
NINETEENTH AMENDMENT

TO

OFFERING PLAN OF
COOPERATIVE OWNERSHIP OF
PREMISES KNOWN AS

1, 2, 3, 4 AND 5 SADORE LANE
YONKERS, NEW YORK 10710

DATED: APRIL 21, 1995

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED SEPTEMBER 28, 1982, AND THE FIRST AMENDMENT DATED NOVEMBER 10, 1982; THE SECOND AMENDMENT DATED AUGUST 17, 1983; THE THIRD AMENDMENT DATED SEPTEMBER 7, 1983; THE FOURTH AMENDMENT DATED NOVEMBER 30, 1983; THE FIFTH AMENDMENT DATED MARCH 2, 1984; THE SIXTH AMENDMENT DATED SEPTEMBER 6, 1984; THE SEVENTH AMENDMENT DATED JULY 9, 1985; THE EIGHTH AMENDMENT DATED MARCH 24, 1987; THE NINTH AMENDMENT DATED APRIL 30, 1987; THE TENTH AMENDMENT DATED JUNE 12, 1987; THE ELEVENTH AMENDMENT DATED SEPTEMBER 8, 1987; THE TWELFTH AMENDMENT DATED JUNE 29, 1988; THE THIRTEENTH AMENDMENT DATED DECEMBER 5, 1989; THE FOURTEENTH AMENDMENT DATED JUNE 27, 1990; THE FIFTEENTH AMENDMENT DATED NOVEMBER 6, 1991; THE SIXTEENTH AMENDMENT DATED APRIL 23, 1992; THE SEVENTEENTH AMENDMENT DATED NOVEMBER 12, 1992; AND THE EIGHTEENTH AMENDMENT DATED JANUARY 7, 1994; AND SHOULD BE READ IN CONJUNCTION WITH SAID PLAN.

NINETEENTH AMENDMENT

Apartment Corporation:
SADORE LANE GARDENS, INC.

Sponsor:
GARDEN TOWERS CO.

The Cooperative Offering Plan, a Plan to convert to cooperative ownership premises at 1-5 Sadore Lane, Yonkers, New York, dated September 28, 1982, as heretofore amended (the "Plan") is hereby further amended as follows:

(1) The Sponsor has no financial obligations to the Apartment Corporation other than for payment of maintenance charges and the payment of reserve fund contributions at the rate of \$7.3972 per share sold. None of the units owned by the Sponsor are subject to mortgages, loans or financing commitments. The Sponsor is current in all its financial obligations to the Apartment Corporation, and during the previous twelve months the Sponsor has not been in default with respect to any such obligations beyond any applicable grace period.

(2) The Sponsor, as Holder of Unsold Shares, holds the Shares allocated to those Apartments indicated on Exhibit "A" annexed hereto. The aggregate monthly maintenance charges due in connection with the Unsold Shares are \$175,400.00. The aggregate monthly rents received from tenants of Apartments to which Unsold Shares are allocated are \$211,550.00. The Sponsor plans to market the vacant Apartments to which Unsold Shares are allocated

immediately. As those Apartments are sold the monthly maintenance will decrease.

(3) Annexed hereto as Exhibit "B" are the Apartment Corporation's audited financial statements for the years ended February 28, 1993 and February 28, 1994.

(4) Some of the principals of the Sponsor, as individual holders of unsold shares or units or as general partners or principals of the sponsor or holder of unsold shares, own more than 10% of the shares or units in other cooperative or condominium conversion projects. The offering plans for these buildings are on file with the Department of Law and are available for public inspection. The principals of the Sponsor, as individual holders of unsold shares, are current on all financial obligations in respect of these other cooperatives in which they owns shares or units as individuals, general partners or principals.

Annexed hereto as Exhibit "C" is a list of the identity of each principal of the Sponsor who owns more than 10% of the shares of other buildings, and the address of said building.

(5) The current board of directors of the Corporation was elected at the annual stockholders' meeting which was held on June 27, 1994. The following were elected as officers and directors: Louis Monaco, president, Herbert Goldstein, Charles Scheinberg, Gordon Burrows, Philip Rosen, Abraham Roller, and Michael Pinzur.

Of the foregoing, Philip Rosen, Abraham Roller and Michael Pinzur are affiliated with the Sponsor or a Holder of Unsold Shares. The Sponsor gave up control of the board of directors as

of the meeting held on April 26, 1984.

(6) The current maintenance charges is \$2.93 per share per month.

(7) The Selling Agent, The Phoenix Group, has relocated its offices; their new address is 4 Sadore Lane, Suite 1J, Yonkers, New York, 10710, and the telephone number is 961-0900.

(8) This Offering Plan may be used for six (6) months from the date of this amendment.

(9) The Offering Plan, as modified, supplemented and extended hereby, is incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment, not otherwise defined herein, shall have the same meanings ascribed to them in the Offering Plan.

(10) Except as set forth herein there have been no material changes in the terms of the Offering.

SADORE LANE GARDENS, INC.
Apartment Corporation

GARDEN TOWERS CO.
Sponsor

SADORE LANE, YONKERS, NEW YORK

UNSOLD APARTMENTS

Exhibit A

BUILDING NO. 1

<u>APT. #</u>	<u>SHARES</u>
1A	96
1E	130
1F	155
1H	124
1J	108
1L	162
1M	96
1P	96
1R	64
1T*	162
1U	130
1W	114
1Y	162

<u>APT. #</u>	<u>SHARES</u>
2A	100
2E	134
2F	159
2H	128
2J	112
2K	159
2M	100
2N	100
2P	100
2T	166
2U	134
2V	134
2X	166

<u>APT. #</u>	<u>SHARES</u>
3B	205
3E*	136
3F	163
3G	132
3H*	132
3N	102
3P	102
3R	70
3T	168
3U	136
3V	136
3X	168
3Z	102

<u>APT. #</u>	<u>SHARES</u>
4B	207
4E	138
4G	134
4J	118
4K	165
4L	170
4M	104
4P	104
4T	170
4V	138
4W	122
4Y	170

*pending sales

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BUILDING NO. 1 - CONTINUED

<u>APT. #</u>	<u>SHARES</u>
5A	106
5B	209
5E	140
5F	167
5G	136
5K	167
5L	172
5N	106
5S	140
5T	172
5Y	172

<u>APT. #</u>	<u>SHARES</u>
6A	108
6B	211
6C	108
6E	142
6F	169
6G	138
6J	122
6L	174
6N	108
6V	142
6Y	174

<u>APT. #</u>	<u>SHARES</u>
7A	110
7B	213
7C	110
7D	78
7G	140
7H	140
7J	124
7M	110
7P	110
7S	144
7T	110

Building Totals:

Apartments: 87

Shares: 11,951

[After pending sale:

Apartments: 84

Shares: 11,527]

BUILDING NO. 2

<u>APT. #</u>	<u>SHARES</u>
1A	96
1F	155
1K	162
1M	96
1O	90
1S	124
1T	151
1V	126
1W	110

<u>APT. #</u>	<u>SHARES</u>
2C	95
2F	159
2G	134
2H	134
2M	100
2N	100
2R	64
2S	128
2U	130
2W	114
2Y	166

<u>APT. #</u>	<u>SHARES</u>
3C	97
3G	136
3H	136
3J	120
3K	168
3L	168
3M	102
3P	97
3T	157
3W	116
3X	163

<u>APT. #</u>	<u>SHARES</u>
4A	104
4D	68
4F	163
4G	138
4H	138
4J	122
4K	170
4L	170
4M	104
4O	207
4P	99
4T	159
4W	118
4X	165
4Z	104

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BUILDING NO. 2 - CONTINUED

<u>APT. #</u>	<u>SHARES</u>
5B	209
5C	101
5E	134
5J	124
5N	106
5P	101
5S	134
5T	161
5W	120
5Y	172
5Z	106

<u>APT. #</u>	<u>SHARES</u>
6A	108
6C	103
6E	136
6F	167
6G	142
6H	142
6K	174
6M	108
6R	72
6U	138
6V	138
6W	122
6Y	174
6Z	108

<u>APT. #</u>	<u>SHARES</u>
7A	110
7E	138
7G	144
7H	144
7J	128
7K	176
7N*	110
7P	105
7R	74
7S	138
7V	140
7W	124
7X	171
7Z	110

Building Totals:

Apartments: 85

Shares: 11,035

[After pending sale:

Apartments: 84

Shares: 10,925]

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BUILDING NO. 3

<u>APT. #</u>	<u>SHARES</u>
1B	96
1D	64
1E	130
1F	162
1G*	130
1J	114
1K	162
1L	162
1M	96
1O	64
1P	96
1S	130
1T	162
1U	130
1V	130
1W	114
1X	162
1Y	162
1Z	96

<u>APT. #</u>	<u>SHARES</u>
3A	102
3C	102
3D	70
3G	136
3J	120
3K	168
3L	168
3M	102
3O	205
3P	102
3S	136
3W	120
3Y	168

<u>APT. #</u>	<u>SHARES</u>
2B	203
2C	100
2E	134
2F	166
2G	134
2H	134
2J	118
2K	166
2L	166
2S	134
2T	166
2V	134
2W	118

<u>APT. #</u>	<u>SHARES</u>
4A	104
4C	104
4E	138
4G	138
4K	170
4M	104
4R	72
4S	138
4T*	170
4U	138
4V	138
4W	132
4X	170
4Y*	170
4Z	104

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BUILDING NO. 3 - CONTINUED

APT. # SHARES

5A	106
5D	74
5E	140
5G	140
5H	140
5J	124
5K	172
5M	106
5N	106
5P	106
5R	74
5S	140
5T	172
5V	140
5W	124
5X	172
5Z	106

APT. # SHARES

6B	211
6C	108
6D	76
6E	142
6F	174
6G	142
6H	142
6J	126
6K	174
6L	174
6O	211
6P	108
6R	76
6S	142
6U	142
6V	142
6W	126
6Y	174
6Z	108

APT. # SHARES

7A	110
7C	110
7D	78
7E	144
7G	144
7H	144
7J	128
7L	176
7N	110
7O	213
7P	110
7V	144
7X	176

Building Totals:

Apartments: 105

Shares: 14,541

[After pending sale

Apartments: 106

Shares: 14,011]

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BUILDING NO. 4

<u>APT. #</u>	<u>SHARES</u>
1A	96
1B	91
1C	91
1D	60
1E	124
1J	112
1K	160
1L	162
1M	96
1N	96
1O	60
1P	91
1R*	60
1T	157
1V	130
1X	162
1Y	162
1Z	96

<u>APT. #</u>	<u>SHARES</u>
3A	102
3B	205
3C	97
3H	136
3J	118
3K	166
3R	66
3S	130
3U	136
3W	120

<u>APT. #</u>	<u>SHARES</u>
2B	203
2C	95
2E	128
2G	132
2J	116
2K	164
2O	203
2S	128
2T	161
2U	134
2W	118
2Y*	166

<u>APT. #</u>	<u>SHARES</u>
4A	104
4C	99
4D	68
4E*	132
4F	163
4G	138
4H	138
4K	168
4T	165
4V	138
4W	122
4X	170
4Y	170
4Z	104

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BUILDING NO. 4 - CONTINUED

<u>APT. #</u>	<u>SHARES</u>
5A	106
5B	209
5C	101
5D	70
5F	165
5J	122
5K	170
5L	172
5O	209
5R	70
5T	167
5V	140
5W	124
5X	172
5Y	172
5Z	106

<u>APT. #</u>	<u>SHARES</u>
7B	213
7C	105
7E	138
7H	144
7K	174
7P	105
7S	138
7T	171
7U	144
7X	176
7Y	176
7Z	110

<u>APT. #</u>	<u>SHARES</u>
6A	108
6B	211
6C	103
6F	167
6G	142
6K*	172
6L	174
6M	108
6P	103
6S	136
6U	142
6X	174
6Y	174
6Z	108

Building Totals:

Apartments: 92

Shares 13,000

[After pending sales
 Apartments: 92
 Shares: 12,470]

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BUILDING NO. 5

<u>APT. #</u>	<u>SHARES</u>
LG	128
LK	128
LL	128
LM	94
1E	128
1H	114
1J	114
1K	132
1L	132

<u>APT. #</u>	<u>SHARES</u>
3A	84
3B	136
3C	136
3D	136
3E	205
3J	118
3L	136
3S	102

<u>APT. #</u>	<u>SHARES</u>
5B	140
5C	140
5F	140
5H*	122
5M	169
5N	169
5P	140
5R	140
5S	106

<u>APT. #</u>	<u>SHARES</u>
2D	124
2E	203
2G	134
2K	134
2L	134
2N	163
2P	132
2R	132

<u>APT. #</u>	<u>SHARES</u>
4A	86
4B	138
4C	138
4E	207
4F	138
4G	138
4H	120
4K	138
4L	138
4P	138
4R	138
4S	104

<u>APT. #</u>	<u>SHARES</u>
6B	142
6C	142
6E	211
6F	142
6H	124
6J	124
6K	142
6L	142
6P	142
6R	142

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BUILDING NO. 5 - CONTINUED

<u>APT. #</u>	<u>SHARES</u>
7B	144
7E	213
7F	144
7G	144
7K	144
7L	144
7M	173
7N	173
7P	144
7R	144

Building Totals:

Apartments: 66

Shares: 9,214

[After pending sales:
Apartments: 65
Shares: 9,092]

Project Totals:

Apartments: 443

Shares: 59,741

2-1L 162** (pending sale)
**NOT AN UNSOLD SHARE UNIT
BUT OWNED BY SPONSOR

443 apartments unsold out of 775 =
57.16%
59,741 shares out of 103,945 =
57.47%

[After pending sales
433 apartments unsold out of 775 =
55.87%
58,085 shares out of 103,945 =
55.88%]

TO REACH 50.5% sold - must sell 46 more apts.

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SADORE LANE GARDENS, INC.
FINANCIAL STATEMENTS
FEBRUARY 28, 1994 & 1993
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

Exhibit B

SADORE LANE GARDENS, INC.

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SANDLER, ROSENGARTEN, DENIS & BERGER

CERTIFIED PUBLIC ACCOUNTANTS

80 CUTTERMILL ROAD

GREAT NECK, N.Y. 11021

WILLIAM ROSENGARTEN, CPA

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Sadore Lane Gardens, Inc.

We have audited the balance sheets (income tax basis of accounting) of Sadore Lane Gardens, Inc. as of February 28, 1994 and 1993 and the related statements of operations and accumulated deficit and cash flows (income tax basis of accounting) 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 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 aspects, the financial position of Sadore Lane Gardens, Inc. as of February 28, 1994 and 1993 and the results of its operations and its cash flows for the years then ended, in conformity with the basis of accounting described in Note A-1.

As discussed in Note H, 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.

Great Neck, New York
May 11, 1994

Sandler, Rosengarten, Denis & Berger

Sadore Lane Gardens, Inc.

BALANCE SHEET

February 28, 1994 and 1993
(Income Tax Basis of Accounting)

ASSETS

	1994	1993
	----	----
Land	\$1,568,638	\$1,568,638
Building and improvements	10,447,677	10,420,374
	-----	-----
	12,016,315	11,989,012
Less, accumulated depreciation	3,851,369	3,433,010
	-----	-----
	8,164,946	8,556,002
Cash and cash equivalents	268,580	70,806
Cash - reserve fund	972,427	478,187
Escrow deposits	352,122	897,943
Prepaid expenses and sundry assets	206,924	204,346
Reserve fund receivable	467,001	476,924
Mortgage costs net of accumulated amortization	111,549	138,172
	-----	-----
Total assets	\$10,543,549	\$10,822,380
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY)

Liabilities		
Mortgage payable	\$11,209,285	\$11,295,982
Accounts payable and accrued expenses	280,459	323,170
	-----	-----
Total liabilities	11,489,744	11,619,152
Stockholders' equity		
Common stock authorized 103,985 shares, \$1 par value; issued and outstanding 103,985 shares	103,985	103,985
Additional paid-in capital	1,904,755	1,818,058
Accumulated deficit	(2,954,935)	(2,718,815)
	-----	-----
Total stockholders' equity (deficiency)	(946,195)	(796,772)
	-----	-----
Total liabilities and stockholders' equity (deficiency)	\$10,543,549	\$10,822,380
	=====	=====

The accompanying notes are an integral part of this statement.

Sadore Lane Gardens, Inc.
 STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT
 Years ended February 28, 1994 and 1993
 (Income Tax Basis of Accounting)

	1994	1993
Revenues	----	----
Maintenance		
Less: Mortgage amortization	\$3,654,535	\$3,342,319
	86,697	78,577
	-----	-----
	3,567,838	3,263,742
Other income		
	432,807	420,947
	-----	-----
Total revenues	4,000,645	3,684,689
Expenses excluding depreciation and amortization		
Mortgage interest	1,110,968	1,119,101
Real estate taxes (Note F)	655,150	265,871
Operating expenses	2,025,665	2,155,642
	-----	-----
Total expenses excluding depreciation	3,791,783	3,540,614
	-----	-----
Income before other deductions	208,862	144,075
Other deductions		
Amortization of mortgage costs	26,623	26,623
Depreciation expense	418,359	417,795
	-----	-----
Total other deductions	444,982	444,418
	-----	-----
Net loss	(236,120)	(300,343)
Accumulated deficit		
Beginning of year	(2,718,815)	(2,418,472)
	-----	-----
End of year	(\$2,954,935)	(\$2,718,815)
	=====	=====

The accompanying notes are an integral part of this statement.

Sadore Lane Gardens, Inc.

STATEMENT OF CASH FLOWS

Years ended February 28, 1994 and 1993
(Income Tax Basis of Accounting)

	1994	1993
Cash flows from operating activities:		
Net loss	(\$236,120)	(\$300,343)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:		
Depreciation and amortization expenses	444,982	444,418
Decrease (increase) in escrow deposits	545,821	(40,876)
(Increase) decrease in prepaid expenses and sundry assets	(2,578)	20,560
Decrease in accounts payable and accrued expenses	(42,711)	(20,422)
Decrease in deferred real estate tax refunds	0	(315,605)
Total adjustments	945,514	88,075
Net cash provided by (used in) operating activities	709,394	(212,268)
Cash flows from investing activities:		
Increase in additional paid in capital	86,697	78,5
Capital expenditures	(27,303)	(156,500)
Net cash provided by (used in) investing activities	59,394	(77,958)
Cash flows from financing activities:		
Mortgage amortization	(86,697)	(78,577)
Decrease in reserve fund receivable	9,923	0
Net cash used in financing activities	(76,774)	(78,577)
Net increase (decrease) in cash	692,014	(368,803)
Cash at beginning of year	548,993	917,796
Cash at end of year	\$1,241,007	\$548,993
Supplemental information:		
Interest paid	\$1,110,968	\$1,119,101
Real estate taxes paid	\$655,150	\$265,871

The accompanying notes are an integral part of this statement.

Sadore Lane Gardens, Inc.

NOTES TO FINANCIAL STATEMENTS

February 28, 1994
(Income Tax Basis of Accounting)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Company's significant accounting policies applied in the preparation of the accompanying financial statements follows:

1. Basis of Accounting

The financial statements are prepared on the basis of reporting adopted for income tax purposes.

2. Description of Entity

On March 1, 1984 the Corporation commenced operations as a cooperative housing corporation under section 216 (B)(1) of the Internal Revenue Code.

3. Depreciation

The building and capital improvements are being depreciated under the straight-line and accelerated cost recovery methods over the estimated useful lives in accordance with Internal Revenue Code provisions.

NOTE B - LAND AND BUILDING

Land and building are stated at their tax cost pursuant to Section 351 of the Internal Revenue Code.

NOTE C - RESERVE FUND RECEIVABLE

Pursuant to an amendment to the offering plan, the cooperative corporation is to receive \$1,000,000 in specified installments from the seller out of the proceeds of the sale of shares. As of February 28, 1993 the cooperative received a total of \$532,999.

NOTE D - MORTGAGE PAYABLE

The mortgage required constant monthly payments of interest only at the rate of 9.875% per annum until April 1, 1990. On that date amortization of the mortgage began, requiring constant monthly payments of \$99,860 including interest at the rate 9.875% per annum with a balloon payment of \$10,751,864 on April 1, 1998.

Sadore Lane Gardens, Inc.

NOTES TO FINANCIAL STATEMENTS (Continued)

February 28, 1994
(Income Tax Basis of Accounting)

NOTE E - COMMITMENTS

The corporation entered into the following contracts:

A. Income

1. Effective December 1, 1990 the Corporation ("Sadore") engaged DJP Management Inc. as the managing agent of the garages and outside parking areas for five years. The agreement provides that "Sadore" shall retain \$259,200 annually, plus any excess remaining after the agents annual contractual fee.
2. Effective October 1, 1989 Ideal-O-Matic Inc. assumed maintenance of the laundry machines for ten years at \$50,400 per annum.

B. Expenses

1. Effective August, 1993, Prime Locations, Inc. has been engaged to provide bookkeeping services at an annual fee of \$42,000.

NOTE F - REAL ESTATE TAXES

The real estate taxes of \$265,871 for 1993 represented taxes of approximately \$580,000 reduced by a refund of prior years' taxes of \$315,000; this refund also reduced the 1993 maintenance by approximately the same amount.

Sadore Lane Gardens, Inc.

