes		2,542	
Payroll insurance		<u>3,954</u>	39,279
Permits			1,960
Garage door remote control rental			<u>844</u>
<u>TOTAL OPERATING EXPENSES</u>			\$ <u>114,884</u>

MAINTENANCE EXPENSES

Schedule 3

Exterminating	\$	3,081
Repairs - materials and labor to contractors		21,972
Elevator maintenance and repairs		5,767
Supplies and janitorial materials		4,745
Grounds		1,802
Painting		5,490
Special repairs		<u>10,229</u>
<u>TOTAL MAINTENANCE EXPENSES</u>	\$	<u>53,086</u>

See Notes to Financial Statements.

DAHILL GARDENS APT INC.

EXHIBIT B

For The Year Ended December 31, 1992

TAXES

Schedule 4

New York City real estate taxes
New York State and City corporate taxes

\$ 72,741
3,350

TOTAL TAXES

\$ 76,091

FINANCIAL EXPENSES

Schedule 5

Interest on mortgage payable
Interest on note payable
Other interest

\$ 146,880
542
420

TOTAL FINANCIAL EXPENSES

\$ 147,842

DEPRECIATION

Schedule 6

Building - 35 years straight line
Building improvements

\$ 95,410
2,865

TOTAL DEPRECIATION

\$ 98,275

See Notes to Financial Statements.

DAHILL GARDENS APT INC.EXHIBITS C & DSTATEMENT OF CASH FLOWSEXHIBIT CFor The Year Ended December 31, 1992CASH FLOWS FROM OPERATING ACTIVITIES

Net loss for the year \$ (132,187)

Adjustments to reconcile net loss to cash
provided by operating activities:

Noncash item: depreciation expense \$ 98,275

Paid-in capital: mortgage amortization 10,615

Changes in working capital (excluding cash):

Increase in receivables (3,856)

Increase in prepaid expenses (18,047)

Decrease in accounts payable and accrued expenses (17,654)

Decrease in mortgage escrow 1,677Total Adjustments 71,010CASH USED FOR OPERATING ACTIVITIES (61,177)CASH FLOWS FROM INVESTING ACTIVITIESNet increase in Reserve Fund (22,829)CASH USED FOR INVESTING ACTIVITIES (22,829)CASH FLOWS FROM FINANCING ACTIVITIES

Payment of mortgage principal (1,354,857)

Mortgage refinancing costs (53,692)

Proceeds of new mortgage 1,500,000CASH PROVIDED BY FINANCING ACTIVITIES 91,451NET INCREASE IN CASH AND CASH EQUIVALENTS 7,445Cash and cash equivalents at January 1, 1992 1,898Cash and cash equivalents at December 31, 1992 (Exhibit D) \$ 9,343SCHEDULE OF CASH AND CASH EQUIVALENTSEXHIBIT D

Cash: Operating account - Advanced Management \$ 7,391

Working capital account 1,952CASH AND CASH EQUIVALENTS - December 31, 1992 \$ 9,343Disclosure of accounting policy

For purpose of the statement of cash flows, the Corporation considers all highly liquid debt instruments (not used to meet reserve fund requirements) purchased with maturity of three months or less to be cash equivalents.

See Notes to Financial Statements.

DANILL GARDENS APT INC.

EXHIBIT E

WORKING CAPITAL FLOW STATEMENT OF INCOME AND EXPENDITURES

For The Year Ended December 31, 1992

	For The Year		Prior Year	Next Year
	January 1, 1992 - December 31, 1992		January 1, 1991 - December 31, 1991	January 1, 1993 - December 31, 1993
	Budget	Actual	Actual	Budget
INCOME				
Maintenance charges	\$ 349,925	\$ 349,925	\$ 349,925	\$ 349,925
Parking	15,720	15,930	15,480	16,440
Professional	10,200	10,200	10,075	10,200
Laundry income	4,200	4,200	4,200	4,200
Miscellaneous income	1,500	2,783	1,632	1,500
Special assessment	14,580 (1)	14,581	29,161 (2)	-0-
Rental income	3,900	2,800	-0-	8,400
Utilities income	-0-	200	-0-	600
TOTAL INCOME	400,025	400,619	410,473	391,265
EXPENDITURES				
Management	10,000	11,833	10,000	16,000
Legal	-0-	593	180	500
Auditing	5,000	5,000	5,500	5,000
Miscellaneous administrative expenses	2,600	3,428	3,009	3,000
Insurance	19,000	18,505	18,296	18,500
Fuel:				
Budget - 60,000 gallons for year @ 55¢	33,000			
Actual - 71,500 gallons for year avg. @ 52¢		36,962		
Actual - 61,900 gallons prior year avg. @ 59¢			36,245	
Budget - 60,000 gallons for next year @ 55¢				33,000
Electricity and gas	14,000	12,816	13,617	14,000
Water and sewer charges	22,750	23,023	20,056	25,000
Wages	22,875	32,783	38,475	31,200
Payroll taxes	1,800	2,542	2,991	2,800
Workers' compensation and disability insurance	3,600	3,954	8,782	4,800
Miscellaneous operating expenses	1,000	2,804	1,625	1,000
Exterminating	2,400	3,081	2,661	2,800
Elevator maintenance and repairs	5,500	5,767	6,907	5,500
Supplies and janitorial materials	6,500	4,745	7,898	5,000
Grounds	2,500	1,802	4,749	2,000
Maintenance repairs	12,000	27,462	15,403	16,000
Mortgage interest and amortization	158,500	157,495	158,311	140,420
Real estate taxes	74,200	72,741	63,948	78,000
Corporate taxes	2,800	3,350	2,063	3,300
Note interest	-0-	542	543	-0-
Other interest	-0-	420	559	500
TOTAL EXPENDITURES	\$ 400,025	431,648	421,818	408,320
BUDGETED (DEFICIT)				\$ (17,055)
ACTUAL OPERATING (DEFICIT)		(31,029)	(11,345)	
Add: Interest income		3,198	6,595	
Real estate tax refund - net		4,148	-0-	
Less: Special repairs		(10,229) (3)	(12,138) (4)	
ACTUAL NET OPERATING (DEFICIT)		\$ (33,912)	\$ (16,888)	

(1) Special assessment equal to 6 months maintenance payable over 3/92 and 4/92.

(2) Special assessment equal to 1 months maintenance.

(3) These plumbing repairs were paid out of the Reserve Fund.

(4) Work done to replace oil fill lines and replace sidewalk. These repairs were paid out of the reserve fund.

We are precluded from expressing an opinion on the portions of this Exhibit that reflect budgetary forecasts due to the fact that these forecasts are based upon assumptions concerning future events.

See Notes to Financial Statements.

Marin
& Montanye
CERTIFIED PUBLIC ACCOUNTANTS

DAHILL GARDENS APT INC.

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 1992

1. ORGANIZATION

Dahill Gardens Apt Inc. is a cooperative housing corporation incorporated in the State of New York in December 1985. The Apartments consist of 82 residential units, a professional apartment and the superintendent's apartment. The primary purpose of the Corporation is to manage the operations of Dahill Gardens Apt Inc. and maintain the common elements.

2. SIGNIFICANT ACCOUNTING POLICIES

Depreciation

Property and equipment are being depreciated over their estimated useful lives using the straight-line method.

Paid-In Capital

In accordance with By-Laws of the Corporation, that portion of maintenance charges representing amortization of the mortgage is to be treated as "Paid-in Capital."

Commercial Rentals

The Corporation has entered into non-cancellable lease agreements with 1 commercial tenant and 1 rental tenant, with lease terms for one year. Rentals over the remainder of the lease terms aggregate approximately \$15,800.

Maintenance Assessments

Tenant-shareholders are subject to monthly assessments to provide funds for the Corporation's operating expenses, future capital acquisitions, and major repairs and replacements. Tenant-shareholder receivables at the balance sheet date represent maintenance fees due from tenant-shareholders. The Corporation's policy is to retain legal counsel and place liens on the shares of stock of tenant-shareholders whose assessments are delinquent. Any excess assessments at year end are retained by the Corporation for use in future years.

3. SUPPLEMENTAL RESERVE FUND

The Sponsor set up a Reserve Fund at the closing in an amount equal to 3% of the total cash purchase price (\$215.00 per share) in accordance with Local Law 70. The Sponsor however, agreed to set up a supplemental fund in an amount equal to the difference between the sum of \$150,000 and the amount of the 3% Reserve Fund. The supplemental fund shall be paid to the apartment corporation in installments of 1/3 each, due on the first, second and third anniversaries of the closing. As of the balance sheet date December 31, 1992, the supplemental deposits have all been made.

DAHILL GARDENS APT INC.

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 1992

4. NOTES PAYABLE

A series of 36 consecutive notes were executed by an officer of the Apartment Corporation for the benefit of the Sponsor, evidencing the Apartment Corporation's indebtedness in the sum of \$39,383.32. The notes require monthly payments of \$1,093.98 commencing on October 17, 1987 plus interest at the rate of 7.08% per annum and terminating on September 17, 1990. As of the balance sheet date, December 31, 1992, seven notes were still unpaid in the total amount of \$7,659.54.

5. MORTGAGE

The original mortgage of \$1,392,380 was held by First Nationwide Bank. The indebtedness required constant monthly payments of principal and interest of \$13,200.47 with interest first being applied at a rate of 10.875% per annum. The mortgage was due and payable July 1, 1996.

