
N E W S L E T T E R

NO. 115

350 BLEECKER STREET

NOVEMBER 24, 1998

This is a summary of the November 10'h Annual Meeting of Shareholders:

NEW BOARD ELECTED

There were 10 candidates for the 7 board seats. Elected were:

Bangiola, Bob (Apt 1D)
Hanley, Steven (Apt 5G)
Kafadar, Jim (Apt 6E)
Lilien, Mark (Apt 3E)
Mishkin, Bob (Apt 5B)
Newman, Ken
Ong, George (Apt 1M)

Bangiola, Robert - Apt. 1D

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The other 3 candidates were: Greg Colucci; Edna Marshall; and Lou DeLuca.

The board thanked all the candidates who ran. Edna Marshall was also thanked for her multiple years and terms of board service. This was the first time in several years that so many candidates presented themselves. Enlarging the board to include more than 7 seats was discussed.

Mark Lilien promised to return at a future meeting with a specific proposal to enlarge the board, and/or make provision for board alternates.

One candidate (not elected), although not a shareholder, is a long-term partner of a shareholder. It was noted that our Bylaws allow a "spouse" of a shareholder to hold a board seat. Mark Lilien promised to initiate a rewording of the Bylaws to specifically allow for unmarried partners to hold board seats if elected.

84% of all shares cast ballots in-person or by proxy.

AMENDMENT PASSED

The Proprietary Lease Amendment was passed, after a long discussion. Changes were made, so the Amendment passed was not the same as the Amendment distributed 10 days before the meeting. The actual approved language is attached to this Newsletter.

In its final form, compared to the previous Amendment passed in 1997, these are the major differences:

1. Unmarried people, regardless of their sexual orientation, will be able to transfer ownership without paying the 2% fee, under certain circumstances. Previously, the exemption for unmarried people was limited to gay and lesbian people.
2. The unmarried people's relationship must have a minimum duration of 2 years, but they don't have to spend the whole 2 years living together in the building.
3. Upon the death of a shareholder the shareholder's intestate heirs may receive those shares without liability for the 2% transfer fee.
4. The burden of proof regarding an exemption from the 2% transfer fee is upon the people asking for the exemption.

These 2 sections were omitted from the Amendment in its final passed form, since the majority at the meeting felt both sections needed more refinement:

- a. Valuation of non-exempt non-arm's length transfers
- b. Trust transfers

Ken Newman agreed to work on rewording these 2 sections, for a future vote.

The final wording was based upon polling (at the meeting) for each separate phrase. Shareholders then wrote "yes" or "no" for the entire amendment on their board candidate ballots. The Amendment required 11,487 votes to pass. 81 % of all shares were voted in favor of the change.

Certain shareholders objected to the transfer fee Amendment in its entirety. Among the objections:

1. It should be based on profit, not sale price. If a person is losing money by selling at a bad time, the fee is especially burdensome.
2. There should be no transfer fee at all. We should just collect the equivalent amount via the maintenance (about 2% of the annual maintenance budget).

APARTMENT SALE PRICES

Ken Newman explained that the number of apartments sold so far this year was down compared to 1997, although prices were very strong. The high and low price per share of various size apartments sold in 1998 are shown below:

Straight studio:	high = \$1,222.22/share;	low = \$944.44 /share
L-shaped studio:	high = \$1,068.18/share;	low = \$1,068.18/share
One bedroom:	high = \$1,382.58/share;	low = \$1,380.60/share
Two bedroom:	high = \$1,650.00/share;	low = \$1,513.09/share

In some cases, the prices shown include allowances (closing adjustments). The actual net cash prices paid may be lower. Even for similar apartments, prices can vary substantially, due to many factors such as:

1. negotiating ability of the parties
2. condition (eg, has it been renovated?)
3. location within the building
4. views
5. urgency of each party to buy or sell
6. recent stock market and interest rate activity
7. market shortages of similar apartments

CONSTRUCTION

Please report suspected further leaks, water damage, paint and mortar splatters on windows, and other construction-related issues as soon as possible. Use the Maintenance Request Forms in the mailroom. It is urgent that everything be reported as soon as possible, since the construction season is rapidly coming to a close. Outdoor construction work ceases from January through mid-April.

The sidewalk bridge will probably be dismantled before Christmas. Work on the street level (the first 10 feet in height), such as the planter walls, cheek walls, storefront, etc. will probably be completed in the Spring.

The high roof work (the roof above the 6'h floor) is 99% complete. The back yard pavers require Landmarks Commission approval. Pavers were chosen because repairs can be made without the use of a jackhammer. They can be lifted individually, since each one is about 2 feet by 2 feet, and they will not be cemented in place.

The construction work was budgeted to cost around \$1 million, with a contingency of approximately 5%, or \$50,000. It is now expected to cost around 15% more, or \$150,000. This is largely due to more bricks and pointing requiring replacement than originally estimated by the first engineer, Fred Hannaham. Other additional costs included:

- a. the need to replace certain air conditioners (outlined in the previous Newsletter)
- b. legal expenses to deal with various issues, as well as the next-door neighbor's lawsuit

Note that the \$150,000 figure shown above is still approximate. since the project is not yet finished.