NOTES TO FINANCIAL STATEMENTS (Continued)

February 28, 1994
(Income Tax Basis of Accounting)

NOTE G - INCOME TAXES

The Internal Revenue Service, and New York State 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, the income earned by Sadore from the non-membership sources such as interest, commercial, and professional apartment rentals, etc. in excess of expenses properly attributable, would be subject to the income taxes.

NOTE H - FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Corporation's governing documents do not require the accumulation of funds to finance estimated future major repairs and replacements. The Corporation has not conducted a study to determine the remaining useful lives of the components of common property nor estimates of the costs of major repairs and replacements that may be required in the future. The board has also not developed a plan to fund those needs. When funds are required to meet future needs for major repairs and replacements, the Corporation plans to borrow, increase maintenance assessments, or delay repairs and replacements until the funds are available. The effect on future assessments has not been determined.

SUPPLEMENTARY INFORMATION

SANDLER, ROSENGARTEN, DENIS & BERGER
CERTIFIED PUBLIC ACCOUNTANTS
80 CUTTERMILL ROAD
GREAT NECK, N.Y. 11021

WILLIAM ROSENGARTEN, CPA
BERNARD J. SANDLER, CPA
TASO A. DENIS, CPA
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(516) 773-4000
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AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
Sadore Lane Gardens, Inc.

Our audit was made primarily to enable us to express an overall opinion on the basic financial statements of Sadore Lane Gardens, Inc. for the years ended February 28, 1994 and 1993 which are presented in the preceding section of this report. The supplementary information presented hereinafter, although not considered essential for a fair presentation of the balance sheet, statements of operations, accumulated deficit and cash flows, has been subjected to the audit procedures applied in the audit of the basic financial statements. In our opinion, the supplementary information is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Great Neck, New York
May 11, 1994

Sandler, Rosengarten, Denis & Berger

Sadore Lane Gardens, Inc.

SCHEDULE OF OTHER INCOME

Years ended February 28, 1994 and 1993
(Income Tax Basis of Accounting)

	1994 -----	1993 -----
Parking lot income	\$259,200	\$259,200
Washing machine income	50,400	50,400
Pool income	53,149	60,528
Interest income	58,499	41,104
Sundry income	11,559	9,715
	-----	-----
	\$432,807	\$420,947
	-----	-----

Sadore Lane Gardens, Inc.

SCHEDULE OF OPERATING EXPENSES

Years ended February 28, 1994 and 1993
(Income Tax Basis of Accounting)

	1994 -----	1993 -----
Payroll and payroll taxes	\$681,552	\$625,435
Bookkeeping services	24,500	0
Management fees	91,000	178,000
Repairs and maintenance	189,210	323,914
Power, light and gas	151,987	143,489
Fuel	259,600	297,241
Pool expenses (exclusive of real estate taxes)	34,065	41,664
Water and sewer charges	92,744	74,223
Supplies	117,642	110,538
Insurance	187,531	164,550
Printing and postage	1,283	1,323
Elevator maintenance	43,146	41,289
Union welfare and pension benefits	63,313	69,609
Professional fees	55,359	24,595
Rubbish removal	3,182	9,008
Income taxes	12,580	31,114
Exterminator	6,109	8,397
Telephone	3,182	1,624
Sundry	7,680	9,629
	-----	-----
	\$2,025,665	\$2,155,642
	=====	=====

EXHIBIT "C"

PERCENTAGE INTEREST IN OTHER CO-OPS
BY HOLDERS OF UNSOLD SHARES

Individual's Name	Percentage Interest	Building Address
PHILIP ROSEN	31.25%	3015-17 Riverdale Ave. Bronx, New York
	27.50%	2035 Central Park Ave. Yonkers, New York
	71.25%	480 Riverdale Ave. Yonkers, New York
MILDRED ROLLER	31.25%	3015-17 Riverdale Ave. Bronx, New York
	21.25%	480 Riverdale Ave. Yonkers, New York
MICHELLE ROSEN	15%	2035 Central Park Ave. Yonkers, New York
WENDY LANDIS	15%	2035 Central Park Ave. Yonkers, New York
PHYLLIS RASKIN	15%	2035 Central Park Ave. Yonkers, New York
RITA ROSEN	27.50%	2035 Central Park Ave. Yonkers, New York

TWENTIETH AMENDMENT

TO

OFFERING PLAN OF
COOPERATIVE OWNERSHIP OF
PREMISES KNOWN AS

1, 2, 3, 4 AND 5 SADORE LANE
YONKERS, NEW YORK 10710

Dated: September 22, 1995

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED SEPTEMBER 28, 1982, AND THE FIRST AMENDMENT DATED NOVEMBER 10, 1982; THE SECOND AMENDMENT DATED AUGUST 17, 1983; THE THIRD AMENDMENT DATED SEPTEMBER 7, 1983; THE FOURTH AMENDMENT DATED NOVEMBER 30, 1983; THE FIFTH AMENDMENT DATED MARCH 2, 1984; THE SIXTH AMENDMENT DATED SEPTEMBER 6, 1984; THE SEVENTH AMENDMENT DATED JULY 9, 1985; THE EIGHTH AMENDMENT DATED MARCH 24, 1987; THE NINTH AMENDMENT DATED APRIL 30, 1987; THE TENTH AMENDMENT DATED JUNE 12, 1987; THE ELEVENTH AMENDMENT DATED SEPTEMBER 8, 1987; THE TWELFTH AMENDMENT DATED JUNE 29, 1988; THE THIRTEENTH AMENDMENT DATED DECEMBER 5, 1989; THE FOURTEENTH AMENDMENT DATED JUNE 27, 1990; THE FIFTEENTH AMENDMENT DATED NOVEMBER 6, 1991; THE SIXTEENTH AMENDMENT DATED APRIL 23, 1992; THE SEVENTEENTH AMENDMENT DATED NOVEMBER 12, 1992; THE EIGHTEENTH AMENDMENT DATED JANUARY 7, 1994; AND THE NINETEENTH AMENDMENT DATED APRIL 21, 1995; AND SHOULD BE READ IN CONJUNCTION WITH SAID PLAN.

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October 3, 1995

TWENTIETH AMENDMENT

Apartment Corporation:
SADORE LANE GARDENS, INC.

Sponsor:
GARDEN TOWERS CO.

The Cooperative Offering Plan, a Plan to convert to cooperative ownership premises at 1-5 Sadore Lane, Yonkers, New York, dated September 28, 1982, as heretofore amended (the "Plan") is hereby further amended as follows:

(1) Incentive Offer to Tenants.

(A) This offer is made only to those persons who were tenants in occupancy of their apartments on September 28, 1982 and who have continued to reside in those apartments as rental tenants since that time. These people are referred to in this Amendment as "Tenants"; the apartments in which Tenants reside are referred to as "Apartments."

(B) Tenants are hereby offered the right to purchase their Apartments for the reduced Purchase Prices set forth in Exhibit "A". This offer is made strictly on an "as is" basis; the Sponsor will not make any repairs or improvements to an Apartment in connection with this offer. Additionally, the Sponsor is not offering financing, but is offering a financing contingency so that Tenants may seek financing from Institutional Lenders (see Paragraph C for an explanation of the terms of the financing contingency). The reduced Purchase Prices are not negotiable, nor

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July 27, 1995

are any other terms of this offer.

To take advantage of this offer, a Tenant must submit five (5) copies of the signed Contract of Sale, together with a bank or certified check made payable to "Gross and Gross as attorneys" in the amount of 10% of the reduced Purchase Price. The balance of the Purchase Price shall be due at the closing which shall take place approximately 75 days after the date of the Contract (which is the date the Sponsor signs the Contract) for financed transactions or 30 days after the date of the Contract for unfinanced transactions. All Contracts must be submitted to the Sponsor's selling agent, The Phoenix Group, 4 Sadore Lane, Yonkers, New York 10710, telephone 914-961-0900 (the "Selling Agent"). The form of the Contract of Sale for Tenants who wish to purchase is annexed hereto as Exhibit "B".

(C) A Tenant may seek financing for up to 75% of the reduced Purchase Price of his Apartment. A Tenant who intends to finance the purchase of his Apartment shall have a period of thirty (30) days after the date the fully signed Contract is delivered to him to obtain a commitment for such financing from an Institutional Lender. If the Tenant is unable to obtain financing despite a good faith effort to do so, he must notify the Sponsor and the Selling Agent in writing within seven (7) days after the expiration of the thirty day period. The Sponsor, upon receipt of such written notice, may either (a) grant the Tenant an extension of time to obtain a loan, or (b) accept the cancellation of the Contract and

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refund the Tenant's down payment.

For the purposes of this offer, "Institutional Lenders" shall mean only the following lenders: The Bank of New York Mortgage Company, and NCB Savings Bank, FSB; these lenders have agreed to accept applications for loans in connection with the purchase of apartments at Sadore Lane. The Selling Agent will provide a list of the Institutional Lenders, including the name and phone number of each Institutional Lender's contract person, to each Tenant. However, the Selling Agent shall not act as a mortgage broker or otherwise assist Tenants in obtaining financing. Neither the Sponsor nor the Selling Agent makes any representation that an Institutional Lender whose name is supplied to the Tenant will approve the Tenant as a borrower. Similarly, as each Institutional Lender sets its own loan terms which are subject to change without notice, no representations can be made regarding available loan features such as interest rates, length of loan term, or closing costs, all of which shall be determined solely by the Tenant and the Institutional Lender.

(D) Expiration of Incentive Offer. The reduced Purchase Price offered pursuant to this Section 1 is available only to the first 40 Tenants who duly submit a signed Contract of Sale within 30 days after the Date of Presentation of this Amendment.

(E) A Tenant who so desires may assign his Contract to a member or members of his immediate family (or the family member may enter into the Contract), provided that a properly completed

assignment of Contract is submitted to the Selling Agent no later than 25 days before the scheduled closing date. Other than as set forth in this paragraph, the Contract of Sale may not be assigned.

(F) Other than the Purchase Price, a Tenant shall be responsible for the following closing costs: Sponsor's legal fees to Gross and Gross, \$200.00 and closing coordination fee to The Phoenix Group, \$300.00. If a Tenant finances his purchase and his lender requires the Corporation to execute a Recognition Agreement, the Tenant shall be responsible for the Corporation's attorneys fees of \$200.00 in connection with the review and execution of such agreement. If a Tenant (or a Tenant's lender) requires that the closing take place at any location other than the offices of the Sponsor's attorneys, the Tenant shall be responsible for the Sponsor's attorney's travel fee of \$350.00 for Westchester and Bronx County locations, or \$500.00 for other New York City or Rockland or Nassau County locations.

(2) Annexed hereto as Exhibit "C" are the Apartment Corporation's audited financial statements for the years ended February 28, 1994 and February 28, 1995.

(3) The current board of directors of the Corporation was elected at the annual stockholders' meeting which was held on June 17, 1995. The following were elected as officers and directors: Louis Monaco, president, Herbert Goldstein, Charles Scheinberg, Gordon Burrows, Philip Rosen, Abraham Roller, and Michael Pinzur.

Of the foregoing, Philip Rosen, Abraham Roller and Michael

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Pinzur are affiliated with the Sponsor or a Holder of Unsold Shares.

(4) This Offering Plan may be used for twelve (12) months from the date of this amendment.

(5) The Offering Plan, as modified, supplemented and extended hereby, is incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment, not otherwise defined herein, shall have the same meanings ascribed to them in the Offering Plan.

(6) Except as set forth herein there have been no material changes in the terms of the Offering.

SADORE LANE GARDENS, INC.
Apartment Corporation

GARDEN TOWERS CO.
Sponsor

SALES AND FINANCING PROGRAMS

SADORE LANE GARDENS, INC.

1 Sadore Lane

Unit	Type	Shares	Price	Maint	Unit	Type	Shares	Price	Maint
1A	3.5	96	\$28,840	\$281.28	2A	3.5	100	\$28,840	\$293.00
1E	4.5	130	\$46,800	\$380.90	2E	4.5	134	\$46,800	\$392.62
1F	5.0	155	\$62,000	\$454.15	2F	5.0	159	\$62,000	\$465.87
1J	4.0	108	\$32,960	\$316.44	2K	5.0	159	\$60,000	\$465.87
1L	5.0	162	\$62,000	\$474.66	2M	3.5	100	\$28,840	\$293.00
1M	3.5	96	\$28,840	\$281.28	2N	3.5	100	\$28,840	\$293.00
1P	3.5	96	\$28,840	\$281.28	2P	3.5	100	\$28,840	\$293.00
1U	4.5	130	\$46,800	\$380.90	2T	5.0	166	\$62,000	\$486.38
1W	4.0	114	\$32,960	\$334.02	2U	4.5	134	\$46,800	\$392.62
1Y	5.0	162	\$62,000	\$474.66	2V	4.5	134	\$46,800	\$392.62
3B	6.0	205	\$78,000	\$600.65	2X	5.0	166	\$60,000	\$486.38
3F	5.0	163	\$62,000	\$477.59	4B	6.0	207	\$78,000	\$606.51
3G	4.5	132	\$46,800	\$386.76	4G	4.5	134	\$46,800	\$392.62
3H	4.5	132	\$46,800	\$386.76	4J	4.0	118	\$32,960	\$345.74
3N	3.5	102	\$28,840	\$298.86	4K	5.0	165	\$60,000	\$483.45
3R	2.5	64	\$24,000	\$187.52	4L	5.0	170	\$62,000	\$498.10
3T	5.0	168	\$62,000	\$492.24	4M	3.5	104	\$28,840	\$304.72
3U	4.5	136	\$46,800	\$398.48	4T	5.0	170	\$62,000	\$498.10
3V	4.5	136	\$46,800	\$398.48	4V	4.5	138	\$46,800	\$404.34
3Z	3.5	102	\$28,840	\$298.86	4W	4.0	122	\$32,960	\$357.46
					4Y	5.0	170	\$62,000	\$498.10

EXHIBIT A

SALES AND FINANCING PROGRAMS

SADORE LANE GARDENS, INC.

1 Sadore Lane

Unit	Type	Shares	Price	Maint	Unit	Type	Shares	Price	Maint
5A	3.5	106	\$28,840	\$310.58	6A	3.5	108	\$28,840	\$316.44
5E	4.5	140	\$46,800	\$410.20	6B	6.0	211	\$78,000	\$618.23
5F	5.0	167	\$62,000	\$489.31	6E	4.5	142	\$46,800	\$416.06
5G	4.5	136	\$46,800	\$398.48	6F	5.0	169	\$62,000	\$495.17
5K	5.0	167	\$60,000	\$489.31	6G	4.5	134	\$46,800	\$392.62
5L	5.0	172	\$62,000	\$503.96	6J	4.0	122	\$32,960	\$357.46
5N	3.5	106	\$28,840	\$310.58	6L	5.0	174	\$62,000	\$509.82
5S	4.5	140	\$46,800	\$410.20	6N	3.5	108	\$28,840	\$316.44
5T	5.0	172	\$62,000	\$503.96	6V	4.5	142	\$46,800	\$416.06
5Y	5.0	172	\$62,000	\$503.96					
7A	3.5	110	\$28,840	\$322.30					
7B	6.0	213	\$78,000	\$624.09					
7C	3.5	110	\$28,840	\$322.30					
7D	2.5	78	\$24,000	\$228.54					
7G	4.5	140	\$46,800	\$410.20					
7H	4.5	140	\$46,800	\$410.20					
7J	4.0	124	\$32,960	\$363.32					
7M	3.5	110	\$28,840	\$322.30					
7P	3.5	110	\$28,840	\$322.30					
7S	4.5	144	\$46,800	\$421.92					
7T	5.0	176	\$62,000	\$515.68					
7V	4.5	144	\$46,800	\$421.92					
7X	5.0	176	\$60,000	\$515.68					
7Z	3.5	110	\$28,840	\$322.30					

SALES AND FINANCING PROGRAMS

SADORE LANE GARDENS, INC.

2 Sadore Lane

Unit	Type	Shares	Price	Maint	Unit	Type	Shares	Price	Maint
1A	3.5	96	\$28,840	\$281.28	2C	3.5	95	\$28,840	\$278.35
1F	5.0	155	\$62,000	\$454.15	2G	4.5	134	\$46,800	\$392.62
1K	5.0	162	\$62,000	\$474.66	2H	4.5	134	\$46,800	\$392.62
1O	2.5	60	\$24,000	\$175.80	2M	3.5	100	\$28,840	\$293.00
1S	4.5	124	\$46,800	\$363.32	2N	3.5	100	\$28,840	\$293.00
1T	5.0	151	\$62,000	\$442.43	2R	2.5	60	\$24,000	\$175.80
1V	4.5	126	\$46,800	\$369.18	2S	4.5	128	\$46,800	\$375.04
1W	4.0	110	\$32,960	\$322.30	2U	4.5	130	\$46,800	\$380.90
					2W	4.0	114	\$32,960	\$334.02
					2Y	5.0	166	\$62,000	\$486.38
3C	3.5	97	\$28,840	\$284.21	4A	3.5	104	\$28,840	\$304.72
3G	4.5	136	\$46,800	\$398.48	4D	2.5	68	\$24,000	\$199.24
3J	4.0	120	\$32,960	\$351.60	4F	5.0	163	\$62,000	\$477.59
3K	5.0	168	\$60,000	\$492.24	4G	4.5	138	\$46,800	\$404.34
3L	5.0	168	\$62,000	\$492.24	4H	4.5	138	\$46,800	\$404.34
3M	3.5	102	\$28,840	\$298.86	4J	4.0	122	\$32,960	\$357.46
3P	3.5	97	\$28,840	\$284.21	4K	5.0	170	\$60,000	\$498.10
3T	5.0	157	\$62,000	\$460.01	4L	5.0	170	\$62,000	\$498.10
3W	4.0	116	\$32,960	\$339.88	4M	3.5	104	\$28,840	\$304.72
3X	5.0	163	\$60,000	\$477.59	4O	6.0	207	\$78,000	\$606.51
					4P	3.5	99	\$28,840	\$290.07
					4T	5.0	159	\$62,000	\$465.87
					4X	5.0	165	\$60,000	\$483.45
					4Z	3.5	104	\$28,840	\$304.72

SALES AND FINANCING PROGRAMS

SADORE LANE GARDENS, INC.

2 Sadore Lane

Unit	Type	Shares	Price	Maint	Unit	Type	Shares	Price	Maint
5B	6.0	209	\$78,000	\$612.37	6A	3.5	108	\$28,840	\$316.44
5C	3.5	101	\$28,840	\$295.93	6C	3.5	103	\$28,840	\$301.79
5N	3.5	106	\$28,840	\$310.58	6E	4.5	136	\$46,800	\$398.48
5P	3.5	101	\$28,840	\$295.93	6F	5.0	167	\$62,000	\$489.31
5S	4.5	134	\$46,800	\$392.62	6G	4.5	138	\$46,800	\$404.34
5T	5.0	161	\$62,000	\$471.73	6H	4.5	142	\$46,800	\$416.06
5W	4.0	120	\$32,960	\$351.60	6K	5.0	174	\$62,000	\$509.82
5Y	5.0	172	\$62,000	\$503.96	6M	3.5	108	\$28,840	\$316.44
5Z	3.5	106	\$28,840	\$310.58	6N	3.5	108	\$28,840	\$316.44
					6U	4.5	138	\$46,800	\$404.34
					6V	4.5	138	\$46,800	\$404.34
					6W	4.0	122	\$32,960	\$357.46
					6Y	5.0	174	\$62,000	\$509.82
					6Z	3.5	108	\$28,840	\$316.44
7A	3.5	110	\$28,840	\$322.30					
7E	4.5	138	\$46,800	\$404.34					
7G	4.5	144	\$46,800	\$421.92					
7H	4.5	144	\$46,800	\$421.92					
7J	4.0	128	\$32,960	\$375.04					
7K	5.0	176	\$60,000	\$515.68					
7N	3.5	110	\$28,840	\$322.30					
7P	3.5	105	\$28,840	\$307.65					
7R	2.5	74	\$24,000	\$216.82					
7S	4.5	138	\$46,800	\$404.34					
7V	4.5	140	\$46,800	\$410.20					
7X	5.0	171	\$60,000	\$501.03					
7Z	3.5	110	\$28,840	\$322.30					

SALES AND FINANCING PROGRAMS

SADORE LANE GARDENS, INC.