On December 23, 1992, the original mortgage was refinanced with Queens County Savings Bank in the amount of \$1,500,000. The new mortgage has the following terms:

February 1, 1993 - January 31, 1994, monthly payments of principal and interest of \$11,701.73 with interest first being applied at a rate of 8.125%

On February 1, 1994 the interest rate increases to 8.625%

On February 1, 1995 the interest rate increases to 9.125%

On February 1, 1996 the interest rate increases to 9.625%

On February 1, 1997 the interest rate increases to 10.125%

The mortgage matures on January 31, 1998. The Corporation has the option to extend the mortgage an additional 5 years at 1% above the prime adjusted annually. The note is collateralized by the land and building owned by the Corporation.

6. FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Corporation has not conducted a study to determine the remaining useful lives of the components of common property and current estimates of costs of major repairs and replacements that may be required in the future. When replacement funds are needed to meet future needs for major repairs and replacements, the Corporation may have the right to borrow, utilize available cash, increase maintenance charges, pass special assessments or delay repairs and replacements until the funds are available. The effect on future assessments has not been determined at this time.

DAHILL GARDENS APT INC.

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 1992

7. RELATED PARTY TRANSACTIONS

At December 31, 1992, 6,210 co-op shares were held by the Sponsor for unsold units. Approximately 46% or \$13,351.50 per month, of the total maintenance revenue is the responsibility of the Sponsor. The Sponsor continues to make its best efforts to sell the remaining co-op units and is confident it will ultimately sell these units to occupying tenants in the foreseeable future. Both the Sponsor and management of the Company believe the Sponsor has the continued ability to meet its maintenance obligation until the units are sold because the premises generate a rent roll sufficient to cover the maintenance obligation of the Sponsor.

8. FEDERAL INCOME TAXES

The Internal Revenue Service as well as state and local governments have taken the position that real estate cooperatives are subject to Section 277 of the Internal Revenue Code.

Section 277 of the Code provides that a membership organization that is operated to provide services to members is permitted to deduct expenses attributable to the furnishing of services to the members only to the extent of the income derived during such year from its members. Section 277 permits a membership organization to reduce income from non-membership sources only by expenses incurred in generating this income. Accordingly, income from non-membership sources such as interest, commercial rental, professional apartment rental, etc. in excess of expenses properly attributable thereto may be subject to federal tax.

The Corporation's Federal income tax return for the year ended December 31, 1990 was audited by the IRS. The audit resulted in no tax due, and the tax return was accepted as filed.

January 5, 1993

TO: Stockholders of DAHILL GARDENS APARTMENTS, INC.

RE: PERSONAL INCOME TAX RETURN DATA FOR 1992

Dear Cooperators:

Under the provisions of Section 216 of the Internal Revenue Code, a tenant stockholder of a Cooperative apartment is entitled to deduct from personal gross income a proportionate share of real estate taxes and interest paid or incurred by the Cooperative Corporation. Note that these deductions are only available if the taxpayer itemizes his deductions.

For the year 1992, your Per Share individual income tax deductions are as follows:

MORTGAGE INTEREST \$ 10.5196 per share

REAL ESTATE TAXES \$ 5.2173 per share

In order to compute your total deductions for 1992, multiply the number of shares owned by you, as indicated on your stock certificate, by the amount per share stated above. If you became a stockholder, or sold your stock in the corporation during 1992, you are permitted to deduct a fractional part of the figures, based on the proportionate part of the year you owned the stock.

Contributed capital in 1992 was \$0.8344 per share. This is not a deduction, but an increase in the basis of your investment.

Very truly yours,

Marin & Montanye

MARIN & MONTANYE
Certified Public Accountants

EXHIBIT C

Marin
& Montanye

THIRTEENTH AMENDMENT
TO THE COOPERATIVE OFFERING PLAN FOR

36-58 DAHILL ROAD
BROOKLYN, NEW YORK

DATED: DECEMBER 19, 1994

The Offering Plan - A Plan to Convert to Cooperative Ownership, premises at 36-58 Dahill Road, Brooklyn, New York (hereinafter referred to as the "Plan"), accepted for filing on January 29, 1987, is amended as follows:

1. The following is information regarding shares for cooperative apartments that are unsold shares as of the date of this Amendment:

A. The present owner of all unsold shares is the Sponsor, Dahill Park Associates. A list of unsold shares as of this date is attached to this Amendment as Exhibit A.

B. The aggregate monthly maintenance charges for all occupied unsold apartments is \$14,717.70.

C. The aggregate monthly rents received from all tenants of unsold apartments is \$16,712.41.

D. The Sponsor as holder of unsold shares has no financial obligations to the Apartment Corporation which will become due within 12 months from the date of this Amendment, other than monthly maintenance charges.

E. None of the Unsold Shares are subject to liens or financing commitments.

F. The means by which payments of obligations disclosed in item 1B above will be funded is from rental income received from apartments whose shares are unsold and income from sales of said apartments as they occur from time to time.

G. The Sponsor is current in all of its financial obligations under the Offering Plan, if any, including the payment of maintenance charges. There were no delinquencies during the year prior to the filing of this Amendment.

H. The following is a list of all other buildings in which the Sponsor, or a principal of the Sponsor, owns more than 10% of the shares or units. Offering Plans for the below listed buildings are on file with the Department of Law and are available for public inspection:

- (a) 101 West 23rd Street, New York, New York;
- (b) 82-35/39 134th Street, Kew Gardens, New York;
- (c) 150 Hawthorne Street, Brooklyn, New York;
- (d) 2607-2615 Avenue O, Brooklyn, New York;
- (e) 2705-2721 Kings Highway, Brooklyn, New York;
- (f) 1478 East 28th Street, Brooklyn, New York;
- (g) 2807-2821 Kings Highway, Brooklyn, New York;
- (h) 385 East 16th Street, Brooklyn, New York;
- (i) 84-35 Lander Street, Briarwood, New York;
- (j) 1825 Foster Avenue, Brooklyn, New York;
- (k) 55 South Bergen, Freeport, New York;
- (l) 1401 Ocean Avenue, Brooklyn, New York;
- (m) 224 Highland Boulevard, Brooklyn, New York;
- (n) 190 West Merrick Road, Freeport, New York;
- (o) 1655 Flatbush Avenue, Brooklyn, New York; and
- (p) 3215 Avenue H, Brooklyn, New York.

I. The Sponsor is current in its financial obligations in other cooperatives, in which it own shares as an individual, general partner or principal.

2. Annexed hereto for informational purposes only as Exhibit B is the Certified Financial Statement for the year ending December 31, 1993 and the 1994 budget incorporated into the Statement [See page 13 thereof].

3. The Sponsor is not in control of the Board of Directors. The following is a list of the officers and directors of the Board, elected on May 11, 1994:

Mario Perez	-	Resident Shareholder
Lorraine Harrigan	-	Resident Shareholder
Margaret Carey	-	Resident Shareholder
Solomon Rokowsky	-	Sponsor Representative
Victor Fein	-	Sponsor Representative

4. The present monthly maintenance is \$2.37 per share, effective January 1, 1994.

5. For informational purposes, annexed hereto as Exhibit C, is a copy of a letter to shareholders from the Corporation's accountant, dated January 10, 1994, advising shareholders of the amount deductible for 1992 tax purposes, in accordance with Section 216 of the Internal Revenue Code.

6. The underlying mortgage was refinanced by the Apartment Corporation with Queens County Savings Bank with an address at 38-25 Main Street, Flushing, New York 11354. The mortgage has a principal amount of \$1,500,000.00 and will mature on January 1, 2003. Payments of interest will be at the rate of 8.125% for the period through December 31, 1993 and increasing annually on January 1st one-half of one percent (0.5%) per annum until January 1, 1998, at which point the rate will be adjusted to be 1.5% over the then prime rate as published by the New York Times. In no event will the interest rate be less than 9% nor more than 16% per annum. Principal payments will be paid pursuant to a 25 year amortization schedule. Prepayment is not permitted during the first two years and thereafter may be paid in year three with a 4% prepayment penalty; year four with a 2% prepayment penalty and year five a 1% prepayment penalty with no prepayment thereafter. Events of default include failure to make payments when due; failure to adequately insure the premises; material demolition or destruction; bankruptcy or insolvency; transfer of the mortgage premises or further encumbering of the property without the prior consent of the bank.

7. There are no other material changes in the terms of the Offering Plan except as set forth in amendments One through Twelve and this Thirteenth Amendment.

DAHILL PARK ASSOCIATES, Sponsor

UNSOLD SHARES

UNIT SHARES

1C	150
1D	100
1E	158
1G	162
1M	133
1N	200
2A	204
2C	154
2E	162
2F	154
2G	166
2H	154
2K	204
3A	206
3B	206
3C	156
3D	139
3F	156
3G	168
3N	206
4B	208
4D	141
4F	158
4G	170
4I	153
4M	141
5C	160
5F	160
5H	160
5J	168
5M	143
5N	210
6A	212
6B	212
6D	145
6G	174
6I	157

Total:
Count:

6,210
37

EXHIBIT A

DAHILL GARDENS APT INC.

**FINANCIAL STATEMENTS
and
SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED DECEMBER 31, 1993

EXHIBIT B

Marin & Montanye

CERTIFIED PUBLIC ACCOUNTANTS

RICHARD B. MONTANYE, CPA
PATRICIA A. PRUSINSKI, CPA

JANICE H. TEMPLE, CPA
ROBERT B. SERIKSTAD, CPA
PATRICIA A. STAUDER, CPA
FRANK LABETTI, CPA

Board of Directors
DAHILL GARDENS APT INC.
36-58 Dahill Road
Brooklyn, New York 11218

Ladies and Gentlemen:

Independent Auditor's Report

We have audited the accompanying balance sheet of DAHILL GARDENS APT INC. as of December 31, 1993, and the related statements of operations (and supporting schedules) and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DAHILL GARDENS APT INC. as of December 31, 1993, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The financial information contained in the accompanying Exhibit "E" is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for the portion marked "unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

As discussed in the notes to the financial statements, the Corporation has not estimated the remaining lives and replacement costs of the common property and, therefore, has not presented the estimates of future costs of major repairs and replacements that will be required in the future, that the American Institute of Certified Public Accountants has determined is required to supplement, although not required to be a part of, the basic financial statements.