LAUNDRY ROOM

The value-add card machine stopped working several times recently. The breakdowns occurred because the laundry company didn't empty the money frequently enough. The machine can only fit so many bills. For the past month, the laundry operator has doubled the collection frequency, and there have been no jam-ups.

Lou DeLuca suggested that Rifo keep some extra cards with \$20 pre-loaded, in case of emergency. This plan will be implemented. Note that anyone can buy an extra "unloaded" card for \$3 (see Rifo). If you load your card before doing your wash, you won't be stuck with wet wash and "no dryer money" in case of value-adder machine malfunction. People with a defective card get a new card from Rifo for free, if the old card is exchanged. Fowler Route, the company that owns the machines, will be responsible for the amount of money that was left on the defective card.

The vending industry is in an uproar about the new \$20 bills. Fowler is still waiting for a new computer chip that can recognize those bills, and a long delay is expected. Allegedly, the Treasury Department didn't coordinate its bill design in advance with the vending industry. The machine can still recognize the old \$20 bills.

EXERCISE ROOM

Certain shareholders requested upgraded, new equipment. Some of the board members explained that the construction project's cost has made them wary of additional spending at this time. An exercise room committee, similar to the garden committee, may be formed.

MAILBOXES AND LOBBY RENOVATION

Several shareholders suggested a lobby renovation. Some people suggested mailbox replacement. Concerns were expressed about the cost, given that the construction project is not yet finished. Very rough estimates for this work range from \$6,000 to \$15,000.

INTERCOM

A number of people said they'd like a new intercom system. If your intercom is not working properly, please fill out a Maintenance Form (they're in the steel box in the mailroom). Concerns related to cost, similar to those listed above, were also expressed. Typical new intercom systems start around \$6,000.

STAR TAX SAVINGS

Every shareholder should've received a STAR tax flyer. This program reduces real estate taxes for most shareholders. If you have not received your flyer, you can call (212) 669-3212 or see the web site (part of the official New York City site): www.ci.nyc.ny.us, and enter the word "STAR" in the search engine at the bottom of the home page.

NEWSLETTER

The meeting considered whether or not board members' votes on particular issues should be disclosed in the Newsletter, as well as both minority and majority opinions. The board will consider and resolve this issue.

BUILDING OWNERSHIP

Of the original 137 apartments:

- a. number of apartments owned by sponsor, not for sale at this time: 32
- b. number of apartments owned by sponsor, contracted or offered for sale: 0
- c. number of investor-owned apartments: 2
- d. number of apartments sold: 103
- e. number of apartments sublet (included in "d" above): 2

CASH

	<u>1998</u>	<u>1997</u>	<u>1996</u>
January 31	\$737,076	\$583,757	\$516,262
February 28	766,051	609,639	553,338
March 31	796,618	642,632	553,724
April 30	792,786	676,585	647,187
May 31	687,786	800,824	685,964
June 30	592,194	801,467	728,533
July 31	442,993	773,744	684,148
August 31	565,289	769,580	716,989
September 30	480,232	729,885	670,103
October 31	516,953	791,903	701,614
November 30		816,631	579,020
December 31		707,182	713,424
Average		\$725,319	\$645,859

HOLIDAY CHEER

It is customary at this time of year to furnish the residents with a list of the employees so that consideration may be given to gratuities that anyone may wish to give during the holiday season. We hope you find this information helpful.

Listed below for your holiday convenience is a list of our employees and the duration of their service:

<u>Name</u>	<u>Position</u>	<u>Employed Since</u>
Rifat Otovic	Superintendent	1989
Jerry Rawls	Porter & Doorman	1963
Armando Sanchez	Doorman	1989
Jasmin Orahovac	Doorman (p/t)	1993
Marcio Trad	Doorman (p/t)	1998
Mirza Otovic	Doorman (fill in)	1998

AMENDMENT TO PROPRIETARY LEASE

Immediately following subparagraph (vi) in Paragraph 16(a) new subparagraph (vii) is added as follows:

(vii) As a condition to the transfer of shares of stock in the Corporation and as an incident to a sale of the apartment to which such shares have been allocated, the seller shall pay to the corporation, by a certified check drawn on a New York bank payable to the Lessor, a fee of two per cent (2%) of the total sale price applicable thereto, payable at the time of such transfer. Such fee shall not be applicable to Unsold Shares (as defined in the Offering Plan therefor) or to transfers from the executors or administrators of a deceased stockholder to a person who, immediately prior to the death of such stockholder, was a member of the immediate family or other legally mandated intestate heirs of the Lessee or to assignments to an assignee who, at the time of the assignment, is a member of the immediate family of the Lessee, or to an executor or other personal representative on the death of a Lessee. For purposes of this subparagraph, "immediate family" shall mean (A) the spouse, former spouse, parents or children of the Lessee, regardless of sexuality or (B) the economic and social partner, regardless of sexuality, of a Lessee in an established relationship, for at least two years prior to the transfer, in which both partners jointly owned and resided in the Unit being assigned. For purposes of this subparagraph, the "sale price" in a mortgage foreclosure sale shall mean the amount of the outstanding balance of the mortgage obligation.

The burden of proving entitlement to exemption from the transfer fee shall be upon the party or parties claiming to be exempt. Exemption from the fee shall only be available if all participants in the transaction are in an exempt category.

Copy received:

Signature

Dated: _____