3 Sadore Lane

Unit	Type	Shares	Price	Maint	Unit	Type	Shares	Price	Maint
1B	3.5	96	\$28,840	\$281.28	2B	6.0	203	\$78,000	\$594.79
1E	4.5	130	\$46,800	\$380.90	2C	3.5	100	\$28,840	\$293.00
1F	5.0	162	\$62,000	\$474.66	2E	4.5	134	\$46,800	\$392.62
1J	4.0	114	\$32,960	\$334.02	2F	5.0	166	\$62,000	\$486.38
1K	5.0	162	\$60,000	\$474.66	2G	4.5	134	\$46,800	\$392.62
1L	5.0	162	\$62,000	\$474.66	2H	4.5	134	\$46,800	\$392.62
1M	3.5	96	\$28,840	\$281.28	2J	4.0	118	\$32,960	\$345.74
1O	2.5	64	\$24,000	\$187.52	2K	5.0	166	\$60,000	\$486.38
1S	4.5	130	\$46,800	\$380.90	2L	5.0	166	\$62,000	\$486.38
1T	5.0	162	\$62,000	\$474.66	2S	4.5	134	\$46,800	\$392.62
1U	4.5	130	\$46,800	\$380.90	2T	5.0	166	\$62,000	\$486.38
1W	4.0	114	\$32,960	\$334.02	2V	4.5	134	\$46,800	\$392.62
1X	5.0	162	\$60,000	\$474.66	2W	4.0	118	\$32,960	\$345.74
1Y	5.0	162	\$62,000	\$474.66					
1Z	3.5	96	\$28,840	\$281.28					
3A	3.5	102	\$28,840	\$298.86					
3C	3.5	102	\$28,840	\$298.86	4A	3.5	104	\$28,840	\$304.72
3D	2.5	70	\$24,000	\$205.10	4C	3.5	104	\$28,840	\$304.72
3G	4.5	136	\$46,800	\$398.48	4E	4.5	138	\$46,800	\$404.34
3J	4.0	120	\$32,960	\$351.60	4G	4.5	138	\$46,800	\$404.34
3K	5.0	168	\$60,000	\$492.24	4K	5.0	170	\$60,000	\$498.10
3L	5.0	168	\$62,000	\$492.24	4M	3.5	104	\$28,840	\$304.72
3M	3.5	102	\$28,840	\$298.86	4S	4.5	138	\$46,800	\$404.34
3O	6.0	205	\$78,000	\$600.65	4U	4.5	138	\$46,800	\$404.34
3P	3.5	102	\$28,840	\$298.86	4V	4.5	138	\$46,800	\$404.34
3S	4.5	136	\$46,800	\$398.48	4W	4.0	122	\$32,960	\$357.46
3W	4.0	120	\$32,960	\$351.60	4X	5.0	170	\$60,000	\$498.10
3Y	5.0	168	\$62,000	\$492.24	4Z	3.5	104	\$28,840	\$304.72

SALES AND FINANCING PROGRAMS

SADORE LANE GARDENS, INC.

3 Sadore Lane

Unit	Type	Shares	Price	Maint	Unit	Type	Shares	Price	Maint
5A	3.5	106	\$28,840	\$310.58	6B	6.0	211	\$78,000	\$618.23
5D	2.5	74	\$24,000	\$216.82	6C	3.5	108	\$36,400	\$316.44
5G	4.5	140	\$46,800	\$410.20	6D	2.5	76	\$20,600	\$222.68
5H	4.5	140	\$46,800	\$410.20	6E	4.5	142	\$46,800	\$416.06
5J	4.0	124	\$32,960	\$363.32	6F	5.0	168	\$62,000	\$492.24
5K	5.0	172	\$60,000	\$503.96	6G	4.5	142	\$46,800	\$416.06
5M	3.5	106	\$28,840	\$310.58	6H	4.5	142	\$46,800	\$416.06
5N	3.5	106	\$28,840	\$310.58	6J	4.0	126	\$32,960	\$369.18
5R	2.5	74	\$24,000	\$216.82	6K	5.0	174	\$60,000	\$509.82
5S	4.5	140	\$46,800	\$410.20	6L	5.0	174	\$62,000	\$509.82
5T	5.0	172	\$62,000	\$503.96	6O	6.0	211	\$78,000	\$618.23
5V	4.5	140	\$46,800	\$410.20	6P	3.5	108	\$28,840	\$316.44
5W	4.0	124	\$32,960	\$363.32	6R	2.5	76	\$24,000	\$222.68
5X	5.0	172	\$60,000	\$503.96	6S	4.5	142	\$46,800	\$416.06
5Z	3.5	106	\$28,840	\$310.58	6U	4.5	142	\$46,800	\$416.06
					6V	4.5	142	\$46,800	\$416.06
					6W	4.0	126	\$32,960	\$369.18
					6Y	5.0	174	\$62,000	\$509.82
					6Z	3.5	108	\$28,840	\$316.44
7A	3.5	110	\$28,840	\$322.30					
7C	3.5	110	\$28,840	\$322.30					
7D	2.5	78	\$24,000	\$228.54					
7E	4.5	144	\$46,800	\$421.92					
7G	4.5	144	\$46,800	\$421.92					
7H	4.5	144	\$46,800	\$421.92					
7L	5.0	176	\$62,000	\$515.68					
7O	6.0	213	\$78,000	\$624.09					
7V	4.5	144	\$46,800	\$421.92					
7X	5.0	176	\$60,000	\$515.68					

SALES AND FINANCING PROGRAMS

SADORE LANE GARDENS, INC.

4 Sadore Lane

Unit	Type	Shares	Price	Maint	Unit	Type	Shares	Price	Maint
1A	3.5	96	\$28,840	\$281.28	2B	6.0	203	\$78,000	\$594.79
1B	3.5	91	\$28,840	\$266.63	2C	3.5	95	\$28,840	\$278.35
1C	3.5	91	\$28,840	\$266.63	2E	4.5	128	\$46,800	\$375.04
1D	2.5	60	\$24,000	\$175.80	2G	4.5	132	\$46,800	\$386.76
1E	4.5	124	\$46,800	\$363.32	2J	4.0	116	\$32,960	\$339.88
1K	5.0	160	\$60,000	\$468.80	2K	5.0	164	\$60,000	\$480.52
1M	3.5	96	\$28,840	\$281.28	2O	6.0	203	\$78,000	\$594.79
1N	3.5	96	\$28,840	\$281.28	2S	4.5	128	\$46,800	\$375.04
1O	2.5	60	\$24,000	\$175.80	2T	5.0	161	\$62,000	\$471.73
1P	3.5	91	\$28,840	\$266.63	2U	4.5	134	\$46,800	\$392.62
1T	5.0	157	\$62,000	\$460.01	2W	4.0	118	\$32,960	\$345.74
1V	4.5	130	\$46,800	\$380.90					
1X	5.0	162	\$60,000	\$474.66					
	5.0	162	\$62,000	\$474.66					
1Z	3.5	96	\$28,840	\$281.28					
3A	3.5	102	\$28,840	\$298.86	4A	3.5	104	\$28,840	\$304.72
3C	3.5	97	\$28,840	\$284.21	4C	3.5	99	\$28,840	\$290.07
3H	4.5	132	\$46,800	\$386.76	4E	4.5	132	\$46,800	\$386.76
3J	4.0	118	\$32,960	\$345.74	4F	5.0	163	\$62,000	\$477.59
3K	5.0	166	\$60,000	\$486.38	4G	4.5	138	\$46,800	\$404.34
3S	4.5	130	\$46,800	\$380.90	4H	4.5	138	\$46,800	\$404.34
3U	4.5	134	\$46,800	\$392.62	4K	5.0	170	\$60,000	\$498.10
3W	4.0	118	\$32,960	\$345.74	4T	5.0	163	\$62,000	\$477.59
					4V	4.5	138	\$46,800	\$404.34
					4X	5.0	172	\$60,000	\$503.96
					4Y	5.0	170	\$62,000	\$498.10
					4Z	3.5	104	\$28,840	\$304.72

SALES AND FINANCING PROGRAMS

SADORE LANE GARDENS, INC.

4 Sadore Lane

Unit	Type	Shares	Price	Maint	Unit	Type	Shares	Price	Maint
5A	3.5	106	\$28,840	\$310.58	6A	3.5	108	\$28,840	\$316.44
5B	6.0	209	\$78,000	\$612.37	6B	6.0	211	\$78,000	\$618.23
5D	2.5	70	\$24,000	\$205.10	6C	3.5	103	\$28,840	\$301.79
5F	5.0	165	\$62,000	\$483.45	6F	5.0	167	\$62,000	\$489.31
5J	4.0	122	\$32,960	\$357.46	6G	4.5	142	\$46,800	\$416.06
5K	5.0	170	\$60,000	\$498.10	6L	5.0	174	\$62,000	\$509.82
5L	5.0	172	\$62,000	\$503.96	6M	3.5	108	\$28,840	\$316.44
5O	6.0	209	\$78,000	\$612.37	6P	3.5	103	\$28,840	\$301.79
5R	2.5	70	\$24,000	\$205.10	6S	4.5	136	\$46,800	\$398.48
5T	5.0	167	\$62,000	\$489.31	6U	4.5	142	\$46,800	\$416.06
5V	4.5	138	\$46,800	\$404.34	6X	5.0	174	\$60,000	\$509.82
5X	5.0	172	\$60,000	\$503.96	6Y	5.0	174	\$62,000	\$509.82
5Y	5.0	172	\$62,000	\$503.96	6Z	3.5	108	\$28,840	\$316.44
7B	6.0	213	\$78,000	\$624.09					
7E	4.5	138	\$46,800	\$404.34					
7H	4.5	144	\$46,800	\$421.92					
7K	5.0	174	\$60,000	\$509.82					
7P	3.5	105	\$28,840	\$307.65					
7S	4.5	138	\$46,800	\$404.34					
7T	5.0	171	\$62,000	\$501.03					
7X	5.0	176	\$60,000	\$515.68					
7Y	5.0	176	\$62,000	\$515.68					
7Z	3.5	110	\$28,840	\$322.30					

SALES AND FINANCING PROGRAMS

SADORE LANE GARDENS, INC.

5 Sadore Lane

Unit	Type	Shares	Price	Maint	Unit	Type	Shares	Price	Maint
LG	4.5	128	\$46,800	\$375.04	2D	4.5	124	\$46,800	\$363.32
LK	4.5	128	\$46,800	\$375.04	2E	6.0	203	\$78,000	\$594.79
LL	4.5	128	\$46,800	\$375.04	2G	4.5	134	\$46,800	\$392.62
LM	3.5	94	\$28,840	\$275.42	2K	4.5	134	\$46,800	\$392.62
1E	4.5	128	\$46,800	\$375.04	2N	5.0	163	\$62,000	\$477.59
1H	4.0	114	\$32,960	\$334.02	2P	4.5	132	\$46,800	\$386.76
1J	4.0	114	\$32,960	\$334.02	2R	4.5	132	\$46,800	\$386.76
1K	4.5	132	\$46,800	\$386.76	4A	3.0	86	\$24,720	\$251.98
1L	4.5	132	\$46,800	\$386.76	4B	4.5	138	\$46,800	\$404.34
3A	3.0	84	\$24,720	\$246.12	4C	4.5	138	\$46,800	\$404.34
3B	4.5	136	\$46,800	\$398.48	4E	6.0	207	\$78,000	\$606.51
3C	4.5	136	\$46,800	\$398.48	4F	4.5	138	\$46,800	\$404.34
3D	4.5	136	\$46,800	\$398.48	4G	4.5	138	\$46,800	\$404.34
3E	6.0	205	\$78,000	\$600.65	4H	4.0	120	\$32,960	\$351.60
3J	4.0	118	\$32,960	\$345.74	4K	4.5	138	\$46,800	\$404.34
3L	4.5	136	\$46,800	\$398.48	4L	4.5	138	\$46,800	\$404.34
3S	3.5	102	\$28,840	\$298.86	4P	4.5	138	\$46,800	\$404.34
					4R	4.5	138	\$46,800	\$404.34
					4S	3.5	104	\$28,840	\$304.72

SALES AND FINANCING PROGRAMS

SADORE LANE GARDENS, INC.

5 Sadore Lane

Unit	Type	Shares	Price	Maint	Unit	Type	Shares	Price	Maint
5B	4.5	140	\$46,800	\$410.20	6B	4.5	142	\$46,800	\$416.06
5C	4.5	140	\$46,800	\$410.20	6C	4.5	142	\$46,800	\$416.06
5F	4.5	140	\$46,800	\$410.20	6E	6.0	211	\$78,000	\$618.23
5M	5.0	169	\$62,000	\$495.17	6F	4.5	142	\$46,800	\$416.06
5N	5.0	169	\$62,000	\$495.17	6H	4.0	124	\$32,960	\$363.32
5P	4.5	140	\$46,800	\$410.20	6J	4.0	124	\$32,960	\$363.32
5R	4.5	140	\$46,800	\$410.20	6K	4.5	142	\$46,800	\$416.06
5S	3.5	106	\$28,840	\$310.58	6L	4.5	142	\$46,800	\$416.06
					6P	4.5	142	\$46,800	\$416.06
					6R	4.5	142	\$46,800	\$416.06
7B	4.5	144	\$46,800	\$421.92					
7E	6.0	213	\$78,000	\$624.09					
7F	4.5	144	\$46,800	\$421.92					
7G	4.5	144	\$46,800	\$421.92					
7K	4.5	144	\$46,800	\$421.92					
7M	5.0	173	\$62,000	\$506.89					
7N	5.0	173	\$62,000	\$506.89					
7P	4.5	144	\$46,800	\$421.92					
7R	4.5	144	\$46,800	\$421.92					

RIDER TO CONTRACT DATED: _____, 1995

SELLER: Garden Towers Co.

PURCHASER: _____

APARTMENT: Apt. _____, _____ Sadore Lane,
Yonkers, New York 10710

THIS RIDER IS INTENDED TO BE AFFIXED TO AND BECOME A PART OF THE ABOVE DESCRIBED CONTRACT; IF ANY PROVISION IN THIS RIDER CONFLICTS WITH OR IS INCONSISTENT WITH ANY PRINTED PROVISION OF THE CONTRACT, THEN THE PROVISION OF THIS RIDER SHALL CONTROL.

30. The terms of this Contract are expressly subject to the terms of that certain cooperative offering plan for the Corporation, dated as of September 24, 1982, as the same has been amended to date (the "Plan"). Purchaser acknowledges receipt of a copy of the Plan at least three (3) business days prior to execution of this Contract and represents that Purchaser has examined and is satisfied with same. In the event of conflict between the terms of the Plan and the terms of this Contract, the terms of the Plan shall control.

31. Supplementing Paragraph 4, it is agreed that:

A. Seller is not obligated to install any equipment or appliances in the Unit or otherwise make any repairs, improvements or decorations to the Unit or its equipment, appliances and fixtures.

B. The Seller is a Holder of Unsold Shares as such term is defined in the Plan.

C. Purchaser acknowledges having entered into this Contract without relying upon any promises, statements, estimates, representations, warranties, conditions or other inducements, expressed or implied, oral or written, not set forth herein or in the Plan as amended.

32. Supplementing and modifying Paragraphs 2.2.2 and 10.2.1:

(a) Purchaser hereby guarantees payment of all checks delivered at closing on account of Purchaser's obligations under this Contract. This subparagraph 32(a) shall survive the Closing.

(b) Purchaser acknowledges that the balance of the Purchase Price must be paid by checks strictly in accordance with paragraph 2.2.2. Certified personal checks or official cashier's or bank checks payable to the order of Purchaser and endorsed to Seller will not be accepted at closing.

33. With respect to all proceeds received by or on behalf of Seller under this Agreement, the Seller shall comply with the trust fund and escrow provisions of General Business Law Section 352-h and Section 352-e(2-b).

34. The acceptance of the Shares and the assumption of the Lease by the Purchaser shall be deemed to be a full performance and discharge of every agreement and obligation on the part of the Seller to be performed pursuant to the provisions of this Contract except (a) those expressly provided to survive the closing and (b) those obligations which Seller, as the Sponsor, is required to perform either under (i) the terms of the Plan, as amended to date, or (ii) applicable provisions of the General Business Law.

35. If through no fault of Seller, Purchaser, for any reason, fails to close on the date scheduled for closing in Paragraph 1.11 (the "Scheduled Closing Date"), then Purchaser will be obligated to reimburse Seller a daily sum for each day's delay of \$25.00 for the period beginning with the Scheduled Closing Date and ending on the day immediately preceding the actual closing date. Time is of the essence for Purchaser to pay and perform Purchaser's obligations hereunder within 30 days of the Scheduled Closing Date.

36. Supplementing Paragraph 10.2, Purchaser shall pay any application fee, recognition agreement review fee, move-in fee or other fee the Corporation may require.

37. Supplementing and Modifying Paragraph 28:

(a) The Escrowee shall deposit and handle the Contract Deposit in accordance with the terms and provisions of Paragraph 1 of the 16th Amendment and Paragraph 7 of the 18th Amendment to the Plan converting the Premises to cooperative ownership. Purchaser acknowledges having read the terms of such 16th and 18th Amendments and the escrow provisions contained therein and agrees to be bound by same.

(b) The Escrowee shall not be bound by any modification of this Contract or its escrow provisions unless there is delivered to the Escrowee a written modification signed by the parties. No such modification shall, without the written consent of the Escrowee, modify the provisions relating to the duties, obligations or rights of the Escrowee.

38. Purchaser acknowledges having received two (2) copies of the New York State Real Property Gains Tax Transferee Questionnaire simultaneously with Purchaser's signing of this Contract of Sale. Purchaser represents and agrees that if Purchaser has not returned the completed, executed and notarized Transferee Questionnaires simultaneously with Purchaser delivery of this Contract of Sale and Contract Deposit, then Purchaser will sign an return the Questionnaires to Seller, completed and duly notarized, not later

than five (5) business days from the date Seller delivers a countersigned Contract of Sale to Purchaser, failing which Purchaser will be in default under this Contract of Sale.

39. The execution and delivery of this Contract of Sale by Purchaser and the delivery thereof to Seller shall have no binding force and effect on Seller unless and until Seller shall have executed this Contract of Sale and a counterpart thereof shall have been delivered to Purchaser or Purchaser's attorney as set forth herein.

40. Purchaser understands that the Corporation is not a party to this Contract or the sale contemplated hereby and that no representations, warranties or promises of any kind have been made to Purchaser by the Corporation. Purchaser agrees that no claim will be made against the Corporation by Purchaser in respect of, or arising out of, the purchase of the shares and appurtenant Lease.

41. Purchaser represents to Seller and to the Corporation that Purchaser is not less than 18 years of age. The provisions of this Paragraph shall inure to the benefit of both Seller and the Corporation and shall survive the Closing.

SELLER: GARDEN TOWERS CO.

BY: _____

PURCHASER:

SADORE LANE GARDENS, INC.
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
FEBRUARY 28, 1995 & 1994
INDEPENDENT AUDITORS' REPORT

EXHIBIT C

SANDLER, ROSENGARTEN, DENIS & BERGER LLP
CERTIFIED PUBLIC ACCOUNTANTS

10.1.4 executed FIRPTA document(s) (defined in Par. 26);
10.1.5 keys to the Unit, building entrances, garage, mailbox and any locks in the Unit;
10.1.6 if requested, an assignment to Purchaser of Seller's interest in the Property;
10.1.7 Net Insurance Proceeds and/or assignment of any uncollected Net Insurance Proceeds, if applicable; and
10.1.8 instruments or other documents required under Par. 4.1.2, if any.

10.2 At Closing, Purchaser shall:

10.2.1 pay the Balance in accordance with Par. 2.2.2;
10.2.2 execute and deliver to Seller and the Corporation an agreement assuming the Lease, in the form required by the Corporation; and
10.2.3 if requested by the Corporation, execute and deliver counterparts of a new lease substantially the same as the Lease, for the balance of the Lease term, in which case the Lease shall be cancelled and surrendered to the Corporation together with Seller's assignment thereof to Purchaser.

10.3 At Closing, the Parties shall provide the information necessary for Internal Revenue Service ("IRS") Form 1099-S or other similar form required.

10.4 At Closing, Seller shall provide, and the Parties shall execute, all documents necessary to comply with any applicable transfer and/or gains tax filings.

11. Closing Fees, Taxes and Apportionments

11.1 At Closing, Seller shall pay, if applicable:

11.1.1 the processing fees of the Corporation, its attorneys, and/or agents, except as set forth in Par. 11.2.3;

11.1.2 the cost of stock transfer stamps; and

11.1.3 the transfer tax and transfer gains tax, except a transfer tax which by its terms imposes primary liability on the purchaser.

11.2 At Closing, Purchaser shall pay:

11.2.1 the sales taxes, if any, on this sale, other than the transfer stamps as provided for in Par. 11.1.2;

11.2.2 the cost of any title search;

11.2.3 any fee to the Corporation or its agents and/or attorneys relating to Purchaser's financing; and \$300.00 to the Phoenix Group

11.2.4 a transfer tax which by law is primarily imposed on the purchaser. ^{(closing fee and}

11.3 At Closing, the Hip Tax, if any, shall be paid by the Party specified in Par. 1.15.

11.4 At Closing, the Parties shall apportion as of 11:59 P.M. of the day preceding the Closing, the Maintenance and any other periodic charges due the Corporation (other than Assessments).

11.5 Assessments, whether payable in a lump sum or installments, shall not be apportioned, but shall be paid by the Party who is the owner of the Shares on the date specified by the Corporation for payment. Purchaser shall pay any installments payable after Closing provided Seller had the right to and elected to pay the Assessment in installments.

11.6 Each party covenants to the other that it will timely pay any taxes for which it is primarily liable pursuant to law. This Par. 11.6 shall survive Closing.

12. Broker

12.1 Each Party represents to the other that such Party has not dealt with any other person acting as a broker, whether licensed or unlicensed, in connection with this transaction other than the Broker named in Par. 1.10.

12.2 Seller shall pay the Broker's commission pursuant to a separate agreement. The Broker shall not be deemed to be a third-party beneficiary of this provision.

12.3 This Par. 12 shall survive the Closing.

13. Defaults, Remedies and Indemnities

13.1 In the event of a default or misrepresentation by Purchaser, Seller's sole remedy shall be to terminate this Contract and retain the Contract Deposit as liquidated damages, except there shall be no limitation on Seller's remedies for a breach of Par. 12.1. In case of Purchaser's misrepresentation or default, Seller's damages would be impossible to ascertain and the Contract Deposit constitutes a fair and reasonable amount of compensation.