March 1, 1994

Marin & Montanye

BALANCE SHEET

As of December 31, 1993

Page 1 of 2

A S S E T S

CURRENT ASSETS

Cash - Operating account - Rokowsky Management		\$	623
Cash - Working capital fund			1,987
Shareholders' arrears			7,468
Mortgage escrow deposits			33,342
Due from Sponsor			750
Prepaid Expenses:			
Fuel inventory	\$	1,529	
Insurance		2,384	
Water and sewer charges		11,934	
Service contracts		<u>117</u>	<u>15,964</u>
<u>TOTAL CURRENT ASSETS</u>			60,134

FUNDS

Reserve Fund - Schedule 1	135,444

PROPERTY AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Land	\$ 680,000	\$ -0-	\$ 680,000
Building	3,339,352	596,314	2,743,038
Building improvements	<u>43,362</u>	<u>11,848</u>	<u>31,514</u>
	<u>\$ 4,062,714</u>	<u>\$ 608,162</u>	

<u>TOTAL PROPERTY AND EQUIPMENT</u>	3,454,552

OTHER ASSETS

Unamortized mortgage costs	<u>42,953</u>

<u>TOTAL ASSETS</u>	<u>\$ 3,693,083</u>

BALANCE SHEET

As of December 31, 1993

Page 2 of 2

LIABILITIESCURRENT LIABILITIES

Cash overdraft - operating account		\$ 1,385
Accounts payable and accrued expenses - Schedule 2		33,685
Mortgage interest payable		10,037
Notes payable - due to sponsor - (Note 3)		7,660
Mortgage payable - current portion		<u>19,341</u>
<u>TOTAL CURRENT LIABILITIES</u>		72,108

LONG TERM LIABILITIES

Mortgage payable - (Note 4)	\$ 1,482,412	
Less: current portion	<u>(19,341)</u>	1,463,071

OTHER LIABILITIES

Garage security payable		690
Security payable		<u>700</u>
<u>TOTAL LIABILITIES</u>		1,536,569

STOCKHOLDERS' EQUITY

Capital stock - Common - Authorized 20,000 shares		
Issued 13,563 shares @ \$1.00 par value	13,563	
Paid-in capital in excess par value	2,773,410	
Paid-in capital - mortgage amortization	65,725	
Accumulated Deficit - December 31, 1993	<u>(696,184)</u>	
<u>TOTAL STOCKHOLDERS' EQUITY</u>		<u>2,156,514</u>
<u>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</u>		<u>\$ 3,693,083</u>

DAHILL GARDENS APT INC.EXHIBIT ASUPPORTING SCHEDULESAs of December 31, 1993RESERVE FUNDSchedule 1

Reserve Fund - January 1, 1993		\$	147,100
Add: Interest earned during period (net of bank charges)			3,094
Less: Transferred to operations	\$	9,700	
Garage roof		2,300	
Window guards and railing		750	
Professional office renovation		<u>2,000</u>	<u>(14,750)</u>
Reserve Fund - December 31, 1993		\$	<u>135,444</u>

Consisting of:

Marine Midland - Money Market Account	\$	38,484
Chemical Bank - Money Market Account		<u>96,960</u>
<u>TOTAL RESERVE FUND - December 31, 1993</u>	\$	<u>135,444</u>

ACCOUNTS PAYABLE AND ACCRUED EXPENSESSchedule 2

New York State sales tax	\$	139
Exterminating		298
Miscellaneous administrative		180
Payroll taxes		804
Repairs and supplies		10,074
Electricity and gas		2,300
Auditing		1,667
Fuel		12,967
Telephone		38
Legal		420
Note interest		3,389
Elevator and repairs		422
Employee benefits		175
Payroll insurance		720
Water and sewer charges		<u>92</u>
<u>TOTAL</u>	\$	<u>33,685</u>

See Notes to Financial Statements.

STATEMENT OF OPERATIONS AND ACCUMULATED DEFICITFor The Year Ended December 31, 1993INCOMEIncome from Shareholders

Maintenance charges - Apartments	\$ 349,925
Less: Paid-in capital - mortgage amortization	(17,588)
Garage income	<u>16,988</u>

Total Income from Shareholders

\$ 349,325

Other Income

Rental income	9,000
Professional apartment	5,950
Laundry income	4,200
Interest income	3,129
Miscellaneous income	3,858
Worker's compensation refund	2,332
Real estate tax refund - net	<u>112</u>
	<u>28,581</u>

TOTAL INCOME

377,906

COST OF OPERATIONS

Administrative expenses	Schedule 1	42,360
Operating expenses	Schedule 2	117,667
Maintenance expenses	Schedule 3	46,760
Taxes	Schedule 4	84,244
Financial expenses	Schedule 5	<u>122,289</u>

TOTAL COST OF OPERATIONS413,320(LOSS) FROM OPERATIONS BEFORE
DEPRECIATION AND AMORTIZATION

(35,414)

Depreciation and Amortization

Schedule 6

(108,371)NET (LOSS) FOR THE YEAR

(143,785)

Beginning Accumulated Deficit

(552,399)

Ending Accumulated Deficit

\$ (696,184)

See Notes to Financial Statements.

DAHILL GARDENS APT INC.

EXHIBIT B

SUPPORTING SCHEDULES - STATEMENT OF OPERATIONS

For The Year Ended December 31, 1993

ADMINISTRATIVE EXPENSES

Schedule 1

Management fee		\$	16,000
Legal			410
Auditing			5,000
Telephone			1,074
Miscellaneous administrative expenses			2,212
Insurance			<u>17,664</u>
<u>TOTAL ADMINISTRATIVE EXPENSES</u>		\$	<u>42,360</u>

OPERATING EXPENSES

Schedule 2

<u>Energy</u>			
Fuel - 65,700 gallons @ avg. 52¢	\$	34,435	
Electricity and gas		<u>14,699</u>	\$ 49,134
Water and sewer charges			<u>24,087</u>
<u>Payroll</u>			
Payroll		34,150	
Payroll taxes		4,282	
Payroll insurance		1,616	
Employee benefits		<u>1,770</u>	41,818
Permits			<u>1,597</u>
Garage door remote control rental			<u>1,031</u>
<u>TOTAL OPERATING EXPENSES</u>			<u>\$ 117,667</u>

MAINTENANCE EXPENSES

Schedule 3

Exterminating		\$	2,411
Repairs - materials and labor to contractors			28,245
Elevator maintenance and repairs			5,970
Supplies and janitorial materials			8,169
Grounds			<u>1,965</u>
<u>TOTAL MAINTENANCE EXPENSES</u>		\$	<u>46,760</u>

DAHILL GARDENS APT INC.

EXHIBIT B

SUPPORTING SCHEDULES - STATEMENT OF OPERATIONS

For The Year Ended December 31, 1993

TAXES

Schedule 4

New York City real estate taxes
New York State and City corporate taxes

\$ 80,385
3,859

TOTAL TAXES

\$ 84,244

FINANCIAL EXPENSES

Schedule 5

Interest on mortgage payable
Interest on note payable
Other interest

\$ 121,169
542
578

TOTAL FINANCIAL EXPENSES

\$ 122,289

DEPRECIATION AND AMORTIZATION

Schedule 6

Building - 35 years straight line
Building improvements
Amortization of mortgage costs

\$ 95,410
2,223
10,738

TOTAL DEPRECIATION AND AMORTIZATION

\$ 108,371

DAHILL GARDENS APT INC.EXHIBITS C & SSTATEMENT OF CASH FLOWSEXHIBIT CFor The Year Ended December 31, 1993CASH FLOWS FROM OPERATING ACTIVITIES

Net loss for the year \$ (143,785)

Adjustments to reconcile net loss to cash provided by operating activities:

Depreciation expense	\$ 108,371
Paid-in capital: mortgage amortization	17,588
Increase in receivables	(3,465)
Decrease in prepaid expenses	17,858
Increase in accounts payable and accrued expenses	19,104
Increase in mortgage escrow	<u>(12,172)</u>

Total Adjustments 147,284CASH PROVIDED BY OPERATING ACTIVITIES 3,499CASH FLOWS FROM INVESTING ACTIVITIES

Net decrease in Reserve Fund	11,656
Acquisition of capital improvements	<u>(4,300)</u>

CASH PROVIDED BY INVESTING ACTIVITIES 7,356CASH FLOWS FROM FINANCING ACTIVITIES

Payment of mortgage principal	<u>(17,588)</u>

CASH USED IN FINANCING ACTIVITIES (17,588)NET DECREASE IN CASH AND CASH EQUIVALENTSCash and cash equivalents at January 1, 1993 (6,733)
9,343Cash and cash equivalents at December 31, 1993 (Exhibit D) \$ 2,610SCHEDULE OF CASH AND CASH EQUIVALENTSEXHIBIT D

Cash: Operating account - Rokowsky Management	\$ 623
Working capital account	<u>1,987</u>

CASH AND CASH EQUIVALENTS - December 31, 1993 \$ 2,610Disclosure of accounting policy

For purpose of the statement of cash flows, the Corporation considers all highly liquid debt instruments (not used to meet reserve fund requirements) purchased with maturity of three months or less to be cash equivalents.