13.2 In the event of a default or misrepresentation by Seller, Purchaser shall have such remedies as Purchaser is entitled to at law or in equity, including specific performance, because the Unit and possession thereof cannot be duplicated.

13.3 Each Party indemnifies and holds harmless the other against and from any claim, judgment, loss, liability, cost or expense resulting from the indemnitor's breach of any of the representations or covenants stated to survive Closing. This indemnity includes, without limitation, reasonable attorneys' fees and disbursements, court costs and litigation expenses. This Par. 13.3 shall survive the Closing.

13.4 Purchaser indemnifies and holds harmless Seller against and from any claim, judgment, loss, cost or expense resulting from the Lease obligations assumed by Purchaser. This indemnity includes, without limitation, reasonable attorneys' fees and disbursements, court costs and litigation expenses. This indemnity does not include or excuse a breach of any representation or covenant by Seller in Par. 4.1. This Par. 13.4 shall survive the Closing.

13.5 In the event any instrument for the payment of the Contract Deposit fails of collection, Seller shall have the right to sue on the uncollected instrument. In addition, such failure of collection shall be a default under this Contract, provided Seller gives Purchaser

Notice of such failure of collection and, within 3 business days after Notice is given, Escrowee does not receive from Purchaser an unendorsed certified check, bank check or immediately available funds in the amount of the uncollected funds. Failure to cure such default shall entitle Seller to the remedy in Par. 13.1 and to retain all sums as may be collected and/or recovered.

14. Entire Agreement; Modification

14.1 All prior oral or written representations, understandings and agreements had between the Parties with respect to the subject matter of this Contract, and with the Escrowee as to Par. 28, are merged in this Contract, which alone fully and completely expresses their agreement.

14.2 A provision of this Contract may be changed or waived only in writing signed by the Party (or Escrowee) to be changed.

14.3 The Attorneys may extend in writing any of the time limitations stated in this Contract.

15. No Assignment by Purchaser

15.1 Purchaser may not assign this Contract or any of Purchaser's rights hereunder and any purported assignment shall be null and void.

15.2 This Contract shall bind and inure to the benefit of the Parties hereto and their respective heirs, personal and legal representatives and successors in interest.

16. Cancellation for Other than Default or Misrepresentation

If Seller shall be unable to transfer the Lease and the Shares in accordance with this Contract for any reason not due to Seller's willful acts or omissions, then the sole obligation of Seller shall be to refund to Purchaser the Contract Deposit and reimburse Purchaser for the actual costs incurred for Purchaser's title or abstract search, except such reimbursement shall not be required if a cancellation is pursuant to Par. 6 or 19. Upon making such refund, this Contract shall be cancelled and neither Party shall have any further claim against the other hereunder.

17. Notices

17.1 Any notice or demand ("Notice") shall be in writing and either delivered by hand or overnight delivery or sent by certified or registered mail to the Party and simultaneously, in like manner, to such Party's Attorney, if any, and to Escrowee at the addresses set forth in Par. 1, or to such other address as shall hereafter be designated by Notice given pursuant to this Par. 17.

17.2 Each Notice shall be deemed given on the same day if delivered by hand or on the following business day if sent by overnight delivery, or the second business day following the date of mailing.

17.3 The Attorneys are authorized to give any Notice specified in this Contract on behalf of their respective clients.

17.4 Failure to accept a Notice does not invalidate the Notice.

18. Margin Headings

The margin headings do not constitute part of the text of this Contract.

19. Financing Contingency (*delete if inapplicable*)

19.1 Purchaser may cancel this Contract and recover the Contract Deposit by following the procedure in Par. 19.4 if after complying with Purchaser's "Financing Obligations" in Par. 19.2 below and Purchaser's other obligations under this Contract:

19.1.1 Purchaser fails through no fault of Purchaser to obtain from an "Institutional Lender" (defined in Par. 19.5.1) a "Loan Commitment Letter" (defined in Par. 19.5.2) for financing on the Loan Terms and within the time period stated in Par. 1.16 (the "Loan"); or

19.1.2 the Institutional Lender and the Corporation cannot agree on the terms of an agreement for the protection of the Institutional Lender (commonly called a recognition agreement), if required by the Institutional Lender.

19.2 Purchaser's right to cancel under Par. 19.1 and recover the Contract Deposit is conditioned upon Purchaser's diligent compliance with all of the following "Financing Obligations":

19.2.1 Purchaser must apply in good faith for the Loan from an Institutional Lender within 7 business days after a fully executed counterpart of this Contract is given to Purchaser;

19.2.2 the Loan application must contain truthful, accurate and complete information as required by the Institutional Lender; and

19.2.3 Purchaser must comply with all requirements of the Institutional Lender to obtain the Loan Commitment Letter and to close the Loan.

19.3 Purchaser may also cancel this Contract and recover the Contract Deposit in accordance with the procedure in Par. 19.4 if:

19.3.1 the Closing is adjourned by Seller or the Corporation for for more than 30 business days from the date set for Closing in Par. 1.11; and

19.3.2 the Loan Commitment Letter expires on a date more than 30 business days after the date set for Closing in Par. 1.11 and before the new date set for Closing pursuant to Par. 19.3.1; and

19.3.3 Purchaser is unable in good faith to obtain from the Institutional Lender an extension or a new Loan Commitment Letter for the Amount Financed stated in Par. 1.16 or the same principal amount stated in the expired Loan Commitment Letter, whichever is lower, without paying any additional fees to the Institutional Lender (unless Seller, within 5 business days after receipt of Notice of such fees, gives Notice that Seller will pay such fees and pays them when due). All other substantive Loan terms may be materially no less favorable than in the expired Loan Commitment Letter.

19.4 In order to cancel pursuant to Par. 19.1 or 19.3, Purchaser shall give Notice of cancellation to Seller within 7 business days after the right to cancel arises. Purchaser's failure to timely give such Notice of cancellation will be deemed a conclusive waiver of such right to cancel. In case of cancellation pursuant to Par. 19.1 a copy of any

loan refusal letter or non-complying Loan Commitment Letter (as the case may be) issued by the Institutional Lender shall accompany the Notice of cancellation, if available, or if not then available, shall be provided promptly after receipt. In case of cancellation pursuant to Par. 19.3, a copy of all written communications between the Institutional Lender and Purchaser concerning the extension or new loan commitment shall accompany the Notice of cancellation (or a copy of any letter refusing to extend the loan commitment or make a new loan commitment received by Purchaser after sending the cancellation Notice shall be sent to Seller promptly after receipt). Purchaser's obligation under this Par. 19.4 shall survive the cancellation of this Contract.

19.5 The definitions for certain terms used in this Par. 19 are:

19.5.1 an "Institutional Lender" is any bank, savings bank, savings and loan association, trust company, credit union of which Purchaser is a member, insurance company or governmental entity which is duly authorized to issue a loan secured by the Shares and Lease in the state where the Unit is located and is then currently extending similarly secured loan commitments; and

19.5.2 a "Loan Commitment Letter" is a written offer to make the Loan with or without recourse, and whether or not conditional upon any factor other than an appraisal satisfactory to the Institutional Lender. An offer to make the Loan which is conditional on obtaining a satisfactory appraisal shall only become a Loan Commitment Letter upon such condition being met.

20. Singular/Plural and Joint/Several

The use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires. If more than one entity is selling or purchasing the Unit, their obligations shall be joint and several.

21. No Survival

No representation and/or covenant contained herein shall survive Closing except as expressly provided. Computational errors shall survive and be corrected after Closing.

22. Inspections

Purchaser shall have the right to inspect the Unit at reasonable times upon reasonable request to Seller, and within 48 hours prior to Closing.

23. Governing Law

This Contract shall be governed by the laws of the State of New York. Any action or proceeding arising out of this Contract shall be brought in the county where the Unit is located and the Parties hereby consent to said venue.

24. Removal of Liens

24.1 Purchaser shall deliver or cause to be delivered to Seller or Seller's Attorney, not less than 10 calendar days prior to Closing, a list of Liens, if any, which may violate Par. 4.1.

24.2 Seller shall have a reasonable period of time to remove any such Lien.

25. Cooperation of Parties

25.1 The Parties shall each cooperate with the other, the Corporation, Purchaser's Institutional Lender and title company, if any, and obtain, execute and deliver such documents as are reasonably necessary to close.

25.2 The Parties shall timely file or pre-file all required documents in connection with all governmental filings that are required by law. Each Party represents to the other that its statements in such filings will be true and complete. This Par. 25.2 shall survive the Closing.

26. FIRPTA and Gains Tax

26.1 The Parties shall comply with IRC §§ 897, 1445 and related provisions, as amended, and any substitute provisions of any successor statute and the regulations thereunder ("FIRPTA"). The Seller shall furnish to the Purchaser at or prior to Closing a Certification of Nonforeign Status in accordance with FIRPTA. If the Seller fails to deliver such certification by Closing, the Purchaser shall deduct and withhold from the Purchase Price such sum required by law and remit such amount to the IRS. In the event of such withholding by Purchaser, Seller's obligations hereunder, including (but not limited to) the transfer of ownership of the Shares and Lease, shall not be excused or otherwise affected. In the event of any claimed over-withholding, Seller shall be limited solely to an

action against the IRS for a refund. Seller hereby waives any right of action against Purchaser on account of such withholding. This Par. 26.1 shall survive the Closing.

26.2 If a Real Property Transfer Gains Tax pre-filing is required by law, Purchaser shall simultaneously herewith deliver to Seller a completed and executed Transferee Questionnaire or the equivalent thereof.

27. Additional Conditions

27.1 Purchaser shall not be obligated to close unless at the time of the Closing:

27.1.1 the Corporation is duly incorporated and in good standing; and

27.1.2 the Corporation has fee or leasehold title to the Premises, whether or not marketable or insurable; and

27.1.3 there is no pending in rem action or foreclosure action of any underlying mortgage affecting the Premises.

27.2 Purchaser shall give Seller Notice of any failure of any of the conditions in Par. 27.1. If any condition in Par. 27.1 is not true and is not cured within a reasonable period of time after giving said Notice, then either Seller or Purchaser shall have the option to cancel this Contract pursuant to Par. 16.

28. Escrow Terms ^{The escrow is subject to the terms of the Offering Plan}

28.1 Escrowee acknowledges receipt of the check for the Contract Deposit, subject to collection.

28.2 The check for the Contract Deposit shall be deposited by Escrowee in an escrow account as described in Par. 1.18 and the proceeds held and disbursed in accordance with the terms of this Contract. Upon Closing, Escrowee shall deliver the Contract Deposit to Seller. In all other cases, if either Party makes a demand upon Escrowee for delivery of the Contract Deposit, Escrowee shall give Notice to the other Party of such demand. If a Notice of objection to the proposed payment is not received from the other Party within 7 business days after the giving of Notice by Escrowee, time being of the essence, Escrowee is hereby authorized to deliver the Contract Deposit to the Party who made the demand. If Escrowee receives a Notice of objection within said period, or if for any other reason Escrowee in good faith elects not to deliver the Contract Deposit, then Escrowee shall continue to hold the Contract Deposit and thereafter pay it to the Party entitled when Escrowee receives (a) ~~a Notice from the objecting Party withdrawing the objection;~~ or (b) a Notice signed by both Parties directing disposition of the Contract Deposit; or (c) a judgment or order of a court of competent jurisdiction; or (d) a determination from the Department of Law.

28.3 In the event of any dispute or doubt as to the genuineness of any document or signature, or uncertainty as to Escrowee's duties, then Escrowee shall have the right either to continue to hold the Contract Deposit in escrow or to pay the Contract Deposit into court pursuant to relevant statute.

28.4 The parties agree jointly to defend (by attorneys selected by Escrowee), indemnify and hold harmless Escrowee against and from any claim, judgment, loss, liability, cost or expense resulting from any dispute or litigation arising out of or concerning Escrowee's duties or services hereunder. This indemnity includes, without limitation, disbursements and reasonable attorneys' fees either paid to retain attorneys or representing the fair value of legal services rendered by Escrowee to itself.

28.5 Escrowee shall not be liable for any error in judgment or for any act done or step taken or omitted in good faith, or for any mistake of fact or law, except for Escrowee's own gross negligence or willful misconduct.

28.6 The Parties acknowledge that Escrowee is merely a stakeholder. Upon payment of the Contract Deposit pursuant to Par. 28.2 or 28.3, Escrowee shall be fully released from all liability and obligations with respect to the Contract Deposit.

28.7 In the event Escrowee is the attorney for either Party, Escrowee shall be entitled to represent such Party in any lawsuit.

28.8 Escrowee shall serve without compensation.

28.9 The signing of this Contract by Escrowee is only to evidence Escrowee's acceptance of the terms and conditions of this Par. 28.

29. Binding Effect

This Contract shall not be binding unless a fully executed counterpart thereof has been delivered to each of the Parties.

See Rider annexed hereto and made part hereof for additional terms

In Witness Whereof, the Parties hereto have duly executed this Contract as of the date first above written.

ESCROW FIRMS AGREED TO:
Gross and Gross

by: _____
Escrowee

SELLER:

Garden Towers Co.
by: _____

PURCHASER:

Partners

**CONSULT YOUR LAWYER BEFORE SIGNING THIS AGREEMENT****Contract of Sale — Cooperative Apartment**

This Contract is made as of

between the "Seller" and the "Purchaser" identified below.

1. Certain Definitions and Information

1.1 The "Parties" are:

Seller: Garden Towers Co.,
550 Namatoneck Avenue
Address: Harrison, New York 10528

*Print names
used by Seller*

Sec. Sec. No.: 13-2578521

Purchaser:**Address:**

You, Sec. No.

1.2 The "Attorneys" are (name, address and telephone):

Gross and Gross
For Seller: 9 W. Prospect Avenue
Mt. Vernon, New York 10550
(914) 699-1919

For Purchaser:

1.3 The "Escrowee" is (name, address and telephone):

Gross and Gross
9 W. Prospect Avenue
Mt. Vernon, New York 10550
(914) 699-1919

1.4 The "Managing Agent" is (name, address and telephone):

Sadore Lane Gardens, Inc.
5 Sadore Lane
Yonkers, New York 10710
914-793-1014

1.5 The name of the cooperative housing corporation ("Corporation") is Sadore Lane Gardens, Inc.

1.6 The "Unit" number is

1.7 The Unit is located in "Premises" known as

Sadore Lane
Yonkers, New York 10710

1.8 The "Shares" are the _____ shares of the Corporation allocated to the Unit.

1.9 The "Lease" is the proprietary lease for the Unit given by the Corporation.

1.10 The "Broker" (see Par. 12) is

The Phoenix Group
4 Sadore Lane
Yonkers, New York 10710

The Broker is also referred to as the Selling Agent.

1.11 The "Closing" is the transfer of ownership of the Shares and Lease, which is scheduled to occur on

19 95 at 10:00 A.M. (see Pars. 9 and 10)

1.12 The "Purchase Price" is \$

1.12.1 the "Contract Deposit" is \$

1.12.2 the "Balance" of the Purchase Price due at Closing is \$ (see Par. 2)

1.13 The "Maintenance" charge is the rent payable under the Lease which at the date of this Contract is in the monthly amount of \$ (see Par. 4)

1.14 The "Assessment" is the additional rent payable under the Lease which at the date of this Contract is \$ None payable as follows:

1.15 The Party upon whom the Corporation imposes a "Flip Tax" or similar transfer fee, if any, is None (see Par. 11.3)

1.16 If Par. 19 (Financing Contingency) applies:

1.16.1 the "Loan Terms" are:

Amount Financed: \$ _____ or any lower amount applied for or acceptable to Purchaser.

Payment Terms and Charges: The customary payment terms (including prevailing fixed or adjustable interest rate, prepayment provisions and maturity) and charges (including points, origination and other fees) then currently being offered to purchasers of cooperative apartments by the Institutional Lender (defined in Par. 19.5.1) to which Purchaser applies.

Security: Pledge of the Shares and Lease.1.16.2 the period for Purchaser to obtain a Loan Commitment Letter is 30 business days after a fully executed counterpart of this Contract is given to Purchaser.

1.17 The "Proposed Occupants" of the Unit are the following:

1.17.1 persons and relationship to Purchaser:

1.17.2 pets: None

1.18 The Contract Deposit shall be held in a non- interest bearing escrow account. Interest shall be payable to the

account shall be a IOLA type The escrow

account held at Citibank N.A., 895 Pelham Parkway, Pelham Manor, New York (See Par. 28)

2. Agreement to Sell and Purchase; Purchase Price; Escrow

2.1 Seller agrees to sell and assign to Purchaser, and Purchaser agrees to purchase and assume from Seller, the Seller's Shares and Lease for the Purchase Price and upon the other terms and conditions stated in this Contract.

2.2 The Purchase Price is payable to Seller by Purchaser as follows:

2.2.1 the Contract Deposit at the time of signing this Contract, by Purchaser's collectible check to the order of Escrowee.

2.2.2 the Balance at Closing, only by cashier's, official bank or certified check of Purchaser made payable to the direct order of Seller. These checks shall be drawn on and payable by a branch of a commercial or savings bank, savings and loan association or trust company located in the same City or County as the Unit. Seller may direct, on not less than 3 business days' Notice (defined in Par. 17) prior to Closing, that all or a portion of the Balance shall be made payable to persons other than Seller.

3. Personal Property

3.1 Subject to any rights of the Corporation or any holder of a mortgage to which the Lease is subordinate, this sale includes all of Seller's ownership, if any, of the following "Property" to the extent existing in the Unit on the date hereof: the refrigerator, freezer, range, oven, microwave oven, dishwasher, cabinets and counters, lighting fixtures, chandeliers, wall-to-wall carpeting, plumbing fixtures, central air-conditioning and/or window or sleeve units, washing machine, dryer, screens and storm windows, window treatments, switch plates, door hardware, built-ins not excluded in Par. 3.2 and

SEE RTDER

3.2 Specifically excluded from this sale is all personalty not included in Par. 3.1 and

3.3 The Property shall not be purchased if Closing does not occur.

3.4 No consideration is being paid for the Property. Seller makes no representation as to the condition of the Property. Purchaser shall take the Property "as is" on the date of this Contract, except for reasonable wear and tear, and except further, the appliances shall be in working order at Closing.

3.5 At or prior to the time of Closing, Seller shall remove from the Unit all the furniture, furnishings and other personalty not included in this sale, and repair any damage caused by such removal.

4. Representations and Covenants

4.1 Subject to any matter affecting title to the Premises (as to which Seller makes no representations or covenants), Seller represents and covenants that:

4.1.1 Seller is and shall at Closing be the sole owner of the Shares and Lease with the full right and power to sell and assign them;

4.1.2 the Shares and Lease will at Closing be free and clear of liens (other than the Corporation's general lien on the Shares, for which no monies shall be owed), encumbrances and adverse interests ("Liens"); or Seller will deliver to Purchaser at Closing all requisite terminations, releases and/or satisfactions executed in form suitable for filing and/or recording, so as to remove of record, at Seller's expense, any such Liens;

4.1.3 the Shares were duly issued, fully paid for and are non-assessable;

4.1.4 the Lease is, and will at Closing be, in full force and effect and no notice of default under the Lease will be in effect at Closing;

4.1.5 the Maintenance and Assessments payable as of the date hereof are as specified in Pars. 1.13 and 1.14. All sums due to the Corporation will be fully paid by Seller to the end of the payment period immediately preceding the date of Closing;

4.1.6 as of this date, Seller neither has actual knowledge nor has received any written notice of (a) any increase in Maintenance or (b) any proposed Assessment which has been either adopted or is under consideration by the Board of Directors of the Corporation and not reflected in the amounts set forth in Pars. 1.13 and 1.14;

4.1.7 Seller will not at Closing be indebted for labor or material which might result in the filing of a notice of mechanic's lien against the Unit or the Premises;

4.1.8 there are and at closing will be no violations of record which the owner of the Shares and Lease would be obligated to remedy under the terms of the Lease;

4.1.9 Seller has not made any alterations or additions to the Unit, without any required consent of the Corporation;

4.1.10 Seller has not entered and will not enter into, and has no actual knowledge of, any agreement (other than the Lease) affecting the use and/or occupancy of the Unit which would be binding on or adversely affect Purchaser; and

4.1.11 Seller has been known by no other name for the past 10 years except as set forth in Par. 1.1.

4.2 Purchaser represents and covenants that Purchaser is acquiring the Shares and Lease solely for residential occupancy of the Unit by the Proposed Occupants only and will so represent to the Corporation in connection with Purchaser's application to the Corporation for approval of this transaction by the Corporation.

4.3 The representations and covenants contained in Par. 4.1 shall survive Closing, but any action based thereon must be instituted within 1 year from Closing.

5. Corporate Documents

Purchaser has examined and is satisfied with or has waived the examination of the Lease, and the Corporation's certificate of incorporation, bylaws, house rules, most recent audited financial statement and most recent statement of tax deductions available to the Corporation's shareholders under Internal Revenue Code ("IRC") § 216 (or any successor statute).