DAHILL GARDENS APT INC.

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 1993

1. ORGANIZATION

Dahill Gardens Apt Inc. is a cooperative housing corporation incorporated in the State of New York in December 1985. The Apartments consist of 82 residential units, a professional apartment and the superintendent's apartment. The primary purpose of the Corporation is to manage the operations of Dahill Gardens Apt Inc. and maintain the common elements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Depreciation

Property and equipment are being depreciated over their estimated useful lives using the straight-line method.

Amortization

Amortization of mortgage costs is computed on the straight-line method over the life of the mortgage.

Paid-In Capital

In accordance with By-Laws of the Corporation, that portion of maintenance charges representing amortization of the mortgage is to be treated as "Paid-in Capital."

Commercial Rentals

The Corporation is receiving rental income from one tenant on a month to month basis. The monthly rental income is \$700 plus \$50 for utilities. In addition the Corporation also entered into a lease agreement for the professional apartment which was vacated in July 1993. The Corporation is making its best efforts to rent the apartment.

Maintenance Assessments

Tenant-shareholders are subject to monthly assessments to provide funds for the Corporation's operating expenses, future capital acquisitions, and major repairs and replacements. Tenant-shareholder receivables at the balance sheet date represent maintenance fees due from tenant-shareholders. The Corporation's policy is to retain legal counsel and place liens on the shares of stock of tenant-shareholders whose assessments are substantially delinquent. Any excess assessments at year end are retained by the Corporation for use in future years.

3. NOTES PAYABLE

A series of 36 consecutive notes were executed at the closing by an officer of the Apartment Corporation for the benefit of the Sponsor, evidencing the Apartment Corporation's indebtedness in the sum of \$39,383.32. The notes require monthly payments of \$1,093.98 commencing on October 17, 1987 plus interest at the rate of 7.08% per annum and terminating on September 17, 1990. As of the balance sheet date, December 31, 1993, seven notes were still unpaid in the total amount of \$7,659.54.

DAHILL GARDENS APT INC.

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 1993

4. MORTGAGE

The original mortgage of \$1,392,380 was held by First Nationwide Bank. The indebtedness required constant monthly payments of principal and interest of \$13,200.47 with interest first being applied at a rate of 10.875% per annum. The mortgage was due and payable July 1, 1996.

On December 23, 1992, the original mortgage was refinanced with Queens County Savings Bank in the amount of \$1,500,000. The new mortgage has the following terms:

February 1, 1993 - January 31, 1994, monthly payments of principal and interest of \$11,701.73 with interest first being applied at a rate of 8.125%

February 1, 1994 - January 31, 1995, monthly payments of principal and interest of \$12,192.88 with interest first being applied at a rate of 8.625%.

On February 1, 1995 the interest rate increases to 9.125%

On February 1, 1996 the interest rate increases to 9.625%

On February 1, 1997 the interest rate increases to 10.125%

The mortgage matures on January 31, 1998. The Corporation has the option to extend the mortgage an additional 5 years at 1% above the prime adjusted annually. The note is collateralized by the land and building owned by the Corporation.

Principal maturities of the mortgage note for each of the next five years are as follows:

Year Ending
December 31:

1994	\$ 19,341
1995	19,735
1996	20,383
1997	21,309
1998	1,399,778

Interest expense was approximately \$121,200 for the year ended December 31, 1993.

6. J-51 ABATEMENT

In July of 1987, the Apartment Corporation was granted a J-51 Abatement of \$78,390 which will be used to offset real estate taxes over a period of 10.8 years and will be fully exhausted in June 1998. Real estate taxes are being reduced by \$7,258.32 per year.

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 1993

7. FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Corporation has not conducted a study to determine the remaining useful lives of the components of common property and current estimates of costs of major repairs and replacements that may be required in the future. When replacement funds are needed to meet future needs for major repairs and replacements, the Corporation may have the right to borrow, utilize available cash, increase maintenance charges, pass special assessments or delay repairs and replacements until the funds are available. The effect on future assessments has not been determined at this time.

8. RELATED PARTY TRANSACTIONS

At December 31, 1993, 6,210 co-op shares were held by the Sponsor for unsold units. Approximately 46% or \$13,351.50 per month, of the total maintenance revenue is the responsibility of the Sponsor. The Sponsor continues to make its best efforts to sell the remaining co-op units and is confident it will ultimately sell these units to occupying tenants in the foreseeable future. Both the Sponsor and management of the Company believe the Sponsor has the continued ability to meet its maintenance obligation until the units are sold because the premises generate a rent roll sufficient to cover the maintenance obligation of the Sponsor.

9. FEDERAL INCOME TAXES

The Internal Revenue Service as well as state and local governments have taken the position that real estate cooperatives are subject to Section 277 of the Internal Revenue Code.

Section 277 of the Code provides that a membership organization that is operated to provide services to members is permitted to deduct expenses attributable to the furnishing of services to the members only to the extent of the income derived during such year from its members. Section 277 permits a membership organization to reduce income from non-membership sources only by expenses incurred in generating this income. Accordingly, income from non-membership sources such as interest, commercial rental, professional apartment rental, etc. in excess of expenses properly attributable thereto may be subject to federal tax.

Any income tax liability that may result from the above is not reflected in the attached financial statements. If this position is sustained by the courts, such liability will be reflected in future financial statements.

The Corporation's Federal income tax return for the year ended December 31, 1990 was audited by the IRS. The audit resulted in no tax due, and the tax return was accepted as filed.

SUPPLEMENTARY INFORMATION

COMPARATIVE SCHEDULES OF INCOME AND EXPENDITURES

For The Year Ended December 31, 1993

	For The Year January 1, 1993 - December 31, 1993		Prior Year January 1, 1992 - December 31, 1992	Next Year January 1, 1994 - December 31, 1994
	Budget Unaudited	Actual	Actual	Budget Unaudited
INCOME				
Maintenance charges	\$ 349,925	\$ 349,925	\$ 349,925	\$ 385,732 (1)
Parking	16,440	16,988	15,930	21,600
Professional	10,200	5,950 (2)	10,200	10,800
Laundry income	4,200	4,200	4,200	4,200
Miscellaneous income	1,500	3,858	2,783	2,000
Special assessment	-0-	-0-	14,581 (3)	-0-
Rental income	8,400	8,400	2,800	8,400
Utilities income	600	600	200	600
TOTAL INCOME	391,265	389,921	400,619	433,332
EXPENDITURES				
Management	16,000	16,000	11,833	16,000
Legal	500	410	593	500
Auditing	5,000	5,000	5,000	5,000
Miscellaneous administrative expenses	3,000	3,286	3,428	3,200
Insurance	18,500	17,664	18,505	18,000
Fuel:				
Budget - 60,000 gallons for year @ 55¢	33,000			
Actual - 65,700 gallons for year avg. @ 52¢		34,435		
Actual - 71,500 gallons prior year avg. @ 52¢			36,962	
Budget - 60,000 gallons for next year @ 55¢				33,000
Electricity and gas	14,000	14,699	12,816	14,000
Water and sewer charges	25,000	24,087	23,023	23,900
Wages	31,200	34,150	32,783	33,000
Payroll taxes	2,800	4,282	2,542	4,100
Workers' compensation and disability insurance	4,800	1,616	3,954	3,100
Employee benefits	-0-	1,770	-0-	2,100
Miscellaneous operating expenses	1,000	2,628	2,804	2,000
Exterminating	2,800	2,411	3,081	1,500
Elevator maintenance and repairs	5,500	5,970	5,767	6,000
Supplies and janitorial materials	5,000	8,169	4,745	5,000
Grounds	2,000	1,965	1,802	2,000
Maintenance repairs	16,000	28,245	27,462	20,000
Mortgage interest and amortization	140,420	138,757	157,495	145,800
Real estate taxes	78,000	80,385	72,741	80,000
Corporate taxes	3,300	3,859	3,350	4,100
Note interest	-0-	542	542	542
Other interest	500	578	420	500
TOTAL EXPENDITURES	408,320	430,908	431,648	423,342
BUDGETED (DEFICIT) SURPLUS	\$ (17,055)			\$ 9,990
ACTUAL OPERATING (DEFICIT)		(40,987)	(31,029)	
Add: Interest income		3,129	3,198	
Real estate tax refund - net		112	4,148	
Worker's compensation refund		2,332	-0-	
Less: Special repairs		-0-	(10,229) (4)	
ACTUAL NET OPERATING (DEFICIT)		\$ (35,414)	\$ (33,912)	

(1) Reflects an increase in maintenance to \$2.37 per share per month.

(2) Professional apartment vacated in July of 1993.

(3) Special assessment equal to 1/2 months maintenance payable over 3/92 and 4/92.

(4) These special repairs were paid out of the Reserve Fund.

January 10, 1994

TO: Stockholders of DAHILL GARDENS APARTMENTS, INC.

RE: PERSONAL INCOME TAX RETURN DATA FOR 1993

Dear Cooperators:

Under the provisions of Section 216 of the Internal Revenue Code, a tenant stockholder of a Cooperative apartment is entitled to deduct from personal gross income a proportionate share of real estate taxes and interest paid or incurred by the Cooperative Corporation. Note that these deductions are only available if the taxpayer itemizes deductions.

For the year 1993, your Per Share individual income tax deductions are as follows:

MORTGAGE INTEREST \$ 8.588 per share

REAL ESTATE TAXES \$ 5.6974 per share

In order to compute your total deductions for 1993, multiply the number of shares owned by you, as indicated on your stock certificate, by the amount per share stated above. If you became a stockholder, or sold your stock in the corporation during 1993, you are permitted to deduct a fractional part of the figures, based on the proportionate part of the year you owned the stock.

Contributed capital in 1993 was \$1.2466 per share. This is not a deduction, but an increase in the basis of your investment.

Very truly yours,



MARIN & MONTANYE
Certified Public Accountants

EXHIBIT C

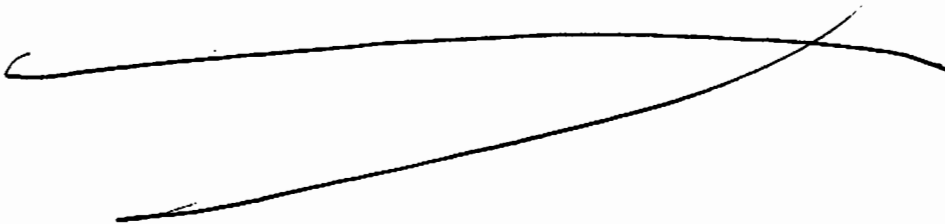
amount deductible for 1994 tax purposes, in accordance with Section 216 of the Internal Revenue Code.

7. There are no other material changes in the terms of the Offering Plan except as set forth in amendments One through Thirteen and this Fourteenth Amendment.

DAHILL PARK ASSOCIATES, Sponsor

*Fourteen Amendment
36458 Dahill Road
Brooklyn, N.Y. 11218*

14th Amendment



UNSOLD UNITS

UNIT	SHARES
1C	150
1D	100
1E	158
1G	162
1M	133
1N	200
2A	204
2C	154
2E	162
2F	154
2G	166
2H	154
2K	204
3A	206
3B	206
3C	156
3D	139
3F	156
3G	168
3N	206
4B	208
4D	141
4F	158
4G	170
4I	153
4M	141
5C	160
5F	160
5H	160
5J	168
5M	143
5N	210
6A	212
6B	212
6D	145
6G	174
6I	157
====	=====
Total:	6,210
Count:	37

EXHIBIT A

• DAHILL GARDENS APT INC.

• FINANCIAL STATEMENTS

and

SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 1994

EXHIBIT B

Marin & Montanye LLP

CERTIFIED PUBLIC ACCOUNTANTS

RICHARD B. MONTANYE, CPA
PATRICIA A. PRUSINSKI, CPA

JANICE H. TEMPLE, CPA
PATRICIA A. STAUDER, CPA
FRANK CAVALIERE, CPA
FRANK LABETTI, CPA

Board of Directors
DAHILL GARDENS APT INC.
36-58 Dahill Road
Brooklyn, New York 11218

Ladies and Gentlemen:

Independent Auditor's Report

We have audited the accompanying balance sheet of DAHILL GARDENS APT INC. as of December 31, 1994, and the related statements of operations (and supporting schedules) and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DAHILL GARDENS APT INC. as of December 31, 1994, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

As discussed in the notes to the financial statements, the Corporation has not estimated the remaining lives and replacement costs of the common property and, therefore, has not presented the estimates of future costs of major repairs and replacements that will be required in the future, that the American Institute of Certified Public Accountants has determined is required to supplement, although not required to be a part of, the basic financial statements.

February 21, 1995

Marin & Montanye

BALANCE SHEET

As of December 31, 1994

Page 1 of 2

A S S E T SCURRENT ASSETS

Cash and cash equivalents:

Operating account - Advanced Management
 Operating account - Rokowsky Management
 Working capital fund

\$	2,707	
	623	
	<u>2,021</u>	\$ 5,351

Shareholders' arrears

13,480

Mortgage escrow deposits

12,978

Due from Sponsor

750

Sundry receivable

901

Deposit receivable - Con Edison

50

Prepaid Expenses:

Fuel inventory

591

Insurance

2,022

Water and sewer charges

11,934

Service contracts

152

Real estate taxes

766

NYC corporate tax

1,15216,617TOTAL CURRENT ASSETS

50,127

FUNDS

Reserve Fund - Schedule 1

80,843

PROPERTY AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Land	\$ 680,000	\$ -0-	\$ 680,000
Building	3,339,352	691,724	2,647,628
Building improvements	<u>85,012</u>	<u>14,195</u>	<u>70,817</u>
	<u>\$ 4,104,364</u>	<u>\$ 705,919</u>	

TOTAL PROPERTY AND EQUIPMENT

3,398,445

OTHER ASSETS

Unamortized mortgage costs

32,215TOTAL ASSETS\$ 3,561,630

See Notes to Financial Statements.

BALANCE SHEET

As of December 31, 1994

Page 2 of 2

LIABILITIESCURRENT LIABILITIES

Accounts payable and accrued expenses - Schedule 2	\$	11,375
Mortgage interest payable		10,516
Notes payable - due to sponsor - (Note 3)		7,660
Prepaid occupancy		673
Mortgage payable - current portion		<u>19,585</u>

TOTAL CURRENT LIABILITIES

49,809

LONG TERM LIABILITIES

Mortgage payable - (Note 4)	\$	1,463,071
Less: current portion		<u>(19,585)</u>
		1,443,486

OTHER LIABILITIES

Garage security payable		690
Security payable		<u>1,600</u>

TOTAL LIABILITIES

1,495,585

STOCKHOLDERS' EQUITY

Capital stock - Common - Authorized 20,000 shares		
Issued 13,563 shares at \$1 par value	13,563	
Paid-in capital in excess par value	2,773,410	
Paid-in capital - mortgage amortization	85,066	
Accumulated Deficit - December 31, 1994	<u>(805,994)</u>	
<u>TOTAL STOCKHOLDERS' EQUITY</u>		<u>2,066,045</u>
<u>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</u>		<u>\$ 3,561,630</u>

See Notes to Financial Statements.

DAHILL GARDENS APT INC.

EXHIBIT A

SUPPORTING SCHEDULES

As of December 31, 1994

RESERVE FUND

Schedule 1

Reserve Fund - January 1, 1994

\$ 135,444

Add: Interest earned during period
(net of bank charges)

2,572

Less: Transferred to operations

\$ 17,023

Garage roof

4,500

New boiler

15,000

Professional office renovation

4,000

New entrance way

8,950

New compactor

5,200

Appraisal fee

2,500

(57,173)

Reserve Fund - December 31, 1994

\$ 80,843

Consisting of:

Marine Midland - Money Market Account

\$ 57

Chemical Bank - Money Market Account

80,786

TOTAL RESERVE FUND - December 31, 1994

\$ 80,843

ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Schedule 2

New York State sales tax

\$ 147

Grounds expense

211

Miscellaneous administrative

137

Payroll taxes

819

Repairs and supplies

1,523

Electricity and gas

1,232

NYS corporate taxes

358

Fuel

2,252

Note interest

3,932

Payroll insurance

720

Water and sewer charges

44

TOTAL

\$ 11,375

See Notes to Financial Statements.

STATEMENT OF OPERATIONS AND ACCUMULATED DEFICITFor The Year Ended December 31, 1994INCOMEIncome from Shareholders

Maintenance charges - Apartments	\$ 385,732	
Less: Paid-in capital - mortgage amortization	(19,341)	
Garage income	<u>20,025</u>	

Total Income from Shareholders \$ 386,416

Other Income

Rental income	18,300	
Late charges	2,900	
Laundry income	4,200	
Interest income	2,627	
Miscellaneous income	976	
Real estate tax refund	<u>1,186</u>	<u>30,189</u>

TOTAL INCOME 416,605

COST OF OPERATIONS

Administrative expenses	Schedule 1	47,930	
Operating expenses	Schedule 2	124,283	
Maintenance expenses	Schedule 3	28,768	
Taxes	Schedule 4	88,985	
Financial expenses	Schedule 5	<u>127,953</u>	

TOTAL COST OF OPERATIONS 417,919

(LOSS) FROM OPERATIONS BEFORE
DEPRECIATION AND AMORTIZATION

(1,314)

Depreciation and Amortization Schedule 6 (108,496)

NET (LOSS) FOR THE YEAR (109,810)

Beginning Accumulated Deficit (696,184)

Ending Accumulated Deficit \$ (805,994)

See Notes to Financial Statements.

DAHILL GARDENS APT INC.

EXHIBIT B

SUPPORTING SCHEDULES - STATEMENT OF OPERATIONS

For The Year Ended December 31, 1994

ADMINISTRATIVE EXPENSES

Schedule 1

Management fee		\$	16,000
Legal			2,145
Auditing			5,000
Telephone			854
Consultant			3,600
Miscellaneous administrative expenses			2,038
Insurance			<u>18,293</u>
<u>TOTAL ADMINISTRATIVE EXPENSES</u>		\$	<u>47,930</u>

OPERATING EXPENSES

Schedule 2

<u>Energy</u>			
Fuel - 68,200 gallons @ avg. 57¢	\$	38,696	
Electricity and gas		<u>15,895</u>	\$ 54,591
Water and sewer charges			<u>23,996</u>
<u>Payroll</u>			
Payroll		31,926	
Payroll taxes		4,599	
Payroll insurance		2,362	
Employee benefits		<u>4,342</u>	43,229
Permits			<u>1,590</u>
Garage door remote control rental			<u>877</u>
<u>TOTAL OPERATING EXPENSES</u>			<u>\$ 124,283</u>

MAINTENANCE EXPENSES

Schedule 3

Exterminating	\$	2,316
Repairs - materials and labor to contractors		7,825
Elevator maintenance and repairs		6,463
Supplies and janitorial materials		8,833
Grounds		<u>3,331</u>
<u>TOTAL MAINTENANCE EXPENSES</u>	\$	<u>28,768</u>

See Notes to Financial Statements.