6. Required Approval and References

6.1 This sale is ~~not~~ subject to the approval of the Corporation.

6.2 Purchaser shall in good faith:

6.2.1 submit to the Corporation or its Managing Agent, within 10 business days after the receipt of a fully executed counterpart of this Contract, an application for approval of this sale in the form required by the Corporation containing such data and together with such documents as the Corporation reasonably requires except for the Loan Commitment Letter (defined in Par. 19.5.2), if applicable, which shall be submitted by Purchaser within 7 business days after it is obtained;

6.2.2 attend (and cause any person who will reside in the Unit to attend) one or more personal interviews, as requested by the Corporation; and

6.2.3 promptly submit to the Corporation such further references, data and documents reasonably requested by the Corporation.

6.3 Either Party, after learning of the approval or denial by the Corporation of the application, shall promptly send Notice to the other Party of the Corporation's decision. If approval or denial has not been issued on or before the date set for Closing, the Closing shall be adjourned for 30 business days for the purpose of obtaining such approval unless otherwise agreed to by the Parties. If the approval of this sale is not obtained by said adjourned date, either Party may cancel this Contract on Notice to the other provided that the Corporation's approval is not issued before Notice of cancellation is given. In the event of a denial other than for Purchaser's bad faith

conduct, this contract shall be deemed cancelled. In the event of cancellation pursuant to this Par. 6, the Escrowee shall refund the Contract Deposit to Purchaser. In case of a denial or lack of approval due to Purchaser's bad faith conduct, Purchaser shall be in default and Par. 13.1 shall govern.

7. Condition of Unit and Possession

7.1 Seller makes no representation as to the condition of the Unit. Purchaser has inspected the Unit and shall take the same "as is", on the date of this Contract, reasonable wear and tear excepted.

7.2 Seller shall deliver possession of the Unit at the Closing, vacant, broom-clean and free of all occupants and rights of possession, other than occupancy rights of the Purchaser, if any.

8. Risk of Loss

8.1 While Seller has legal title and is in possession of the Unit, Seller assumes all risk of loss or damage ("Loss") to the Unit and Property from fire or other cause not due to the fault of Purchaser or Purchaser's contractors, agents or servants. In the event of a Loss, Seller shall have the option (but not the obligation) to restore the Unit and Property to as near as reasonably possible to the condition immediately prior to the Loss.

8.2 Within 10 calendar days after the Loss occurs, Seller shall give Notice to Purchaser of the Loss and whether or not Seller elects to restore ("Election Notice").

8.3 If Seller elects to restore, Seller must do so within 60 calendar days after sending the Election Notice or by the Closing, whichever is later ("Restoration Period").

8.4 If the Closing is before such 60 calendar day period expires, then the Closing shall be adjourned to a date and time fixed by Seller on not less than 10 calendar days' prior Notice to Purchaser, but in no event shall the Closing be adjourned for more than 70 calendar days after giving of the Election Notice.

8.5 If Seller elects not to restore or fails, in a timely manner, to send the Election Notice or, having sent the Notice, Seller fails to complete the restoration within the Restoration Period, then Purchaser's sole remedy is either to:

8.5.1 cancel this Contract in accordance with Par. 16 and recover all sums theretofore paid on account of the Purchase Price; or

8.5.2 complete the purchase in accordance with this Contract, without reduction in the Purchase Price or claim against Seller, but with the right to receive any "Net Insurance Proceeds" as defined in Par. 8.6 together with an assignment to Purchaser, without recourse to Seller, of any uncollected proceeds, which assignment shall be delivered by Seller at Closing.

8.6 "Net Insurance Proceeds" are proceeds of Seller's insurance covering the Loss which is attributable to the Unit and Property after deducting legal and other collection expenses incurred by Seller and any sums paid or incurred by Seller for restoration.

8.7 If Purchaser fails to exercise one of Purchaser's options pursuant to Par. 8.5 by Notice to Seller within 7 business days after Seller gives the Election Notice or within 7 business days after the Restoration Period expires (in the event Seller fails to complete the restoration within the Restoration Period), then Purchaser will be deemed to have conclusively elected the option to complete the purchase pursuant to Par. 8.5.2.

8.8 If Purchaser is given possession of the Unit prior to Closing:

8.8.1 Purchaser assumes all risk of Loss to the Unit and Property prior to Closing from fire or other cause not the fault of Seller or Seller's contractors, agents, employees or servants; and

8.8.2 Purchaser shall be obligated to complete the purchase in accordance with this Contract, without reduction in the Purchase Price or claim against Seller and without delay.

8.9 Notwithstanding anything to the contrary in Par. 8.1, Purchaser shall have the right to cancel this Contract in accordance with Par. 16 if, prior to Closing and while Seller is in possession, through no fault of Purchaser or Purchaser's contractors, agents, employees and servants, either:

8.9.1 a Loss occurs to the Unit which would cost more than 10% of the Purchase Price to restore; or

8.9.2 more than 10% of the units in the Premises are damaged and rendered uninhabitable by fire or other cause, regardless of whether the Unit is damaged.

8.10 Purchaser shall be deemed to have waived Purchaser's right to cancel under Par. 8.9 if Purchaser fails to elect to cancel by Notice to Seller given within 7 business days after Seller gives Notice to Purchaser of the event which gives rise to Purchaser's right to cancel. In the event Purchaser waives or is deemed to have waived this right to cancel, the provisions of Par. 8.5.2 shall apply.

9. Closing Location

The Closing shall be held at the location designated by the Corporation, or (if none is designated), at the office of Seller's attorney or at the office of Purchaser's lender.

10. Closing

10.1 At Closing, Seller shall deliver:

10.1.1 Seller's certificate for the Shares duly endorsed for transfer to Purchaser or accompanied by a separate duly executed stock power to Purchaser, and in either case, with any guarantee of Seller's signature required by the Corporation;

10.1.2 Seller's counterpart original of the Lease and a duly executed assignment thereof to Purchaser in the form required by the Corporation;

10.1.3 a written statement by an officer of the Corporation or its authorized agent consenting to the transfer of the Shares and Lease to Purchaser and setting forth the amounts and payment status of the Maintenance and any Assessments;

SADORE LANE GARDENS, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Sadore Lane Gardens, Inc.

We have audited the balance sheets - income tax basis of Sadore Lane Gardens, Inc. as of February 28, 1995 and 1994 and the related statements of operations and accumulated deficit - income tax basis and cash flows - income tax basis 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 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 aspects, the financial position of Sadore Lane Gardens, Inc. as of February 28, 1995 and 1994 and the results of its operations and its cash flows for the years then ended, in conformity with the basis of accounting described in Note A-1.

As discussed in Note G, 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.

Great Neck, New York
May 5, 1995

Sandler, Rosengarten, Denis & Berger, LLP

Sadore Lane Gardens, Inc.

STATEMENTS OF CASH FLOWS - INCOME TAX BASIS

Years ended February 28, 1995 and 1994

	1995 -----	1994 -----
Cash flows from operating activities:		
Net loss	(\$154,421)	(\$236,120)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:		
Depreciation and amortization expenses	448,426	444,982
Decrease in escrow deposits	34,633	545,821
Increase in prepaid expenses and sundry assets	(53,485)	(2,578)
Decrease in accounts payable and accrued expenses	(76,474)	(42,711)
Total adjustments	353,100	945,514
Net cash provided by operating activities	198,679	709,394
Cash flows from investing activities:		
Increase in additional paid in capital	95,657	86,697
Capital expenditures	(29,712)	(27,303)
Net cash provided by investing activities	65,945	59,394
Cash flows from financing activities:		
Mortgage amortization	(95,657)	(86,697)
Decrease in reserve fund receivable	7,927	9,923
Net cash used in financing activities	(87,730)	(76,774)
Net increase in cash	176,894	692,014
Cash at beginning of year	1,241,007	548,993
Cash at end of year	<u>\$1,417,901</u>	<u>\$1,241,007</u>
Supplemental information:		
Interest paid	<u>\$1,101,864</u>	<u>\$1,110,968</u>
Real estate taxes paid	<u>\$675,345</u>	<u>\$655,150</u>

The accompanying notes are an integral part of this statement.

Sadore Lane Gardens, Inc.
NOTES TO FINANCIAL STATEMENTS
February 28, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Company's significant accounting policies applied in the preparation of the accompanying financial statements follows:

1. Basis of Accounting

The financial statements are prepared on the basis of reporting adopted for income tax purposes.

2. Description of Entity

On March 1, 1984 the Corporation commenced operations as a cooperative housing corporation under section 216 (B)(1) of the Internal Revenue Code.

3. Depreciation

The building and capital improvements are being depreciated under the straight-line and accelerated cost recovery methods over the estimated useful lives in accordance with Internal Revenue Code provisions.

NOTE B - LAND AND BUILDING

Land and building are stated at their tax cost pursuant to Section 351 of the Internal Revenue Code.

NOTE C - RESERVE FUND RECEIVABLE

Pursuant to an amendment to the offering plan, the cooperative corporation is to receive \$1,000,000 in specified installments from the seller out of the proceeds of the sale of shares. As of February 28, 1995 the cooperative received a total of \$540,926.

NOTE D - MORTGAGE PAYABLE

The mortgage required constant monthly payments of interest only at the rate of 9.875% per annum until April 1, 1990. On that date amortization of the mortgage began, requiring constant monthly payments of \$99,860 including interest at the rate 9.875% per annum with a balloon payment of \$10,751,864 on April 1, 1998.

Sadore Lane Gardens, Inc.
BALANCE SHEETS - INCOME TAX BASIS
February 28, 1995 and 1994

	ASSETS	
	1995 -----	1994 -----
Land	\$1,568,638	\$1,568,638
Building and improvements	10,477,389	10,447,677
	-----	-----
	12,046,027	12,016,315
Less, accumulated depreciation	4,273,172	3,851,369
	-----	-----
	7,772,855	8,164,946
Cash and cash equivalents	407,537	268,580
Cash - reserve fund	1,010,364	972,427
Escrow deposits	317,489	352,122
Prepaid expenses and sundry assets	260,409	206,924
Reserve fund receivable	459,074	467,001
Mortgage costs net of accumulated amortization	84,926	111,549
	-----	-----
Total assets	\$10,312,654	\$10,543,549
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY)		
Liabilities		
Mortgage payable	\$11,113,628	\$11,209,285
Accounts payable and accrued expenses	203,985	280,459
	-----	-----
Total liabilities	11,317,613	11,489,744
Stockholders' equity		
Common stock authorized 103,985 shares, \$1 par value; issued and outstanding 103,985 shares	103,985	103,985
Additional paid-in capital	2,000,412	1,904,755
Accumulated deficit	(3,109,356)	(2,954,935)
	-----	-----
Total stockholders' equity (deficiency)	(1,004,959)	(946,195)
	-----	-----
Total liabilities and stockholders' equity (deficiency)	\$10,312,654	\$10,543,549
	=====	=====

The accompanying notes are an integral part of this statement.

Sadore Lane Gardens, Inc.

STATEMENTS OF OPERATIONS AND ACCUMULATED DEFICIT -
INCOME TAX BASIS

Years ended February 28, 1995 and 1994

	1995 ----	1994 ----
Revenues		
Maintenance	\$3,654,635	\$3,654,535
Less: Mortgage amortization	95,657	86,697
	-----	-----
	3,558,978	3,567,838
Other income	374,055	432,807
	-----	-----
Total revenues	3,933,033	4,000,645
Expenses excluding depreciation and amortization		
Mortgage interest	1,101,864	1,110,968
Real estate taxes	675,345	655,150
Operating expenses	1,861,819	2,025,665
	-----	-----
Total expenses excluding depreciation	3,639,028	3,791,783
Income before other deductions	294,005	208,862
Other deductions		
Amortization of mortgage costs	26,623	26,623
Depreciation expense	421,803	418,359
	-----	-----
Total other deductions	448,426	444,982
Net loss	(154,421)	(236,120)
Accumulated deficit		
Beginning of year	(2,954,935)	(2,718,815)
	-----	-----
End of year	(\$3,109,356)	(\$2,954,935)
	=====	=====

The accompanying notes are an integral part of this statement.

Sadore Lane Gardens, Inc.

NOTES TO FINANCIAL STATEMENTS (Continued)

February 28, 1995

NOTE E - COMMITMENTS

The corporation entered into the following contracts:

A. Income

1. Effective December 1, 1990 the Corporation ("Sadore") engaged DJP Management Inc. as the managing agent of the garages and outside parking areas for five years. The agreement provides that "Sadore" shall retain \$259,200 annually, plus any excess remaining after the agents annual contractual fee.
2. Effective October 1, 1989 Ideal-O-Matic Inc. assumed maintenance of the laundry machines for ten years at \$50,400 per annum.
3. Effective May 1, 1994, Aqua Mist, Inc. was engaged as pool operations agent for the four summer seasons ending October 1, 1998. The agent will be entitled to all the income but will be responsible for all costs.

B. Expenses

1. Effective August, 1993, Prime Locations, Inc. has been engaged to provide bookkeeping services.

Sadore Lane Gardens, Inc.

NOTES TO FINANCIAL STATEMENTS (Continued)

February 28, 1995

NOTE F - INCOME TAXES

The Internal Revenue Service, and New York State 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, the income earned by Sadore from the non-membership sources such as interest, commercial, and professional apartment rentals, etc. in excess of expenses properly attributable, would be subject to the income taxes.

NOTE G - FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Corporation's governing documents do not require the accumulation of funds to finance estimated future major repairs and replacements. The Corporation has not conducted a study to determine the remaining useful lives of the components of common property nor estimates of the costs of major repairs and replacements that may be required in the future. The board has also not developed a plan to fund those needs. When funds are required to meet future needs for major repairs and replacements, the Corporation plans to borrow, increase maintenance assessments, or delay repairs and replacements until the funds are available. The effect on future assessments has not been determined.

Sadore Lane Gardens, Inc.

SCHEDULES OF OTHER INCOME - INCOME TAX BASIS

Years ended February 28, 1995 and 1994

	<u>1995</u>	<u>1994</u>
Parking lot income	\$259,200	\$259,200
Washing machine income	50,400	50,400
Pool income	0	53,149
Interest income	42,679	58,499
Sundry income	21,776	11,559
	<u>\$374,055</u>	<u>\$432,807</u>

Sadore Lane Gardens, Inc.

SCHEDULES OF OPERATING EXPENSES - INCOME TAX BASIS

Years ended February 28, 1995 and 1994

	1995 ----	1994 ----
Payroll and payroll taxes	\$746,700	\$681,552
Bookkeeping services	44,000	24,500
Management fees	0	91,000
Repairs and maintenance	157,004	189,210
Power, light and gas	147,726	151,987
Fuel	218,594	259,600
Pool expenses (exclusive of real estate taxes)	0	34,065
Water and sewer charges	53,830	92,744
Supplies	139,967	117,642
Insurance	172,644	187,531
Elevator maintenance	43,074	43,146
Union welfare and pension benefits	59,959	63,313
Professional fees	32,701	55,359
Rubbish removal	7,069	3,182
Office	11,697	1,283
Income taxes	(1,861)	12,580
Exterminator	8,318	6,109
Telephone	6,165	3,182
Sundry	14,232	7,680
	=====	=====
	\$1,861,819	\$2,025,665
	=====	=====

SUPPLEMENTARY INFORMATION

SANDLER, ROSENGARTEN, DENIS & BERGER LLP
CERTIFIED PUBLIC ACCOUNTANTS
80 CUTTERMILL ROAD
GREAT NECK, NEW YORK 11021

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION:

Board of Directors
Sadore Lane Gardens, Inc.

Our audit was made primarily to enable us to express an overall opinion on the basic financial statements of Sadore Lane Gardens, Inc. for the years ended February 28, 1995 and 1994 which are presented in the preceding section of this report. The supplementary information presented hereinafter, although not considered essential for a fair presentation of the balance sheet, statements of operations, accumulated deficit and cash flows, has been subjected to the audit procedures applied in the audit of the basic financial statements. In our opinion, the supplementary information is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Sandler, Rosengarten, Denis & Berger LLP

Great Neck, New York
May 5, 1995

EXHIBIT "E"

SADORE LANE GARDENS, INC.

FINANCIAL STATEMENTS

FEBRUARY 28, 1991 AND FEBRUARY 28, 1990

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

SADORE LANE GARDENS, INC.

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Sadore Lane Gardens, Inc.

BALANCE SHEET

February 28, 1991 and February 28, 1990
(Income Tax Basis of Accounting)

ASSETS	1991	1990
	----	----
Land	\$1,568,638	\$1,568,638
Building and improvements	10,045,360	9,883,255
	-----	-----
	11,613,998	11,451,893
Less, accumulated depreciation	2,603,784	2,201,704
	-----	-----
	9,010,214	9,250,189
 Cash and cash equivalents	538,176	617,848
Cash - reserve fund	480,755	544,518
Escrow deposits	653,408	638,867
Prepaid expenses and sundry assets	393,645	308,806
Reserve fund receivable	484,616	500,000
Mortgage costs net of accumulated amortization	191,418	218,041
	-----	-----
Total assets	\$11,752,232	\$12,078,269
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities		
Mortgage payable	\$11,445,775	\$11,500,000
Accounts payable and accrued expenses	266,194	228,941
	-----	-----
Total liabilities	11,711,969	11,728,941
 Stockholders' equity		
Common stock authorized 103,985 shares, \$1 par value; issued and outstanding 103,985 shares	103,985	103,985
Additional paid-in capital	1,668,265	1,614,040
Accumulated deficit	(1,731,987)	(1,368,697)
	-----	-----
Total stockholders' equity	40,263	349,328
	-----	-----
Total liabilities and stockholders' equity	\$11,752,232	\$12,078,269
	=====	=====

The accompanying notes are an integral part of this statement.

Sadore Lane Gardens, Inc.

STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT

Years ended February 28, 1991 and February 28, 1990
(Income Tax Basis of Accounting)

	1991	1990
Revenues		
Maintenance including mortgage amortization	\$3,654,005	\$3,604,813
Other income	400,233	401,997
Total revenues	<u>4,054,238</u>	<u>4,006,810</u>
Expenses excluding depreciation		
Mortgage interest	1,133,213	1,135,625
Real estate taxes	781,020	724,324
Operating expenses	2,020,367	1,788,536
Total expenses excluding depreciation	<u>3,934,600</u>	<u>3,648,485</u>
Income before other deductions	119,638	358,325
Other deductions		
Mortgage costs written off	26,623	26,623
Depreciation expense	402,080	384,139
Mortgage amortization	54,225	0
Total other deductions	<u>482,928</u>	<u>410,762</u>
Net loss	(363,290)	(52,437)
Accumulated deficit		
Beginning of year	(1,368,697)	(1,316,260)
End of year	<u>(\$1,731,987)</u>	<u>(\$1,368,697)</u>

The accompanying notes are an integral part of this statement.

Sadore Lane Gardens, Inc.

STATEMENT OF CASH FLOWS

Years ended February 28, 1991 and February 28, 1990
(Income Tax Basis of Accounting)

	1991 -----	1990 -----
Cash flows from operating activities	(\$363,290)	(\$52,437)
Net loss	-----	-----
Adjustments to reconcile net loss to net cash provided (used) by operating activities		
Depreciation and amortization expenses	428,703	410,762
Decrease (increase) in escrow deposits	(14,541)	169,201
(Increase) decrease in prepaid expenses and sundry assets	(84,839)	(71,083)
(Decrease) in accounts payable and accrued expenses	37,253	(67,547)
	-----	-----
Total adjustments	366,576	441,333
	-----	-----
Net cash provided (used) by operating activities	3,286	388,896
Cash flows from investing activities		
Increase in additional paid in capital	54,225	0
Capital expenditures	(162,105)	(117,010)
	-----	-----
Net cash (used) by investing activities	(107,880)	(117,010)
	-----	-----
	(104,594)	271,886
Cash flows from financing activities		
Mortgage amortization	(54,225)	0
Decrease in reserve fund receivable	15,384	100,000
	-----	-----
Net cash provided by (used in) financing activities	(38,841)	100,000
	-----	-----
Net increase (decrease) in cash	(143,435)	371,886
Cash at beginning of year	1,162,366	790,480
	-----	-----
Cash at end of year	\$1,018,931	\$1,162,366
	=====	=====

The accompanying notes are an integral part of this statement.

Sadore Lane Gardens, Inc.

NOTES TO FINANCIAL STATEMENTS

February 28, 1991
(Income Tax Basis of Accounting)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Company's significant accounting policies applied in the preparation of the accompanying financial statements follows:

1. Basis of Accounting

The financial statements are prepared on the basis of reporting adopted for income tax purposes.

2. Description of Entity

On March 1, 1984 the Corporation commenced operations as a cooperative housing corporation under section 216 (B)(1) of the Internal Revenue Code.

3. Depreciation

The building and capital improvements are being depreciated under the straight-line and accelerated cost recovery methods over the estimated useful lives in accordance with Internal Revenue Code provisions.

NOTE B - LAND AND BUILDING

Land and building are stated at their tax cost pursuant to Section 351 of the Internal Revenue Code.

NOTE C - RESERVE FUND RECEIVABLE

Pursuant to an amendment to the offering plan, the cooperative corporation was to receive \$1,000,000 in specified installments from the seller out of the proceeds of the sale of shares. As of February 28, 1990 the cooperative received a total of \$515,384.

NOTE D - MORTGAGE PAYABLE

The mortgage requires constant monthly payments of interest only at 9.875% per annum until April 1, 1990. On that date amortization of the mortgage began and required constant monthly installments of \$99,860 including interest at 9.875% per annum with a balloon payment of \$10,751,864 on April 1, 1998.

Sadore Lane Gardens, Inc.

NOTES TO FINANCIAL STATEMENTS (Continued)

February 28, 1991
(Income Tax Basis of Accounting)

NOTE E - COMMITMENTS

The corporation entered into the following contracts:

A. Income

1. Effective December 1, 1990 the Corporation ("Sadore") has engaged DJP Management Inc. as the managing agent of the garages and outside parking areas for five years. "Sadore" shall retain \$259,200 annually, and any excess remaining after the agents annual contractual fee of the total rents collected.
2. Effective October 1, 1989 Ideal-O-Matic Inc. assumed maintenance of the laundry machines for ten years at \$50,400 per annum.

B. Expenses

1. Effective May 1, 1989 the managing agent provided for an annual fee of \$170,000. The management fee for 1990 was \$162,550.

NOTE F - REAL ESTATE TAX REFUND

The Corporation has real estate tax refunds pending of approximately \$1,100,000 plus interest due to certiorari tax filings. These refunds will be recorded in the financial statements when the cash is received.

SUPPLEMENTARY INFORMATION

AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
Sadore Lane Gardens, Inc.

Our audit was made primarily to enable us to express an overall opinion on the basic financial statements of Sadore Lane Gardens, Inc. for the years ended February 28, 1991 and February 28, 1990 which are presented in the preceding section of this report. The supplementary information presented hereinafter, although not considered essential for a fair presentation of the balance sheet, statements of operations, accumulated deficit and cash flows, has been subjected to the audit procedures applied in the audit of the basic financial statements. In our opinion, the supplementary information is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Sandra Rozayata Peris Lopez

New York, New York
April 25, 1991

Sadore Lane Gardens, Inc.

SCHEDULE OF OTHER INCOME

Years ended February 28, 1991 and February 28, 1990
(Income Tax Basis of Accounting)

	1991 ----	1990 ----
Parking lot income	\$214,800	\$200,000
Washing machine income	50,400	43,867
Pool income	60,534	57,466
Interest income	67,634	54,399
Net insurance recovery	0	28,603
Sundry income	6,865	17,662
	-----	-----
	<u>\$400,233</u>	<u>\$401,997</u>

Sadore Lane Gardens, Inc.

SCHEDULE OF OPERATING EXPENSES

Years ended February 28, 1991 and February 28, 1990
(Income Tax Basis of Accounting)

	1991 ----	1990 ----
Fuel	\$342,804	\$310,604
Payroll	400,708	397,719
Power, light and gas	126,062	116,832
Repairs and maintenance	322,732	235,477
Management fees	170,000	162,550
Pool expenses (exclusive of real estate taxes)	52,427	55,279
Water and sewer charges	62,732	62,179
Supplies	148,614	154,916
Insurance	158,200	118,988
Payroll taxes	43,768	34,976
Printing and postage	2,316	4,734
Elevator	49,655	32,204
Union welfare and pension benefits	50,260	51,106
Professional fees	21,226	14,549
Protection	34,615	17,260
Rubbish removal	8,249	6,960
	0	(5,327)
Franchise tax	9,551	3,911
Exterminator	4,324	6,313
TV antenna	2,840	1,495
Telephone	9,284	5,811
Sandry		
	-----	-----
	\$2,020,367	\$1,788,536
	=====	=====

TWENTY FIRST AMENDMENT

TO

OFFERING PLAN OF

COÖPERATIVE OWNERSHIP OF

PREMISES KNOWN AS

1, 2, 3, 4 AND 5 SADORE LANE
YONKERS, NEW YORK 10710

Dated: September 24 , 1996

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED SEPTEMBER 28, 1982, AND THE FIRST AMENDMENT DATED NOVEMBER 10, 1982; THE SECOND AMENDMENT DATED AUGUST 17, 1983; THE THIRD AMENDMENT DATED SEPTEMBER 7, 1983; THE FOURTH AMENDMENT DATED NOVEMBER 30, 1983; THE FIFTH AMENDMENT DATED MARCH 2, 1984; THE SIXTH AMENDMENT DATED SEPTEMBER 6, 1984; THE SEVENTH AMENDMENT DATED JULY 9, 1985; THE EIGHTH AMENDMENT DATED MARCH 24, 1987; THE NINTH AMENDMENT DATED APRIL 30, 1987; THE TENTH AMENDMENT DATED JUNE 12, 1987; THE ELEVENTH AMENDMENT DATED SEPTEMBER 8, 1987; THE TWELFTH AMENDMENT DATED JUNE 29, 1988; THE THIRTEENTH AMENDMENT DATED DECEMBER 5, 1989; THE FOURTEENTH AMENDMENT DATED JUNE 27, 1990; THE FIFTEENTH AMENDMENT DATED NOVEMBER 6, 1991; THE SIXTEENTH AMENDMENT DATED APRIL 23, 1992; THE SEVENTEENTH AMENDMENT DATED NOVEMBER 12, 1992; THE EIGHTEENTH AMENDMENT DATED JANUARY 7, 1994; THE NINETEENTH AMENDMENT DATED APRIL 21, 1995; AND THE TWENTIETH AMENDMENT DATED SEPTEMBER 22, 1995; AND SHOULD BE READ IN CONJUNCTION WITH SAID PLAN.

TWENTY FIRST AMENDMENT

Apartment Corporation:
SADORE LANE GARDENS, INC.

Sponsor:
GARDEN TOWERS CO.

The Cooperative Offering Plan, a Plan to convert to cooperative ownership premises at 1-5 Sadore Lane, Yonkers, New York, dated September 28, 1982, as heretofore amended (the "Plan") is hereby further amended as follows:

(1) Revised Mortgage Indebtedness.

The Mortgage affecting the Premises was refinanced on December 15, 1995. The material terms of the new mortgage include the following:

Mortgagee: Republic National Bank of New York
452 Fifth Avenue, New York, NY 10018

Original Principal Amount: \$11,850,000

Maturity Date: December 15, 2005

Interest Rate: 7.94%

Monthly Installment Payments: \$86,455.96

Prepayment - The Mortgage may be prepaid, in whole only, on 10 days prior written notice to the Mortgagee, together with payment of a fee calculated by use of a "yield maintenance" formula.

Default Rate - 18%, or the maximum rate permitted by law, whichever is lower.

Late Charges - \$.04 on each dollar overdue for more than 10 days.

Due-on-Sale - The Apartment Corporation may not sell,

transfer, convey or further encumber the Premises or the stock of the Apartment Corporation except in connection with the sale of individual units. The Apartment Corporation agreed not to sell or transfer air rights at the Premises.

Events of Default - (a) Failure to make any payment due under the Note for a period of 10 days or more;

(b) Failure to make payment of any sum due and payable under the Mortgage on demand;

(c) Refusal by two or more fire insurance companies to issue insurance policies on the improvements on the Premises;

(d) Commencement of any action to foreclose any lien on the Premises or the personal property covered by the Mortgage;

(e) Failure to discharge any mechanic's lien within sixty (60) days after the lien has been filed;

(f) Occurrence of an event which would entitle the Mortgagee to advance sums which would be secured by the Mortgage;

(g) Default beyond any notice and grace periods under any assignment of leases and/or rents;

(h) Discovery by the Mortgagee of any material misrepresentation made in connection with obtaining the Mortgage;

(i) Substantial damage or destruction of any uninsured or underinsured improvement on the Premises, and the Mortgagor fails to demonstrate to the Mortgagee within 20 days that the Mortgagor has sufficient funds to restore such improvement;

(j) Institution against the Mortgagor of criminal

proceedings for which forfeiture of assets is a potential penalty if the Premises could be potentially subject to such forfeiture;

(1) Failure to obtain written consent of the Mortgagee for any other lien or encumbrance or financing arrangement; and

(m) Any default under the Revolving Credit Agreement.

(2) Revolving Credit Agreement.

A revolving line of credit of \$700,000.00 was also secured from the Mortgagee; the revolving credit agreement was executed on December 15, 1995 and provides that the Apartment Corporation may have outstanding at any time up to \$700,000.00, which shall be due no later than December 15, 2005. The Apartment Corporation shall pay interest on the outstanding amount at a floating rate of .5% above the "reference rate" of the Mortgagee.

Payments - Payments of interest only shall commence on the last day of the first month in which a draw is made and shall continue monthly thereafter so long as funds are outstanding.

Late charges - \$0.04 on each dollar overdue for more than 10 days.

Prepayment - If the revolving line of credit has not been converted to a fixed rate mortgage, it may be prepaid at any time in whole or in part without penalty.

Conversion - At any time, the Mortgagor may, if not in default, on 30 days written notice, convert some or all outstanding revolving credit line balances, but not less than \$400,000, to a

fixed rate mortgage at an interest rate equal to 250 basis points over the yield in effect 5 business days prior to conversion on US Treasury Securities having a term closest to the unexpired term of the Mortgage.

Events of Default - (a) Any default under the Mortgage is a default under the revolving credit agreement as well; (b) Failure to make any payment due under the revolving credit agreement.

(3) Maintenance Reduction.

Effective March 1, 1996, maintenance charges were reduced to \$2.73 per share per month, a reduction of approximately 7%.

(4) Amendment of the Escrow Agreement.

The escrow agreement between the Sponsor and Gross and Gross has been amended as follows: the account number of the account to which funds will be deposited has been changed to 45024217; this escrow is maintained at Citibank, N.A., Pelham Manor, New York, and is entitled "GROSS AND GROSS ATTORNEY TRUST ACCOUNT." All other provisions of the escrow agreement are unchanged.

(5) The Sponsor has no financial obligations to the Apartment Corporation other than for payment of maintenance charges and the payment of reserve fund contributions at the rate of \$7.3972 per share sold. None of the units owned by the Sponsor are subject to mortgages, loans or financing commitments. The Sponsor is current in all its financial obligations to the Apartment Corporation, and during the previous twelve months the Sponsor has not been in

default with respect to any such obligations beyond any applicable grace period.

(6) The Sponsor, as Holder of Unsold Shares, holds the Shares allocated to those Apartments indicated on Exhibit "A" annexed hereto. The aggregate monthly maintenance charges due in connection with the Unsold Shares are \$154,780.00. The aggregate monthly rents received from tenants of Apartments to which Unsold Shares are allocated are \$204,748.00. The Sponsor plans to market the vacant Apartments to which Unsold Shares are allocated immediately. As those Apartments are sold the monthly maintenance will decrease.

(7) Annexed hereto as Exhibit "B" are the Apartment Corporation's audited financial statements for the year ended February 28, 1995, February 29, 1996. The Apartment Corporation has selected Bernhardt, Karlitz, Hayden & DeCruze, C.P.A.s, as their new accountants.

(8) Some of the principals of the Sponsor, as individual holders of unsold shares or units or as general partners or principals of the sponsor or holder of unsold shares, own more than 10% of the shares or units in other cooperative or condominium conversion projects. The offering plans for these buildings are on file with the Department of Law and are available for public inspection. The principals of the Sponsor, as individual holders of unsold shares, are current on all financial obligations in respect of these other cooperatives in which they owns shares or units as individuals, general partners or principals.

Annexed hereto as Exhibit "C" is a list of the identity of each principal of the Sponsor who owns more than 10% of the shares of other buildings, and the address of said building.

(9) The current board of directors of the Corporation was elected at the annual stockholders' meeting which was held on August 19, 1996. The following were elected as officers and directors: Louis Monaco, president, Herbert Goldstein, Charles Scheinberg, Gordon Burrows, Philip Rosen, Abraham Roller, and Michael Pinzur.

Of the foregoing, Philip Rosen, Abraham Roller and Michael Pinzur are affiliated with the Sponsor or a Holder of Unsold Shares. The Sponsor gave up control of the board of directors as of the meeting held on April 26, 1984.

(10) This Offering Plan may be used for six (6) months from the date of this amendment.

(11) The Offering Plan, as modified, supplemented and extended hereby, is incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment, not otherwise defined herein, shall have the same meanings ascribed to them in the Offering Plan.

(12) Except as set forth herein there have been no material changes in the terms of the Offering.

SADORE LANE GARDENS, INC.
Apartment Corporation

GARDEN TOWERS CO.
Sponsor

SADORE LANE, YONKERS, NEW YORK

UNSOLD APARTMENTS

Exhibit A

BUILDING NO. 1

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
1A	96	2A	100
1E	130	2E	134
1F	155	2F	159
1H	124	2H	128
1J	108	2J	112
1L	162	2K	159
1M	96	2M	100
1P	96	2N	100
1R	64	2P	100
1U*	130	2T	166
1W	114	2U	134
1Y	162	2V	134
		2X	166
3B	205	4B	207
3F	163	4G	134
3G	132	4J	118
3N	102	4K	165
3P	102	4L	170
3R	70	4M	104
3T	168	4P	170
3U	136	4T	170
3V	136	4V	138
3X	168	4W	122
3Z	102	4Y	170
5A	106	6A	108
5B*	209	6B	211
5E	140	6E	142
5F	167	6F	169
5G	136	6G	138
5K	167	6J	122
5L	172	6L	174
5N	106	6N	108
5S	140	6V	142
5T	172		
5Y	172		

*pending sales

BUILDING NO. 1 - CONTINUED

<u>APT. #</u>	<u>SHARES</u>
7A	110
7B	213
7C	110
7D	78
7G	140
7H	140
7J	124
7M	110
7P	110
7S	144
7T	176
7V	144
7X	176
7Z	110

Building Totals:

Apartments: 81

Shares: 11,107

[After pending sale: /

Apartments: 79

Shares: 10,768]

BUILDING NO. 2

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
1A	96	2C	95
1F	155	2G	134
1K	162	2H	134
1M	96	2M	100
1O	90	2N	100
1S	124	2R	64
1T	151	2S	128
1V	126	2U	130
1W	110	2W	114
		2Y	166
3C	97	4A	104
3G	136	4D	68
3J	120	4F	163
3K	168	4G	138
3L	168	4H	138
3M	102	4J	122
3P	97	4K	170

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9/6/96

BUILDING NO. 2 - CONTINUED

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
3T	157	4L	170
3W	116	4M	104
3X	163	4O	207
		4P	99
		4T	159
		4W	118
		4X	165
		4Z	104
5B	209	6A	108
5C	101	6C	103
5N	106	6E	136
5P	101	6F	167
5S	134	6G	142
5T	161	6H	142
5W	120	6K	174
5Y	172	6M	108
5Z	106	6N	108
		6R	72
		6U	138
		6V	138
		6W	122
		6Y	174
		6Z	108
7A	110		
7E	138		
7G	144		
7H	144		
7J	128		
7K	176		
7N	110		
7P	105		
7R	74		
7S	138		
7V	140		
7X	171		
7Z	110		

Building Totals:

Apartments: 81

Shares: 10,466

[After pending sale:

Apartments: 81

Shares: 10,466]

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9/6/96

BUILDING NO. 3

APT. # SHARES

1B 96
 1D 64
 1E 130
 1F 162
 1J 114
 1K 162
 1L 162
 1M 96
 1O 64
 1P 96
 1S 130
 1T 162
 1U 130
 1V 130
 1W 114
 1X 162
 1Y 162
 1Z 96

3A 102
 3C 102
 3D 70
 3G 136
 3J 120
 3K 168
 3L 168
 3M 102
 3O 205
 3P 102
 3S 136
 3W 120
 3Y 168

5A 106
 5D 74
 5E 140
 5G 140
 5H 140
 5J 124
 5K 172
 5M 106
 5N 106
 5P 106
 5R 74
 5S 140
 5T 172
 5V 140

APT. # SHARES

2B 203
 2C 100
 2E 134
 2F 166
 2G 134
 2H 134
 2J 118
 2K* 166
 2L 166
 2S 134
 2T 166
 2V 134
 2W 118

4A 104
 4C 104
 4E 138
 4G 138
 4K 170
 4M 104
 4R 72
 4S 138
 4U 138
 4V 138
 4W 132
 4X 170
 4Z 104

6B 211
 6C 108
 6D 76
 6E 142
 6F 174
 6G 142
 6H 142
 6J 126
 6K 174
 6L 174
 6O 211
 6P 108
 6R 76
 6S 142

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BUILDING NO. 3 - CONTINUED

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
5W	124	6U	142
5X	172	6V	142
5Z	106	6W	126
		6Y	174
		6Z	108
7A	110		
7C	110		
7D	78		
7E	144		
7G	144		
7H	144		
7J	128		
7L	176		
7N	110		
7O	213		
7P	110		
7V	144		
7X	176		

Building Totals:

Apartments: 106

Shares: 14,081

[After pending sale
 Apartments: 105
 Shares: 13,915]

BUILDING NO. 4

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
1A	96	2B	203
1B	91	2C	95
1C	91	2E	128
1D	60	2G	132
1E	124	2J	116
1J	112	2K	164
1K	160	2O	203
1L	162	2S	128
1M	96	2T	161
1N	96	2U	134
1O	60	2W	118
1P	91		
1T	157		

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BUILDING NO. 4 - CONTINUED

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
1V	130		
1X	162		
1Y	162		
1Z	96		
3A	102	4A	104
3C	97	4C	99
3H	136	4E	132
3J	118	4F*	163
3K	166	4G	138
3R	66	4H	138
3S	130	4K	168
3U	136	4T	165
3W	120	4V	138
		4W	122
		4X	170
		4Y	170
		4Z	104
5A	106	6A	108
5B	209	6B	211
5C	101	6C	103
5D	70	6F	167
5F	165	6G	142
5J	122	6L	174
5K	170	6M	188
5L	172	6P	103
5O	209	6S	136
5R	70	6U	142
5T	167	6X	174
5V	140	6Y	174
5W	124	6Z	108
5X	172		
5Y	172		
5Z	106		
7B	213		
7E	138		
7H	144		
7K	174		
7P	105		
7S	138		
7T	171		
7U	144		
7X	176		
7Y	176		
7Z	110		

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BUILDING NO. 4 - CONTINUED

Building Totals:

Apartments: 90

Shares 12,224

[After pending sales

Apartments: 89

Shares: 12,061]

BUILDING NO. 5

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
LG	128	2D	124
LK	128	2E	203
LL	128	2G	134
LM	94	2K	134
1E	128	2N	163
1H	114	2P	132
1J	114	2R	132
1K	132		
1L	132		
3A	84	4A	86
3B	136	4B	138
3C	136	4C	138
3D	136	4E	207
3E	205	4F	138
3J	118	4G	138
3L	136	4H	120
3S	102	4K	138
		4L	138
		4P	138
		4R	138
		4S	104
5B	140	6B	142
5C	140	6C	142
5F	140	6E	211
5M	169	6F	142
5N	169	6H	124
5P	140	6J	124
5S	106	6K	142
		6L	142
		6P	142
		6R	142
7B	144		
7E	213		

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BUILDING NO. 5 - CONTINUED

<u>APT. #</u>	<u>SHARES</u>
---------------	---------------

7F	144
7G	144
7K	144
7L	144
7M	173
7N	173
7P	144
7R	144

Building Totals:

Apartments: 63

Shares: 8,818

[After pending sales:
Apartments: 63
Shares: 8,818]

Project Totals:

Apartments: 421

Shares: 56,696

Building 4	4B	207***
Building 4	5G	140**
Building 5	2C	124**
Building 1	3H	132**

**NOT AN UNSOLD SHARE UNIT
BUT OWNED BY SPONSOR

SADORE LANE GARDENS, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 29, 1996
AND FEBRUARY 28, 1995
with
INDEPENDENT AUDITORS' REPORT

BKH&D
Bernhardt, Karlitz, Hayden & DeCruze
CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "B"

Roberta Bernhardt, CPA
Gary M. Karlitz, CPA
Richard W. Hayden, CPA
Kathleen M. DeCruze, CPA
Stanley Goodman, CPA
(1960-1987)



709 Westchester Avenue
White Plains, NY 10604
PHONE (914) 949-2990
FAX (914) 949-2910

INDEPENDENT AUDITORS' REPORT

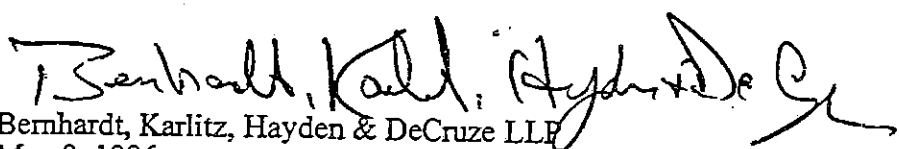
To the Board of Directors and Shareholders of
Sadore Lane Gardens, Inc.

We have audited the accompanying statement of assets, liabilities and shareholders' deficit - income tax basis of Sadore Lane Gardens, Inc. as of February 29, 1996 and the related statements of revenues & expenses - income tax basis, accumulated deficit - income tax basis and the supplemental schedule of cash flows - income tax basis for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Sadore Lane Gardens, Inc. as of February 28, 1995 were audited by other auditors whose report, dated May 5, 1996, expressed an unqualified opinion on those statements.

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 1996 financial statements referred to above present fairly, in all material respects, the financial position of Sadore Lane Gardens Inc. as of February 29, 1996, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Sadore Lane Gardens Inc. has not presented the supplementary information on future major repairs and replacements that the American Institute of Certified Public Accountants has determined is necessary to supplement, although not required to be part of, the basic financial statements.