SUPPORTING SCHEDULES - STATEMENT OF OPERATIONS

For The Year Ended December 31, 1994

TAXES

Schedule 4

New York City real estate taxes
New York State and City corporate taxes

\$ 86,705
2,280

TOTAL TAXES

\$ 88,985

FINANCIAL EXPENSES

Schedule 5

Interest on mortgage payable
Interest on note payable
Other interest

\$ 126,961
542
450

TOTAL FINANCIAL EXPENSES

\$ 127,953

DEPRECIATION AND AMORTIZATION

Schedule 6

Building - 35 years straight line
Building improvements
Amortization of mortgage costs

\$ 95,410
2,348
10,738

TOTAL DEPRECIATION AND AMORTIZATION

\$ 108,496

DAHILL GARDENS APT INC.

EXHIBITS C & D

STATEMENT OF CASH FLOWS

EXHIBIT C

For The Year Ended December 31, 1994

CASH FLOWS FROM OPERATING ACTIVITIES

Net loss for the year

\$ (109,810)

Adjustments to reconcile net loss to cash
provided by operating activities:

Depreciation expense

\$ 108,496

Paid-in capital: mortgage amortization

19,341

Increase in receivables

(6,963)

Increase in prepaid expenses

(653)

Decrease in accounts payable and accrued expenses

(21,644)

Decrease in mortgage escrow

20,364

Total Adjustments

118,941

CASH PROVIDED BY OPERATING ACTIVITIES

9,131

CASH FLOWS FROM INVESTING ACTIVITIES

Net decrease in Reserve Fund

54,601

Acquisition of capital improvements

(41,650)

CASH PROVIDED BY INVESTING ACTIVITIES

12,951

CASH FLOWS FROM FINANCING ACTIVITIES

Payment of mortgage principal

(19,341)

CASH USED IN FINANCING ACTIVITIES

(19,341)

NET INCREASE IN CASH AND CASH EQUIVALENTS

2,741

Cash and cash equivalents at January 1, 1994

2,610

Cash and cash equivalents at December 31, 1994

\$ 5,351

SUPPLEMENTAL DISCLOSURES

EXHIBIT D

Cash paid during the year:

Corporate income taxes

\$ 1,922

Interest

\$ 126,483

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 1994

1. ORGANIZATION

Dahill Gardens Apt Inc. is a cooperative housing corporation incorporated in the State of New York in December 1985. The Apartments consist of 82 residential units, a professional apartment and the superintendent's apartment. The primary purpose of the Corporation is to manage the operations of Dahill Gardens Apt Inc. and maintain the common elements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

For purpose of the statement of cash flows, the Corporation considers all highly liquid debt instruments (not used to meet reserve fund requirements) purchased with maturity of three months or less to be cash equivalents.

Depreciation

Property and equipment are being depreciated over their estimated useful lives using the straight-line method.

Amortization

Amortization of mortgage costs is computed on the straight-line method over the life of the mortgage.

Paid-In Capital

In accordance with By-Laws of the Corporation, that portion of maintenance charges representing amortization of the mortgage is to be treated as "Paid-in Capital."

Rentals

The Corporation is receiving rental income from one tenant on a month to month basis. The monthly rental income is \$700 plus \$50 for utilities. In February 1994, the Corporation entered into a 2 year lease with Desmond and Nora Green. The monthly rental income is \$900 and \$950 for the first and second years respectively.

Shareholder Maintenance

Tenant-shareholders are subject to monthly maintenance charges to provide funds for the Corporation's operating expenses, future capital acquisitions, and major repairs and replacements. Tenant-shareholder receivables at the balance sheet date represent maintenance fees due from tenant-shareholders. The Corporation's policy is to retain legal counsel and place liens on the shares of stock of tenant-shareholders whose maintenance charges are substantially delinquent. Any excess maintenance charges at year end are retained by the Corporation for use in future years.

3. NOTES PAYABLE

A series of 36 consecutive notes were executed at the closing by an officer of the Apartment Corporation for the benefit of the Sponsor, evidencing the Apartment Corporation's indebtedness in the sum of \$39,383.32. The notes require monthly payments of \$1,093.98 commencing on October 17, 1987 plus interest at the rate of 7.08% per annum and terminating on September 17, 1990. As of the balance sheet date, December 31, 1994, seven notes were still unpaid in the total amount of \$7,659.54.

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 1994

4. MORTGAGE

The original mortgage of \$1,392,380 was held by First Nationwide Bank. The indebtedness required constant monthly payments of principal and interest of \$13,200.47 with interest first being applied at a rate of 10.875% per annum. The mortgage was due and payable July 1, 1996.

On December 23, 1992, the original mortgage was refinanced with Queens County Savings Bank in the amount of \$1,500,000. The new mortgage has the following terms:

February 1, 1993 - January 31, 1994, monthly payments of principal and interest of \$11,701.73 with interest first being applied at a rate of 8.125%

February 1, 1994 - January 31, 1995, monthly payments of principal and interest of \$12,192.88 with interest first being applied at a rate of 8.625%.

February 1, 1995 - January 31, 1996, monthly payments of principal and interest of \$12,679.74 with interest first being applied at a rate of 9.125%.

On February 1, 1995 the interest rate increases to 9.125%

On February 1, 1996 the interest rate increases to 9.625%

On February 1, 1997 the interest rate increases to 10.125%

The mortgage matures on January 31, 1998. The Corporation has the option to extend the mortgage an additional 5 years at 1% above the prime adjusted annually. The note is collateralized by the land and building owned by the Corporation.

Principal maturities of the mortgage note for each year to maturity are as follows:

Year Ending
December 31:

1995	\$ 19,585
1996	20,383
1997	21,309
1998	1,401,794

Interest expense was approximately \$127,000 for the year ended December 31, 1994.

5. J-51 ABATEMENT

In July of 1987, the Apartment Corporation was granted a J-51 Abatement of \$78,390 which will be used to offset real estate taxes over a period of 10.8 years and will be fully exhausted in June 1998. Real estate taxes are being reduced by \$7,258.32 per year.

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 1994

6. FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Corporation has not conducted a study to determine the remaining useful lives of the components of common property and current estimates of costs of major repairs and replacements that may be required in the future. When replacement funds are needed to meet future needs for major repairs and replacements, the Corporation may have the right to borrow, utilize available cash, increase maintenance charges, pass special assessments or delay repairs and replacements until the funds are available. The effect on future assessments has not been determined at this time.

7. RELATED PARTY TRANSACTIONS

At December 31, 1994, the Sponsor held 6,210 shares allocated to unsold units. Approximately 46% or \$14,717.70 per month of the total maintenance revenue is the responsibility of the Sponsor. The Sponsor continues to make its best efforts to sell the remaining co-op units and is confident it will ultimately sell these units to occupying tenants in the foreseeable future. Both the Sponsor and management of the Company believe the Sponsor has the continued ability to meet its maintenance obligation until the units are sold because the premises generate a rent roll sufficient to cover the maintenance obligation of the Sponsor.

8. FEDERAL INCOME TAXES

The Internal Revenue Service as well as state and local governments have taken the position that real estate cooperatives are subject to Section 277 of the Internal Revenue Code.

Section 277 of the Code provides that a membership organization that is operated to provide services to members is permitted to deduct expenses attributable to the furnishing of services to the members only to the extent of the income derived during such year from its members. Section 277 permits a membership organization to reduce income from non-membership sources only by expenses incurred in generating this income. Accordingly, income from non-membership sources such as interest, commercial rental, professional apartment rental, etc. in excess of expenses properly attributable thereto may be subject to federal tax.

Any income tax liability that may result from the above is not reflected in the attached financial statements. If this position is sustained by the courts, such liability will be reflected in future financial statements.

Marin & Montanye LLP

CERTIFIED PUBLIC ACCOUNTANTS

RICHARD B. MONTANYE, CPA
PATRICIA A. PRUSINSKI, CPA

JANICE H. TEMPLE, CPA
PATRICIA A. STAUDER, CPA
FRANK CAVALIERE, CPA
FRANK LABETTI, CPA

Independent Accountant's Report On Supplementary and Prospective Information

Board of Directors
DAHILL GARDENS APT INC.
36-58 Dahill Road
Brooklyn, New York 11218

Ladies and Gentlemen:

Our report on our audit of the basic financial statements of DAHILL GARDENS APT INC. for 1994 appears on Page 1. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The financial information contained in the accompanying Exhibit "E" is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for the portion marked "unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We also have compiled the accompanying budget forecast of DAHILL GARDENS APT INC. for the year ending December 31, 1995, in accordance with guidelines established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of forecasted data information that is the representation of management and does not include evaluation of the support for the assumptions underlying the presentation. We have not examined the presentation and, accordingly, do not express an opinion or any other form of assurance in the accompanying presentation or assumption. Furthermore, there will usually be differences between the forecast and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

February 21, 1995

Marin + Montanye

COMPARATIVE SCHEDULES OF INCOME AND EXPENDITURES

Years Ended December 31, 1994, 1993 (Historical) and

Year Ending December 31, 1995 (Forecasted)