Bernhardt, Karlitz, Hayden & DeCruze LLP
May 8, 1996

SADORE LANE GARDENS, INC.
Table of Contents
For the Years Ended February 29, 1996 and February 28, 1995

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SADORE LANE GARDENS, INC.
STATEMENTS OF ASSETS, LIABILITIES & SHAREHOLDERS' DEFICIT
- INCOME TAX BASIS
February 29, 1996 and February 28, 1995

ASSETS	1996	1995
Cash and cash equivalents (Note 3)	\$ 956,550	\$ 427,828
Investments in marketable securities (Note 4)	1,195,547	990,073
Real estate tax escrow deposits	250,727	317,489
Reserve fund receivable (Note 5)	448,483	459,074
Assessments and other receivables	46,702	62,338
Prepaid expenses	216,672	198,066
Deferred finance costs, net of accumulated amortization (Note 2c)	149,784	84,931
Land, property and equipment, net of accumulated depreciation (Note 6)	7,397,103	7,772,855
TOTAL ASSETS	\$ 10,661,568	\$ 10,312,654
 LIABILITIES		
Accounts payable and accrued expenses	\$ 122,948	\$ 203,985
Mortgage note payable (Note 7)	11,841,952	11,113,628
Deferred maintenance charges	5,501	-
TOTAL LIABILITIES	11,970,401	11,317,613
 SHAREHOLDERS' DEFICIT		
Common stock, par value \$1; 103,945 shares authorized; issued and outstanding	103,945	103,945
Additional paid-in capital	2,095,724	2,000,452
Accumulated deficit	(3,508,502)	(3,109,356)
TOTAL SHAREHOLDERS' DEFICIT	(1,308,833)	(1,004,959)
 LIABILITIES AND SHAREHOLDERS' DEFICIT	 \$ 10,661,568	 \$ 10,312,654

The accompanying notes are an integral part of these financial statements

SADORE LANE GARDENS, INC.
STATEMENTS OF REVENUES & EXPENSES AND ACCUMULATED DEFICIT
- INCOME TAX BASIS
For the Years Ended February 29, 1996 and February 28, 1995

	1996	1995
Revenues		
Maintenance assessments	\$ 3,560,173	\$ 3,558,978
Parking	258,760	259,200
Interest income, net	58,640	42,679
Transfer and application fees	1,800	2,400
Laundry	50,400	50,400
Other	17,331	19,376
	<u>3,947,104</u>	<u>3,933,033</u>
Expenses		
Administrative	362,091	177,349
Utilities	435,636	373,265
Building operations	79,905	93,791
Payroll and related costs	821,261	863,012
Mortgage interest	1,098,349	1,101,864
Real estate taxes	822,363	729,174
Write-off of deferred finance costs	84,926	-
Major repairs and replacements	217,817	300,573
	<u>3,922,348</u>	<u>3,639,028</u>
Excess of Revenues Over Expenses Before Depreciation and Amortization	<u>24,756</u>	<u>294,005</u>
Depreciation	420,715	421,803
Amortization	3,187	26,623
Total Depreciation and Amortization	<u>423,902</u>	<u>448,426</u>
Excess of Expenses Over Revenues	(399,146)	(154,421)
Beginning Accumulated Deficit	<u>(3,109,356)</u>	<u>(2,954,935)</u>
Ending Accumulated Deficit	<u>\$ (3,508,502)</u>	<u>\$ (3,109,356)</u>

The accompanying notes are an integral part of these financial statements

SADORE LANE GARDENS, INC.
SUPPLEMENTAL SCHEDULES OF CASH FLOWS
- INCOME TAX BASIS
For the Years Ended February 29, 1996 and February 28, 1995

	1996	1995
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of expenses over revenues	\$ (399,146)	\$ (154,421)
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	423,902	448,426
Write-off of deferred finance costs	84,926	-
(Increase) decrease in:		
Real estate tax escrow deposits	66,762	34,633
Assessments and other receivables	15,636	-
Prepaid expenses	(18,606)	(53,485)
Increase (decrease) in:		
Accounts payable and accrued expenses	(81,037)	(76,474)
Deferred maintenance charges	5,501	-
Net cash provided by operating activities	<u>97,938</u>	<u>198,679</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of marketable securities	(826,634)	(1,380,718)
Sales of marketable securities	621,160	1,234,137
Purchase of property and equipment	(44,963)	(29,712)
Deferred finance costs	(152,966)	-
Net cash used in investing activities	<u>(403,403)</u>	<u>(176,293)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of mortgage note payable	(11,026,404)	-
Proceeds from mortgage note payable	11,850,000	-
Payments on mortgage notes payable	(95,272)	(95,657)
Increase in additional paid-in capital	95,272	95,657
Reserve fund receivable	10,591	7,927
Net cash provided by financing activities	<u>834,187</u>	<u>7,927</u>
Net increase in cash and cash equivalents	528,722	30,313
Cash and cash equivalents at beginning of year	<u>427,828</u>	<u>397,515</u>
Cash and cash equivalents at end of year	<u><u>\$ 956,550</u></u>	<u><u>\$ 427,828</u></u>
Other supplemental information:		
Interest paid	1,098,349	1,101,864
Income taxes paid	-	-

The accompanying notes are an integral part of these financial statements

SADORE LANE GARDENS, INC.
Notes to Financial Statements
For the Year Ended February 29, 1996

Note 1 - Nature of Organization

Sadore Lane Gardens, Inc. (the "Corporation") is a co-operative housing Corporation incorporated in the State of New York on March 1, 1984. The Corporation owns five buildings known as Sadore Lane Gardens located in Yonkers, New York. The buildings consist of 778 units, and as of February 29, 1996, there were 349 units which were owned by tenant-shareholders and 429 units owned by Garden Towers, Inc. (the "Sponsor").

Note 2 - Summary of Significant Accounting Policies

(a) Basis of Presentation

The Corporation's financial statements have been prepared on the accrual basis of accounting used for federal income tax purposes. Consequently, certain revenues and expenses are recognized in the determination of income in different reporting periods than they would be if the financial statements were prepared in conformity with generally accepted accounting principles. Although income tax rules are used to determine the timing of the reporting of revenues and expenses, nontaxable revenues and nondeductible expenses are included in the determination of net income.

(b) Depreciation

Assets are stated at cost. The cost of buildings and improvements are depreciated over their estimated useful lives by accelerated methods as defined in the Internal Revenue Code as follows:

	<u>Years</u>
Buildings	27.5
Furniture and fixtures	7
Automobiles	5

Improvements and betterments are capitalized while repairs and maintenance are charged to expense when incurred.

(c) Deferred finance costs

Deferred finance costs represent costs paid to finance/refinance the mortgage on the Corporation's real property. These costs are amortized over the term of the related mortgage loan using the straight-line method. Amortization of deferred finance costs was \$3,187 for the year ended February 29, 1996, as compared to \$26,623 for the prior period. As a result of the refinancing of the Corporation's mortgage on December 15, 1995, net deferred finance costs from the previous mortgage of \$84,926 were written off.

(d) Income Taxes

The Corporation generally is taxed only on non-member related net income, such as interest income and income from commercial operations. If there had been earnings from member

SADORE LANE GARDENS, INC.
Notes to Financial Statements
For the Year Ended February 29, 1996

Note 2 - Summary of Significant Accounting Policies (continued)

related services, these earnings would be taxed at the standard corporate tax rates. The provision for income taxes included in these financial statements is based on non-member income reduced by an allocation of expenses attributable to non-member income.

For income tax purposes, the Corporation has federal and state net operating loss carryforwards of \$3,436,178 and \$2,916,262 expiring between the years 2000 and 2011, respectively.

(e) Statement of Cash Flows

For the purposes of reporting cash flows, all short-term investments with an original maturity of three months or less are classified as cash equivalents.

(f) Use of Estimates

Certain amounts included in these financial statements are based on estimates by management and it is possible that amounts realized may vary significantly from their respective estimates.

(g) Reclassifications

Certain amounts from the 1995 financial statements have been reclassified to conform to the current year presentation.

Note 3 - Cash and Cash Equivalents

The Corporation maintains several interest-bearing accounts at a commercial bank. At February 29, 1996 and February 28, 1995, the Corporation had deposits in excess of federal depository insurance coverage amounting to \$856,550 and \$327,828, respectively.

Note 4 - Investments in Marketable Securities

The Corporation maintains an investment portfolio consisting primarily high-grade corporate and municipal bonds, certificates of deposit with original maturities in excess of three months, and certain

government securities income funds. At February 29, 1996 and February 28, 1995 these securities had an aggregate cost of \$1,195,547 and \$ 990,073, respectively. The Corporation has designated its investment portfolio as its reserve fund for future repairs and replacements. For the years ended February 1996 and 1995, the Corporation earned interest income of \$65,780 and \$67,988 in connection with its investment portfolio.

In accordance with the requirements of Statement of Financial Accounting Standards No. 107, Disclosures about Fair Value of Financial Instruments ("SFAS No. 107"), the Corporation has estimated that the fair value of its investments in marketable securities is \$1,164,038. This estimate is based on quoted market prices for the securities in the portfolio as of February 29, 1996.

SADORE LANE GARDENS, INC.
Notes to Financial Statements
For the Year Ended February 29, 1996

Note 5 - Reserve Fund Receivable

Pursuant to an amendment to the offering plan, the Corporation is to receive \$1,000,000 in specified installments from the Sponsor out of proceeds from the sale of shares. As of February 29, 1996 the Corporation had received \$551,517, of which \$10,591 was received during this fiscal year. The remaining balance of \$448,483 is due in installments based on future sales of shares by the Sponsor. In accordance with the requirements of SFAS No. 107, the Corporation has estimated that the fair market value of this receivable approximates its carrying amount.

Note 6 - Land, Property and Equipment

The cost of the principal classes of land, property and equipment and the related depreciation are as follows:

	1996	1995
Land	\$1,568,638	1,568,638
Building	8,888,950	8,888,950
Improvements	1,591,633	1,586,889
Vehicles	<u>14,911</u>	<u>1,550</u>
Total land, property and equipment	12,064,132	12,046,027
Less accumulated depreciation	<u>(4,667,029)</u>	<u>(4,273,172)</u>
Net fixed assets	<u>\$7,397,103</u>	<u>\$7,772,855</u>

Note 7 - Mortgage Notes Payable

During the period from March 1, 1994 to December 14, 1995, the Corporation was liable under a mortgage agreement which bore interest at 9.875% per annum, and required monthly payments of principal plus interest of \$99,860. On December 15, 1995 the Corporation refinanced their previous mortgage with a new mortgage of \$11,850,000. The new mortgage note bears interest at 7.94% per annum and requires monthly payments of principal and interest of \$86,456. The new note is collateralized by the land and building owned by the Corporation which have a net book value of \$7,383,122. Pursuant to the new mortgage note, a final balloon payment of approximately \$10,382,000 is due on January 1, 2006, however, the Corporation intends to seek refinancing prior to such date.

The Corporation incurred interest expense during the year ended February 29, 1996 of \$1,098,349 on their mortgage obligations, which includes a \$110,264 prepayment penalty associated with the refinancing, as compared to interest expense of \$1,101,864 during the year ended February 28, 1995.

SADORE LANE GARDENS, INC.
Notes to Financial Statements
For the Year Ended February 29, 1996

Note 7 - Mortgage Notes Payable - (continued)

Following are the maturities of long-term debt for each of the next 5 years ending February 28 (or 29) and in the aggregate thereafter:

	<u>Amount</u>
1997	\$ 108,886
1998	109,142
1999	118,131
2000	127,859
2001	138,389
Thereafter	<u>11,239,545</u>
	<u>\$ 11,841,952</u>

Pursuant to SFAS No. 107, the Corporation is required to disclose the fair value of their mortgage note payable at February 29, 1996, as determined by the rates currently available to the bank for debt with similar terms and remaining maturities. Based on the borrowing rates currently available, the Corporation has estimated that the fair value of the mortgage note payable at February 29, 1996 approximates the amount recorded in the financial statements at that date.

Note 8 - Future Major Repairs and Replacements

The Corporation's governing documents do not require the accumulation of funds to finance estimated future major repairs and replacements. The Corporation has not conducted a study to determine the useful lives of the components of common property or estimates of the costs of major repairs and replacements that may be required in the future. In addition, the Corporation has not developed a plan to fund repair and replacement needs. As discussed in Note 4 - Investments in Marketable Securities, the Corporation has designated its investment portfolio as a reserve fund for future major repairs and replacements. However, should future major repairs and replacements requirements exceed the balances maintained in the investment portfolio, then the Corporation plans to either borrow, increase maintenance assessments, or delay repairs and replacements until funds are available. The effect on future assessments has not been determined.

Note 9 - Commitments

(a) - Agreement for Management Services

Effective March 15, 1995, Prime Locations, Inc. ("Prime") was contracted as the managing agent for the Corporation's properties. Pursuant to the agreement, Prime is responsible for processing all day-to-day bookkeeping transactions, and contracting for goods and services (including labor) required in the normal operations of the properties, subject to Board approval in certain instances. Pursuant to the agreement, Prime is compensated at the rate of \$157,000 per annum.

SADORE LANE GARDENS, INC.
Notes to Financial Statements
For the Year Ended February 29, 1996

Note 9 - Commitments - (continued)

This agreement expired March 15, 1996 subsequent to which the contract has been orally extended to March 15, 1998.

(b) - Agreement for Parking Garage Services

Effective December 1, 1995 the Corporation exercised a five year renewal of their current agreement with a managing agent to manage the garages and outside parking. The agreement provides that the Corporation shall retain \$259,200 annually, plus any excess remaining after the agent's annual contractual fee has been satisfied.

(c) - Agreement for Maintenance of Laundry Facilities

Effective October 1, 1989, the Corporation engaged a maintenance contractor to assume operation and maintenance of the laundry machines for ten years under an agreement pursuant to which the Corporation receives \$50,400 per year.

(d) - Agreement for Pool Operations

Effective May 1, 1994, the Corporation engaged a third party to manage pool operations the four summer seasons ending October 1, 1997. The third party is entitled to all the income and is responsible for all related costs.

(e) - Agreement for Maintenance of Elevators

Effective January 1, 1995, the Corporation engaged an elevator contractor to assume maintenance of the elevators for five years. Under this agreement, the elevator contractor is entitled to receive from the Corporation \$36,600 per year, subject to annual adjustments as defined in the agreement.

EXHIBIT "C"

PERCENTAGE INTEREST IN OTHER CO-OPS

BY HOLDERS OF UNSOLD SHARES

Individual's Name	Percentage Interest	Building Address
PHILIP ROSEN	31.25%	3015-17 Riverdale Ave. Bronx, New York
	27.50%	2035 Central Park Ave. Yonkers, New York
	71.25%	480 Riverdale Ave. Yonkers, New York
MILDRED ROLLER	31.25%	3015-17 Riverdale Ave. Bronx, New York
	21.25%	480 Riverdale Ave. Yonkers, New York
MICHELLE ROSEN	15%	2035 Central Park Ave. Yonkers, New York
WENDY LANDIS	15%	2035 Central Park Ave. Yonkers, New York
PHYLLIS RASKIN	15%	2035 Central Park Ave. Yonkers, New York
RITA ROSEN	27.50%	2035 Central Park Ave. Yonkers, New York

TWENTY SECOND AMENDMENT

TO

OFFERING PLAN OF

COOPERATIVE OWNERSHIP OF

PREMISES KNOWN AS

1, 2, 3, 4 AND 5 SADORE LANE
YONKERS, NEW YORK 10710

Dated: September 18, 1997

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED SEPTEMBER 28, 1982, AND THE FIRST AMENDMENT DATED NOVEMBER 10, 1982; THE SECOND AMENDMENT DATED AUGUST 17, 1983; THE THIRD AMENDMENT DATED SEPTEMBER 7, 1983; THE FOURTH AMENDMENT DATED NOVEMBER 30, 1983; THE FIFTH AMENDMENT DATED MARCH 2, 1984; THE SIXTH AMENDMENT DATED SEPTEMBER 6, 1984; THE SEVENTH AMENDMENT DATED JULY 9, 1985; THE EIGHTH AMENDMENT DATED MARCH 24, 1987; THE NINTH AMENDMENT DATED APRIL 30, 1987; THE TENTH AMENDMENT DATED JUNE 12, 1987; THE ELEVENTH AMENDMENT DATED SEPTEMBER 8, 1987; THE TWELFTH AMENDMENT DATED JUNE 29, 1988; THE THIRTEENTH AMENDMENT DATED DECEMBER 5, 1989; THE FOURTEENTH AMENDMENT DATED JUNE 27, 1990; THE FIFTEENTH AMENDMENT DATED NOVEMBER 6, 1991; THE SIXTEENTH AMENDMENT DATED APRIL 23, 1992; THE SEVENTEENTH AMENDMENT DATED NOVEMBER 12, 1992; THE EIGHTEENTH AMENDMENT DATED JANUARY 7, 1994; THE NINETEENTH AMENDMENT DATED APRIL 21, 1995; THE TWENTIETH AMENDMENT DATED SEPTEMBER 22, 1995; AND THE TWENTY FIRST AMENDMENT DATED SEPTEMBER 24, 1996; AND SHOULD BE READ IN CONJUNCTION WITH SAID PLAN.

the vacant Apartments to which Unsold Shares are allocated immediately. As those Apartments are sold the monthly maintenance will decrease.

(3) Annexed hereto as Exhibit "B" are the Apartment Corporation's audited financial statements for the year ended February 29, 1996, and February 28, 1997.

(4) Some of the principals of the Sponsor, as individual holders of unsold shares or units or as general partners or principals of the sponsor or holder of unsold shares, own more than 10% of the shares or units in other cooperative or condominium conversion projects. The offering plans for these buildings are on file with the Department of Law and are available for public inspection. The principals of the Sponsor, as individual holders of unsold shares, are current on all financial obligations in respect of these other cooperatives in which they owns shares or units as individuals, general partners or principals.

Annexed hereto as Exhibit "C" is a list of the identity of each principal of the Sponsor who owns more than 10% of the shares of other buildings, and the address of said building.

(5) The current board of directors of the Corporation was elected at the annual stockholders' meeting which was held on July 14, 1997. The following were elected as officers and directors: Louis Monaco, president, Herbert Goldstein, Charles Scheinberg,

Gordon Burrows, Philip Rosen, Abraham Roller, and Michael Pinzur.

Of the foregoing, Philip Rosen, Abraham Roller and Michael Pinzur are affiliated with the Sponsor or a Holder of Unsold Shares. The Sponsor gave up control of the board of directors as of the meeting held on April 26, 1984.

(6) Maintenance Charges.

Effective June 1, 1997, maintenance charges were increased to \$2.89 per share per month, an increase of approximately 6%.

(7) The Apartment Corporation has completed the following improvements and repairs: (a) parapet walls of 1 Sadore Lane were capped and cladde; and (b) heat boilers were replaced in 2 Sadore Lane. Additional improvement projects planned by the Apartment Corporation include replacement of the roof and repair of the parapet walls of 5 Sadore Lane; this work is expected to take place in the fall of 1997.

(8) Selling Agent's Office. The Phoenix Group continues as the Selling Agent for the Sponsor. Information regarding Unsold Shares is available from the Selling Agent at its offices located at 4 Sadore Lane, Suite 1J, Yonkers, New York or by telephone at (914) 961-0900.

(9) The Offering Plan may be used for twelve (12) months from

the date of this Amendment.

(10) The Offering Plan, as modified, supplemented and extended hereby, is incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment, not otherwise defined herein, shall have the same meanings ascribed to them in the Offering Plan.

(11) Except as set forth herein there have been no material changes in the terms of the Offering.