	For The Year		Prior Year	Next Year
	January 1, 1994 - December 31, 1994		January 1, 1993 - December 31, 1993	January 1, 1995 - December 31, 1995
	Budget	Actual	Actual	Forecast
	Unaudited			
INCOME				
Maintenance charges	\$ 335,732 (1)	\$ 385,732 (1)	\$ 349,925	\$ 385,732
Parking	21,600	20,025	16,988	21,600
Professional	-0-	-0-	5,950 (2)	-0-
Laundry income	4,200	4,200	4,200	4,200
Miscellaneous income	2,000	3,276	3,858	2,000
Special assessment	-0-	-0-	-0-	-0-
Rental income	8,400	18,300 (3)	8,400	19,800
Utilities income	600	600	600	660
TOTAL INCOME	422,532	432,133	389,921	433,992
EXPENDITURES				
Management	16,000	16,000	16,000	16,000
Legal	500	2,145	410	500
Auditing	5,000	5,000	5,000	5,000
Consultant	-0-	3,600	-0-	-0-
Miscellaneous administrative expenses	3,200	2,892	3,286	3,500
Insurance	18,000	18,293	17,664	19,600
Fuel:				
Budget - 60,000 gallons for year @ 55¢	33,000			
Actual - 68,200 gallons for year avg. @ 57¢		38,696		
Actual - 65,700 gallons prior year avg. @ 52¢			34,435	
Budget - 70,000 gallons for next year @ 55¢				39,000
Electricity and gas	14,000	15,895	14,699	15,000
Water and sewer charges	23,900	23,996	24,087	25,100
Wages	33,000	31,926	34,150	33,200
Payroll taxes	4,100	4,599	4,282	3,300
Workers' compensation and disability insurance	3,100	2,362	1,616	1,700
Employee benefits	2,100	4,342	1,770	5,800
Miscellaneous operating expenses	2,000	2,467	2,628	2,000
Exterminating	1,500	2,316	2,411	1,000
Elevator maintenance and repairs	6,000	6,463	5,970	6,300
Supplies and janitorial materials	5,000	8,833	8,169	6,500
Grounds	2,000	3,331	1,965	2,000
Maintenance repairs	20,000	7,825	28,245	23,000
Mortgage interest and amortization	145,800	146,302	138,757	151,500
Real estate taxes	80,000	86,705	80,385	90,000
Corporate taxes	4,100	2,280	3,859	4,000
Note interest	542	542	542	-0-
Other interest	500	450	578	500
TOTAL EXPENDITURES	423,342	437,260	430,908	454,500
BUDGETED (DEFICIT)	\$ (810)			\$ (20,508)
ACTUAL OPERATING (DEFICIT)		(5,127)	(40,987)	
Add: Interest income		2,627	3,129	
Real estate tax refund - net		1,186	112	
Worker's compensation refund		-0-	2,332	
ACTUAL NET OPERATING (DEFICIT)		\$ (1,314)	\$ (35,414)	

(1) Reflects an increase in maintenance to \$2.37 per share per month.

(2) Professional apartment vacated in July of 1993.

(3) New renter. Apt. 1B, beginning 2/94 at a monthly rent of \$900.

See Accountant's Compilation Report.

Marin
& Montanye LLP
CERTIFIED PUBLIC ACCOUNTANT

January 23, 1995

TO: Stockholders of DANILL GARDENS APARTMENTS, INC.

RE: PERSONAL INCOME TAX RETURN DATA FOR 1994

Dear Cooperators:

Under the provisions of Section 216 of the Internal Revenue Code, a tenant stockholder of a Cooperative apartment is entitled to deduct from personal gross income a proportionate share of real estate taxes and interest paid or incurred by the Cooperative Corporation. Note that these deductions are only available if the taxpayer itemizes deductions.

For the year 1994, your Per Share individual income tax deductions are as follows:

MORTGAGE INTEREST \$ 8.8695 per share

REAL ESTATE TAXES \$ 6.0802 per share

In order to compute your total deductions for 1994, multiply the number of shares owned by you, as indicated on your stock certificate, by the amount per share stated above. If you became a stockholder, or sold your stock in the corporation during 1994, you are permitted to deduct a fractional part of the figures, based on the proportionate part of the year you owned the stock.

Contributed capital in 1994 was \$1.3563 per share. This is not a deduction, but an increase in the basis of your investment.

Very truly yours,


MARIN & MONTANYE LLP
Certified Public Accountants

EXHIBIT C

Marin
& Montanye
CERTIFIED PUBLIC ACCOUNTANTS

FIFTEENTH AMENDMENT
TO THE COOPERATIVE OFFERING PLAN FOR

36-58 DAHILL ROAD
BROOKLYN, NEW YORK

DATED: JANUARY 21, 1997

The Offering Plan - A Plan to Convert to Cooperative Ownership, premises at 36-58 Dahill Road, Brooklyn, New York (hereinafter referred to as the "Plan"), accepted for filing on January 29, 1987, is amended as follows:

1. The following is information regarding shares for cooperative apartments that are unsold shares as of the date of this Amendment:

A. The present owner of all unsold shares is the Sponsor, Dahill Park Associates. A list of unsold shares as of this date is attached to this Amendment as Exhibit A.

B. The aggregate monthly maintenance charges for all occupied unsold apartments is \$13,864.50.

C. (i) The aggregate monthly rents received from all tenants of unsold apartments is \$16,778.32.

(ii) At the time of submission of this amendment, there is one vacant apartment. The monthly maintenance charge for this apartment is \$488.22, as it is vacant no rent is collected.

D. The Sponsor as holder of unsold shares has no financial obligations to the Apartment Corporation which will become due within 12 months from the date of this Amendment, other than monthly maintenance charges.

E. None of the Unsold Shares are subject to liens or financing commitments.

F. The means by which payments of obligations disclosed in item 1B above will be funded is from rental income received from apartments whose shares are unsold and income from sales of said apartments as they occur from time to time.

G. The Sponsor is current in all of its financial

UNSOLD SHARES

UNIT SHARES

1C	150
1D	100
1E	158
1G	162
1M	133
1N	200
2A	204
2E	162
2F	154
2G	166
2H	154
2K	204
3A	206
3B	206
3C	156
3D	139
3F	156
3G	168
3N	206
4B	208
4D	141
4F	158
4G	170
4I	153
4M	141
5C	160
5F	160
5H	160
5J	168
5M	143
5N	210
6A	212
6B	212
6D	145
6G	174
6I	157

==== =====

Total: 6,056
Count: 36

EXHIBIT A

Marin & Montanye LLP

CERTIFIED PUBLIC ACCOUNTANTS

RICHARD B. MONTANYE, CPA
PATRICIA A. PRUSINSKI, CPA

JANICE H. TEMPLE, CPA
PATRICIA A. STAUDER, CPA
FRANK CAVALIERE, CPA
FRANK LABETTI, CPA

Independent Auditor's Report

Board of Directors
DAHILL GARDENS APT INC.
36-58 Dahill Road
Brooklyn, New York 11218

To The Board of Directors and Shareholders:

We have audited the accompanying balance sheets of DAHILL GARDENS APT INC. as of December 31, 1995 and 1994, and the related statements of operations (and supporting schedules) and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DAHILL GARDENS APT INC. as of December 31, 1995 and 1994, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

As discussed in the notes to the financial statements, the Corporation has not estimated the remaining lives and replacement costs of the common property and, therefore, has not presented the estimates of future costs of major repairs and replacements that will be required in the future, that the American Institute of Certified Public Accountants has determined is required to supplement, although not required to be a part of, the basic financial statements.

January 31, 1996



BALANCE SHEETSAs of December 31, 1995 and 1994A S S E T S

	<u>1995</u>	<u>Restated 1994</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents:		
Operating account - Due from Cantor Real Estate	\$ 342	\$ -0-
Operating account - Advanced Management	-0-	2,707
Operating account - Rokowsky Management	27,816	623
Working capital fund	<u>2,051</u>	<u>2,021</u>
<u>TOTAL CASH AND CASH EQUIVALENTS</u>	<u>30,209</u>	<u>5,351</u>
Shareholders' arrears	9,647	13,480
Mortgage escrow deposits	4,748	12,978
Due from Sponsor	750	750
Sundry receivables	474	951
Prepaid Expenses:		
Fuel inventory	-0-	591
Insurance	1,254	2,022
Water and sewer charges	12,531	11,934
Service contracts	-0-	152
Real estate taxes	-0-	766
NYC corporate tax	<u>-0-</u>	<u>1,152</u>
<u>TOTAL CURRENT ASSETS</u>	<u>59,613</u>	<u>50,127</u>
<u>FUNDS</u>		
Reserve Fund - Schedule 1	<u>22,039</u>	<u>80,843</u>
<u>PROPERTY AND EQUIPMENT</u>		
Land	680,000	680,000
Building	3,339,352	3,339,352
Building improvements	165,512	85,012
Less: Accumulated depreciation	<u>(806,029)</u>	<u>(705,919)</u>
<u>TOTAL BOOK VALUE</u>	<u>3,378,835</u>	<u>3,398,445</u>
<u>OTHER ASSETS</u>		
Unamortized mortgage costs	<u>21,477</u>	<u>32,215</u>
<u>TOTAL ASSETS</u>	<u>\$ 3,481,964</u>	<u>\$ 3,561,630</u>

See Notes to Financial Statements.

DAHILL GARDENS APT INC.EXHIBIT ASUPPORTING SCHEDULESAs of December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
<u>RESERVE FUND</u>		
	<u>Schedule 1</u>	
Reserve Fund - January 1,	\$ 80,843	\$ 135,444
Add: Interest earned during period	1,129	2,595
Less: Transferred to operations	-0-	17,023
Garage roof	-0-	4,500
New boiler	59,875	15,000
Professional office renovation	-0-	4,000
New entrance way	-0-	8,950
New compactor	-0-	5,200
Appraisal fee	-0-	2,500
Bank charges	<u>58</u>	<u>23</u>
Reserve Fund - December 31,	<u>\$ 22,039</u>	<u>\$ 80,843</u>
<u>Consisting of:</u>		
Marine Midland - Money Market Account	\$ -0-	\$ 57
Chemical Bank - Money Market Account	<u>22,039</u>	<u>80,786</u>
<u>TOTAL RESERVE FUND - December 31,</u>	<u>\$ 22,039</u>	<u>\$ 80,843</u>
<u>ACCOUNTS PAYABLE AND ACCRUED EXPENSES</u>		
	<u>Schedule 2</u>	
New York State sales tax	\$ 273	\$ 147
Grounds expense	422	211
Miscellaneous administrative	212	137
Payroll taxes	584	819
Repairs and supplies	6,969	1,523
Electricity and gas	4,480	1,232
Corporate taxes	991	358
Fuel	835	2,252
Note interest	4,474	3,932
Payroll insurance	-0-	720
Water and sewer charges	-0-	44
Capital improvements (Note 9)	20,625	-0-
Legal	961	-0-
Auditing	1,667	-0-
Elevator	1,507	-0-
Exterminating	131	-0-
Insurance	<u>252</u>	<u>-0-</u>
<u>TOTAL</u>	<u>\$ 44,383</u>	<u>\$ 11,375</u>

See Notes to Financial Statements.

SUPPORTING SCHEDULES - STATEMENTS OF OPERATIONSFor The Years Ended December 31, 1995 and 1994

	<u>1995</u>	<u>Restated</u> <u>1994</u>
<u>ADMINISTRATIVE EXPENSES</u>		
	<u>Schedule 1</u>	
Management fee	\$ 14,183	\$ 16,000
Legal	4,273	2,145
Auditing	5,000	5,000
Telephone and beepers	1,824	854
Consultant	-0-	3,600
Miscellaneous administrative expenses	3,128	2,038
Insurance	<u>19,449</u>	<u>18,293</u>
<u>TOTAL ADMINISTRATIVE EXPENSES</u>	<u>\$ 47,857</u>	<u>\$ 47,930</u>

<u>OPERATING EXPENSES</u>		<u>Schedule 2</u>
Fuel	\$ 10,564	\$ 38,696
Gas - heating	20,046	-0-
Electricity and gas	12,324	15,895
Water and sewer charges	24,467	23,996
Payroll	30,481	31,926
Payroll taxes	2,668	4,599
Payroll insurance	2,099	2,362
Employee benefits	2,332	4,342
Permits	723	1,590
Garage door remote control rental	<u>937</u>	<u>877</u>
<u>TOTAL OPERATING EXPENSES</u>	<u>\$ 106,641</u>	<u>\$ 124,283</u>

<u>MAINTENANCE EXPENSES</u>		<u>Schedule 3</u>
Exterminating	\$ 1,982	\$ 2,316
Repairs - materials and labor to contractors	20,413	7,825
Elevator maintenance and repairs	5,886	6,463
Supplies and janitorial materials	9,277	8,833
Grounds	<u>2,647</u>	<u>3,331</u>
<u>TOTAL MAINTENANCE EXPENSES</u>	<u>\$ 40,205</u>	<u>\$ 28,768</u>

See Notes to Financial Statements.

DAHILL GARDENS APT INC.EXHIBITS C & DSTATEMENTS OF CASH FLOWSEXHIBIT CFor The Years Ended December 31, 1995 and 1994

	<u>1995</u>	<u>Restated 1994</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net loss for the years	\$ (92,692)	\$ (90,469)
Adjustments to reconcile net loss to cash provided by operating activities:		
Depreciation expense	110,848	108,496
Decrease (Increase) in receivables	4,310	(6,963)
Decrease (Increase) in prepaid expenses	2,832	(653)
Increase (Decrease) in accounts payable and accrued expenses	32,794	(21,644)
Decrease in mortgage escrow	8,230	20,364
Total Adjustments	159,014	99,600
<u>CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>66,322</u>	<u>9,131</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Net decrease in Reserve Fund	58,804	54,601
Acquisition of capital improvements	(80,500)	(41,650)
<u>CASH (USED FOR) PROVIDED BY INVESTING ACTIVITIES</u>	<u>(21,696)</u>	<u>12,951</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Payment of mortgage principal	(19,768)	(19,341)
<u>CASH USED FOR FINANCING ACTIVITIES</u>	<u>(19,768)</u>	<u>(19,341)</u>
<u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>	<u>24,858</u>	<u>2,741</u>
Cash and cash equivalents at January 1,	5,351	2,610
Cash and cash equivalents at December 31,	\$ 30,209	\$ 5,351

SUPPLEMENTAL DISCLOSURESEXHIBIT D

	<u>1995</u>	<u>1994</u>
Cash paid during the years:		
Corporate income taxes	\$ 1,304	\$ 1,922
Interest	\$ 133,140	\$ 126,483

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 1995 and 1994

3. RESTATEMENT OF ACCUMULATED DEFICIT

The Corporation has changed its treatment of Contributions to Capital in order to conform with generally accepted accounting principles. The Corporation will treat special assessments for capital improvements and amortization of mortgage principal as contributions to capital for tax purposes only. Beginning accumulated deficit has been restated to reflect this change.

Paid-in capital for tax purposes is:

	<u>December 31, 1995</u>	<u>December 31, 1994</u>
Mortgage amortization	\$ 19,768	\$ 19,341

4. NOTES PAYABLE

A series of 36 consecutive notes were executed at the closing by an officer of the Apartment Corporation for the benefit of the Sponsor, evidencing the Apartment Corporation's indebtedness in the sum of \$39,383.32. The notes require monthly payments of \$1,093.98 commencing on October 17, 1987 plus interest at the rate of 7.08% per annum and terminating on September 17, 1990. As of the balance sheet dates, December 31, 1995 and 1994, seven notes were still unpaid in the total amount of \$7,659.54.

5. MORTGAGE

On December 23, 1992, the original mortgage was refinanced with Queens County Savings Bank in the amount of \$1,500,000. The new mortgage has the following terms:

February 1, 1993 - January 31, 1994, monthly payments of principal and interest of \$11,701.73 with interest first being applied at a rate of 8.125%

February 1, 1994 - January 31, 1995, monthly payments of principal and interest of \$12,192.88 with interest first being applied at a rate of 8.625%.

February 1, 1995 - January 31, 1996, monthly payments of principal and interest of \$12,679.74 with interest first being applied at a rate of 9.125%.

February 1, 1996 - January 31, 1997, monthly payments of principal and interest of \$13,159.80 with interest first being applied at a rate of 9.625%.

The mortgage matures on January 31, 1998. The Corporation has the option to extend the mortgage an additional 5 years at 1% above the prime adjusted annually. The note is collateralized by the land and building owned by the Corporation.

Principal maturities of the mortgage note for each year to maturity are as follows:

Year Ending
December 31:

1996	\$ 20,401
1997	21,330
1998	1,401,572

Interest expense was approximately \$132,600 for the year ended December 31, 1995 and \$127,000 for the year ended December 31, 1994.

Marin & Montanye LLP

CERTIFIED PUBLIC ACCOUNTANTS

RICHARD B. MONTANYE, CPA
PATRICIA A. PRUSINSKI, CPA

JANICE H. TEMPLE, CPA
PATRICIA A. STAUDER, CPA
FRANK CAVALIERE, CPA
FRANK LABETTI, CPA

Independent Accountant's Report On Supplementary and Prospective Information

Board of Directors
DAHILL GARDENS APT INC.
36-58 Dahill Road
Brooklyn, New York 11218

To The Board of Directors and Shareholders:

Our report on our audits of the basic financial statements of DAHILL GARDENS APT INC. for 1995 and 1994 appears on Page 1. The audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The financial information contained in the accompanying Exhibit "E" is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for the portion marked "unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audits of the basic financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We also have compiled the accompanying budget forecast of DAHILL GARDENS APT INC. for the year ending December 31, 1996, in accordance with guidelines established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of forecasted data information that is the representation of management and does not include evaluation of the support for the assumptions underlying the presentation. We have not examined the presentation and, accordingly, do not express an opinion or any other form of assurance in the accompanying presentation or assumption. Furthermore, there will usually be differences between the forecast and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

January 31, 1996



January 11, 1996

TO: Stockholders of DAHILL GARDENS APARTMENTS, INC.

RE: PERSONAL INCOME TAX RETURN DATA FOR 1995

Dear Cooperators:

Under the provisions of Section 216 of the Internal Revenue Code, a tenant stockholder of a Cooperative apartment is entitled to deduct from personal gross income a proportionate share of real estate taxes and interest paid or incurred by the Cooperative Corporation. Note that these deductions are only available if the taxpayer itemizes deductions.

For the year 1995, your Per Share individual income tax deductions are as follows:

MORTGAGE INTEREST \$ 9.3094 per share

REAL ESTATE TAXES \$ 6.2465 per share

In order to compute your total deductions for 1995, multiply the number of shares owned by you, as indicated on your stock certificate, by the amount per share stated above. If you became a stockholder, or sold your stock in the corporation during 1995, you are permitted to deduct a fractional part of the figures, based on the proportionate part of the year you owned the stock.

Contributed capital in 1995 was \$1.3756 per share. This is not a deduction, but an increase in the basis of your investment.

Very truly yours,



MARIN & MONTANYE LLP
Certified Public Accountants

EXHIBIT C

Marin
& Montanye LLP
CERTIFIED PUBLIC ACCOUNTANTS