SADORE LANE GARDENS, INC.
Apartment Corporation

GARDEN TOWERS CO.
Sponsor

SADORE LANE, YONKERS, NEW YORK

UNSOLD APARTMENTS

Exhibit A

BUILDING NO. 1

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
1A	96	2A	100
1E	130	2E	134
1F	155	2F	159
1H	124	2H	128
1J	108	2J	112
1L	162	2K	159
1M	96	2M	100
1P	96	2N	100
1R	64	2P	100
1W	114	2T	166
1Y	162	2U	134
		2V	134
		2X	166
3B	205	4B	207
3F	163	4G	134
3G	132	4J	118
3N	102	4K	165
3P	102	4L	170
3R	70	4M	104
3T	168	4P	170
3U	136	4T	170
3V	136	4V	138
3X	168	4W	122
3Z	102	4Y	170
5A	106	6A	108
5B*	209	6B	211
5E	140	6E	142
5F	167	6F	169
5G	136	6G	138
5K	167	6J	122
5L	172	6L	174
5N	106	6N	108
5S	140	6V	142
5T*	172		
5Y	172		

*pending sales

BUILDING NO. 1 - CONTINUED

<u>APT. #</u>	<u>SHARES</u>
7A	110
7B	213
7C	110
7D	78
7G	140
7H	140
7J	124
7M	110
7P*	110
7S	144
7T	176
7V	144
7X	176
7Z	110

Building Totals:

Apartments: 80

Shares: 11,037

BUILDING NO. 2

<u>APT. #</u>	<u>SHARES</u>
1A	96
1F	155
1K	162
1M	96
1O	90
1S*	124
1T	151
1V	126
1W	110
3C	97
3G	136
3J	120
3K	168
3L	168
3M	102
3P	97
3T	157
3W	116
3X	163

<u>APT. #</u>	<u>SHARES</u>
2C	95
2G	134
2H	134
2M	100
2N	100
2R	64
2S	128
2U	130
2W	114
2Y	166
4A	104
4D	68
4F	163
4G	138
4H	138
4K	170
4L	170
4M	104
4O	207
4P	99
4T	159

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BUILDING NO. 2 - CONTINUED

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
		4X	165
		4Z	104
5B	209	6A	108
5C	101	6C	103
5N	106	6E	136
5P	101	6F	167
5S	134	6G	142
5T	161	6H	142
5W	120	6K	174
5Y	172	6M	108
5Z	106	6N	108
		6R	72
		6U	138
		6V	138
		6W	122
		6Y	174
		6Z	108
7A	110		
7E	138		
7G	144		
7H	144		
7J	128		
7K	176		
7N	110		
7P	105		
7R	74		
7S	138		
7V	140		
7X	171		
7Z	110		

Building Totals:

Apartments: 79

Shares: 10,226

BUILDING NO. 3

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
1B	96	2B	203
1D	64	2C	100
1E	130	2E	134

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BUILDING NO. 3 - CONTINUED

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
1F	162	2F	166
1J	114	2G	134
1K	162	2H	134
1L	162	2J	118
1M	96	2K	166
1O	64	2L	166
1P	96	2S	134
1S	130	2T*	166
1T	162	2V	134
1U	130	2W	118
1V*	130		
1W	114		
1X	162		
1Y	162		
1Z	96		
3A	102	4A	104
3C	102	4C*	104
3D	70	4E	138
3G	136	4G	138
3J	120	4K	170
3K	168	4M	104
3L	168	4R	72
3M	102	4S	138
3O*	205	4U	138
3P	102	4V	138
3S	136	4W	132
3W	120	4X	170
3Y	168	4Z	104
5A	106	6B	211
5E	140	6C	108
5G	140	6D	76
5H	140	6E	142
5J	124	6F	174
5K	172	6G	142
5M	106	6H	142
5N	106	6J	126
5P	106	6K	174
5R	74	6L	174
5S	140	6O	211
5T	172	6P	108
5V	140	6R	76
5W	124	6S	142
5X	172	6U	142
5Z	106	6V	142
		6W	126
		6Y	174

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BUILDING NO. 3 - CONTINUED

APT. # SHARES

7A	110
7C	110
7D	78
7E	144
7G	144
7H	144
7J	128
7L	176
7N	110
7O	213
7P	110
7V*	144
7X	176

APT. #

SHARES

6Z

108

Building Totals:

Apartments: 105

Shares: 14,007

BUILDING NO. 4

APT. # SHARES

1A	96
1B	91
1C	91
1D	60
1E	124
1J	112
1K	160
1L	162
1M	96
1N	96
1O	60
1P	91
1T	157
1V*	130
1X	162
1Y	162
1Z	96

APT. #

SHARES

2B	203
2C	95
2E	128
2G	132
2J	116
2K	164
2O	203
2S	128
2T	161
2U	134
2W	118

3A	102
3C	97
3H	136

4A	104
4C	99
4E	132

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BUILDING NO. 4 - CONTINUED

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
3J	118	4F	163
3K	166	4G	138
3R	66	4H	138
3S	130	4K	168
3U	136	4T	165
3W	120	4V	138
		4W	122
		4X	170
		4Y	170
		4Z	104
5A	106	6A	108
5B	209	6B	211
5C	101	6C	103
5D	70	6F	167
5F	165	6G	142
5J	122	6L	174
5K	170	6M	188
5L	172	6P	103
5O	209	6S	136
5R	70	6U	142
5T	167	6X	174
5V	140	6Y	174
5X	172	6Z	108
5Y*	172		
5Z	106		
7B	213		
7H	144		
7K	174		
7P	105		
7S	138		
7T	171		
7U	144		
7X	176		
7Y	176		
7Z	110		

Building Totals:

Apartments: 88

Shares 12,042

BUILDING NO. 5

APT. # SHARES

LG 128
LK 128
LL 128
LM 94
1E 128
1H 114
1J 114
1K 132
1L 132

3A 84
3B 136
3C 136
3D 136
3E 205
3J 118
3L 136
3S 102

5B 140
5F 140
5M 169
5N 169
5P 140
5S* 106

7B 144
7E 213
7F 144
7G 144
7K 144
7L 144
7M 173
7N 173
7P 144
7R 144

APT. # SHARES

2D 124
2E 203
2K 134
2N 163
2P 132
2R 132

4A 86
4B 138
4C 138
4F 138
4G 138
4H 120
4K 138
4L 138
4P 138
4R 138
4S 104

6C 142
6E 211
6F 142
6H 124
6J 124
6K 142
6L 142
6P* 142
6R 142

BUILDING NO. 5 - CONTINUED

Building Totals:

Apartments: 59

Shares: 8,195

Project Totals:

Apartments: 411

Shares: 55,507

Building 4	4B	207** *
Building 5	2C	124**
Building 1	3H	132**
Building 1	3K	163**
Building 1	2R	68**

**NOT AN UNSOLD SHARE UNIT
BUT OWNED BY SPONSOR

411 apartments unsold out of 775 =
53.03%
55,507 shares out of 103,945 =
53.4%

Exhibit "B"

SADORE LANE GARDENS, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 28, 1997
AND FEBRUARY 29, 1996
with
INDEPENDENT AUDITORS' REPORT

SADORE LANE GARDENS, INC.
Table of Contents
For the Years Ended February 28, 1997 and February 29, 1996

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GARY M. KARLITZ, CPA
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STANLEY GOODMAN, CPA (1960-87)

CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
Sadore Lane Gardens, Inc.

We have audited the accompanying statements of assets, liabilities and shareholders' deficit - income tax basis of Sadore Lane Gardens, Inc. as of February 28, 1997 and February 29, 1996 and the related statements of revenues & expenses - income tax basis, accumulated deficit - income tax basis and the supplemental schedule of cash flows - income tax basis for the years then ended. These financial statements are the responsibility of the Corporation'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 Sadore Lane Gardens Inc. as of February 28, 1997 and February 29, 1996, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Sadore Lane Gardens Inc. has not presented the supplementary information on future major repairs and replacements that the American Institute of Certified Public Accountants has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Bernhardt, Karlitz, Hayden & DeC
Bernhardt, Karlitz, Hayden & DeCruze LLP
June 11, 1997

SADORE LANE GARDENS, INC.
STATEMENTS OF ASSETS, LIABILITIES & SHAREHOLDERS' DEFICIT
- INCOME TAX BASIS
February 28, 1997 and February 29, 1996

ASSETS	1997	1996
Cash and cash equivalents (Note 3)	\$ 442,853	\$ 956,550
Investments in marketable securities (Note 4)	1,269,369	1,195,547
Real estate tax escrow deposits	292,698	250,727
Reserve fund receivable (Note 5)	427,126	448,483
Assessments and other receivables	56,407	46,702
Prepaid real estate taxes and other prepaid expenses	260,024	216,672
Deferred finance costs, net of accumulated amortization (Note 2c)	134,487	149,784
Land, property and equipment, net of accumulated depreciation (Note 6)	<u>7,325,120</u>	<u>7,397,103</u>
TOTAL ASSETS	<u>\$ 10,208,084</u>	<u>\$ 10,661,568</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 176,137	\$ 122,948
Mortgage note payable (Note 7)	11,741,114	11,841,952
Deferred maintenance charges	<u>3,079</u>	<u>5,501</u>
TOTAL LIABILITIES	<u>11,920,330</u>	<u>11,970,401</u>
SHAREHOLDERS' DEFICIT		
Common stock, par value \$1; 103,945 shares authorized, issued and outstanding	103,945	103,945
Additional paid-in capital	2,196,562	2,095,724
Accumulated deficit	<u>(4,012,753)</u>	<u>(3,508,502)</u>
TOTAL SHAREHOLDERS' DEFICIT	<u>(1,712,246)</u>	<u>(1,308,833)</u>
LIABILITIES AND SHAREHOLDERS' DEFICIT	<u>\$ 10,208,084</u>	<u>\$ 10,661,568</u>

The accompanying notes are an integral part of these financial statements

SADORE LANE GARDENS, INC.
STATEMENTS OF REVENUES & EXPENSES AND ACCUMULATED DEFICIT
- INCOME TAX BASIS
For the Years Ended February 28, 1997 and February 29, 1996

	1997	1996
Revenues		
Maintenance assessments	\$ 3,306,477	\$ 3,560,173
Parking	254,333	258,760
Investment income, net	70,780	58,640
Transfer and application fees	3,300	1,800
Laundry	50,400	50,400
Other	15,910	17,331
	<u>3,701,200</u>	<u>3,947,104</u>
Expenses		
Administrative	300,043	362,091
Utilities	491,280	435,636
Building operations	98,978	79,905
Payroll and related costs	807,124	821,261
Mortgage interest	936,634	1,098,349
Real estate taxes	824,105	822,363
Write-off of deferred finance costs	-	84,926
Major repairs and replacements	301,634	217,817
	<u>3,759,798</u>	<u>3,922,348</u>
Excess of Revenues Over Expenses Before Depreciation and Amortization	(58,598)	24,756
Depreciation	430,356	420,715
Amortization	15,297	3,187
Total Depreciation and Amortization	<u>445,653</u>	<u>423,902</u>
Excess of Expenses Over Revenues	(504,251)	(399,146)
Beginning Accumulated Deficit	<u>(3,508,502)</u>	<u>(3,109,356)</u>
Ending Accumulated Deficit	<u>\$ (4,012,753)</u>	<u>\$ (3,508,502)</u>

The accompanying notes are an integral part of these financial statements

SADORE LANE GARDENS, INC.
SUPPLEMENTAL SCHEDULES OF CASH FLOWS
- INCOME TAX BASIS
For the Years Ended February 28, 1997 and February 29, 1996

	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of expenses over revenues	\$ (504,251)	\$ (399,146)
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	445,653	423,902
Write-off of deferred finance costs	-	84,926
(Increase) decrease in:		
Real estate tax escrow deposits	(41,971)	66,762
Assessments and other receivables	(9,705)	15,636
Prepaid expenses	(43,353)	(18,606)
Increase (decrease) in:		
Accounts payable and accrued expenses	53,189	(81,037)
Deferred maintenance charges	(2,422)	5,501
Net cash provided by operating activities	<u>(102,860)</u>	<u>97,938</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of marketable securities	(1,397,048)	(826,634)
Sales of marketable securities	1,323,226	621,160
Purchase of property and equipment	(358,372)	(44,963)
Deferred finance costs	-	(152,966)
Net cash used in investing activities	<u>(432,194)</u>	<u>(403,403)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of mortgage note payable	-	(11,026,404)
Proceeds from mortgage note payable	-	11,850,000
Payments on mortgage notes payable	(100,838)	(95,272)
Increase in additional paid-in capital	100,838	95,272
Reserve fund receivable	21,357	10,591
Net cash provided by financing activities	<u>21,357</u>	<u>834,187</u>
Net increase in cash and cash equivalents	(513,697)	528,722
Cash and cash equivalents at beginning of year	<u>956,550</u>	<u>427,828</u>
Cash and cash equivalents at end of year	<u>\$ 442,853</u>	<u>\$ 956,550</u>
Other supplemental information:		
Interest paid	936,634	1,098,349
Income taxes paid	-	-

The accompanying notes are an integral part of these financial statements

SADORE LANE GARDENS, INC.
Notes to Financial Statements
For the Years Ended February 28, 1997 and February 29, 1996

Note 1 - Nature of Organization

Sadore Lane Gardens, Inc. (the "Corporation") is a co-operative housing Corporation incorporated in the State of New York on March 1, 1984. The Corporation owns five buildings known as Sadore Lane Gardens located in Yonkers, New York. The buildings consist of 778 units, and as of February 28, 1997, there were 352 units which were owned by tenant-shareholders and 426 units owned by Garden Towers, Inc. (the "Sponsor").

Note 2 - Summary of Significant Accounting Policies

(a) Basis of Presentation

The Corporation's financial statements have been prepared on the accrual basis of accounting used for federal income tax purposes. Consequently, certain revenues and expenses are recognized in the determination of income in different reporting periods than they would be if the financial statements were prepared in conformity with generally accepted accounting principles. Although income tax rules are used to determine the timing of the reporting of revenues and expenses, nontaxable revenues and nondeductible expenses are included in the determination of net income.

(b) Depreciation

Assets are stated at cost. The cost of buildings and improvements are depreciated over their estimated useful lives by accelerated methods as defined in the Internal Revenue Code as follows:

	<u>Years</u>
Buildings	27.5
Building improvements	5 - 27.5
Equipment	5
Vehicles	5

Improvements and betterments are capitalized while repairs and maintenance are charged to expense when incurred.

(c) Deferred finance costs

Deferred finance costs represent costs paid to finance/refinance the mortgage on the Corporation's real property. These costs are amortized over the term of the related mortgage loan using the straight-line method. Amortization of deferred finance costs was \$15,297 for the year ended February 28, 1997, as compared to \$3,187 for the prior period. The Corporation refinanced its mortgage on December 15, 1995 and as a result, net deferred finance costs from the previous mortgage of \$84,926 were written off.

SADORE LANE GARDENS, INC.
Notes to Financial Statements
For the Years Ended February 28, 1997 and February 29, 1996

Note 2 - Summary of Significant Accounting Policies (continued)

(d) Income Taxes

The Corporation generally is taxed only on non-member related net income, such as interest income and income from commercial operations. If there had been earnings from member related services, these earnings would be taxed at the standard corporate tax rates. The provision for income taxes included in these financial statements is based on non-member income reduced by an allocation of expenses attributable to non-member income.

For income tax purposes, the Corporation has federal and state net operating loss carryforwards of \$3,803,960 and \$3,284,044 expiring between the years 2000 and 2012, respectively.

(e) Statement of Cash Flows

For the purposes of reporting cash flows, all short-term investments with an original maturity of three months or less are classified as cash equivalents.

(f) Use of Estimates

Certain amounts included in these financial statements are based on estimates by management and it is possible that amounts realized may vary significantly from their respective estimates.

Note 3 - Cash and Cash Equivalents

The Corporation maintains several interest-bearing accounts at a commercial bank. At February 28, 1997 and February 29, 1996, the Corporation had deposits in excess of federal depository insurance coverage amounting to \$206,754 and \$895,221, respectively.

Note 4 - Investments in Marketable Securities

The Corporation maintains an investment portfolio consisting primarily high-grade corporate and municipal bonds, certificates of deposit with original maturities in excess of three months, and certain government securities income funds. At February 28, 1997 and February 29, 1996 these securities had an aggregate amortized cost of \$1,269,369 and \$1,195,547, respectively. The Corporation has designated its investment portfolio as its reserve fund for future repairs and replacements. For the years ended February 28, 1997 and February 29, 1996, the Corporation earned interest income of \$71,319 and \$65,780 in connection with its investment portfolio.

Note 5 - Reserve Fund Receivable

Pursuant to an amendment to the offering plan, the Corporation is to receive \$1,000,000 in specified installments from the Sponsor out of proceeds from the sale of shares. As of February 28, 1997 the Corporation has received \$572,874, of which \$21,357 was received during this fiscal year. The remaining balance of \$427,126 is due in installments based on future sales of shares by the Sponsor.

SADORE LANE GARDENS, INC.
Notes to Financial Statements
For the Years Ended February 28, 1997 and February 29, 1996

Note 6 - Land, Property and Equipment

The cost of the principal classes of land, property and equipment and the related depreciation are as follows:

	<u>1997</u>	<u>1996</u>
Land	\$1,568,638	1,568,638
Building	8,888,950	8,888,950
Building Improvements	1,934,607	1,591,633
Equipment	15,399	-
Vehicles	<u>14,911</u>	<u>14,911</u>
Total land, property and equipment	12,422,505	12,064,132
Less accumulated depreciation	<u>(5,097,384)</u>	<u>(4,667,029)</u>
Net fixed assets	<u>\$7,325,120</u>	<u>\$7,397,103</u>

Note 7 - Mortgage Notes Payable

During the period from March 1, 1994 to December 14, 1995, the Corporation was liable under a mortgage agreement which bore interest at 9.875% per annum, and required monthly payments of principal plus interest of \$99,860. On December 15, 1995 the Corporation refinanced their previous mortgage with a new mortgage of \$11,850,000. The new mortgage note bears interest at 7.94% per annum and requires monthly payments of principal and interest of \$86,456. The new note is collateralized by the land and building owned by the Corporation which have a net book value of \$5,835,334. Pursuant to the new mortgage note, a final balloon payment of approximately \$10,382,000 is due on January 1, 2006, however, the Corporation intends to seek refinancing prior to such date.

The Corporation incurred interest expense during the year ended February 28, 1997 of \$936,634 on their mortgage obligations, as compared to interest expense of \$1,098,349 during the year ended February 29, 1996.

SADORE LANE GARDENS, INC.
Notes to Financial Statements
For the Years Ended February 28, 1997 and February 29, 1996

Note 7 - Mortgage Notes Payable (continued)

Following are the maturities of long-term debt for each of the next 5 years ending February 28 (or 29) and in the aggregate thereafter:

	<u>Amount</u>
1998	\$ 109,142
1999	118,131
2000	127,859
2001	138,389
2002	149,785
Thereafter	<u>11,097,807</u>
	<u>\$ 11,741,113</u>

Note 8 - Future Major Repairs and Replacements

The Corporation's governing documents do not require the accumulation of funds to finance estimated future major repairs and replacements. The Corporation has not conducted a study to determine the useful lives of the components of common property or estimates of the costs of major repairs and replacements that may be required in the future. In addition, the Corporation has not developed a plan to fund repair and replacement needs. As discussed in Note 4 - Investments in Marketable Securities, the Corporation has designated its investment portfolio as a reserve fund for future major repairs and replacements. However, should future major repairs and replacements requirements exceed the balances maintained in the investment portfolio, then the Corporation plans to either borrow, increase maintenance assessments, or delay repairs and replacements until funds are available. The effect on future assessments has not been determined.

Note 9 - Commitments

(a) - Agreement for Management Services

Effective March 15, 1995, Prime Locations, Inc. ("Prime") was contracted as the managing agent for the Corporation's properties. Pursuant to the agreement, Prime is responsible for processing all day-to-day bookkeeping transactions, and contracting for goods and services (including labor) required in the normal operations of the properties, subject to Board approval in certain instances. Pursuant to the agreement, Prime is compensated at the rate of \$157,000 per annum.

This agreement expired March 15, 1996 subsequent to which the contract was orally extended to March 15, 1998.

SADORE LANE GARDENS, INC.
Notes to Financial Statements
For the Years Ended February 28, 1997 and February 29, 1996

Note 9 - Commitments - (continued)

(b) - Agreement for Parking Garage Services

Effective December 1, 1995 the Corporation exercised a five year renewal of their current agreement with a managing agent to manage the garages and outside parking. The agreement provides that the Corporation shall retain \$259,200 annually, plus any excess remaining after the agent's contractual fee has been satisfied.

(c) - Agreement for Maintenance of Laundry Facilities

Effective October 1, 1989, the Corporation engaged a maintenance contractor to assume operation and maintenance of the laundry machines for ten years under an agreement pursuant to which the Corporation receives \$50,400 per year.

(d) - Agreement for Pool Operations

Effective May 1, 1994, the Corporation engaged a third party to manage pool operations the four summer seasons ending October 1, 1997. The third party is entitled to all the income and is responsible for all related costs.

(e) - Agreement for Maintenance of Elevators

Effective January 1, 1995, the Corporation engaged an elevator contractor to assume maintenance of the elevators for five years. Under this agreement, the elevator contractor is entitled to receive from the Corporation \$36,600 per year, subject to annual adjustments as defined in the agreement.

EXHIBIT "C"

PERCENTAGE INTEREST IN OTHER CO-OPS

BY HOLDERS OF UNSOLD SHARES

Individual's Name	Percentage Interest	Building Address
PHILIP ROSEN	31.25%	3015-17 Riverdale Ave. Bronx, New York
	27.50%	2035 Central Park Ave. Yonkers, New York
	71.25%	480 Riverdale Ave. Yonkers, New York
MILDRED ROLLER	31.25%	3015-17 Riverdale Ave. Bronx, New York
	21.25%	480 Riverdale Ave. Yonkers, New York
MICHELLE ROSEN	15%	2035 Central Park Ave. Yonkers, New York
WENDY LANDIS	15%	2035 Central Park Ave. Yonkers, New York
PHYLLIS RASKIN	15%	2035 Central Park Ave. Yonkers, New York
RITA ROSEN	27.50%	2035 Central Park Ave. Yonkers, New York

TWENTY THIRD AMENDMENT

TO

OFFERING PLAN OF

COOPERATIVE OWNERSHIP OF

PREMISES KNOWN AS

1, 2, 3, 4 AND 5 SADORE LANE
YONKERS, NEW YORK 10710

Dated: November 9, 1998

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED SEPTEMBER 28, 1982, AND THE FIRST AMENDMENT DATED NOVEMBER 10, 1982; THE SECOND AMENDMENT DATED AUGUST 17, 1983; THE THIRD AMENDMENT DATED SEPTEMBER 7, 1983; THE FOURTH AMENDMENT DATED NOVEMBER 30, 1983; THE FIFTH AMENDMENT DATED MARCH 2, 1984; THE SIXTH AMENDMENT DATED SEPTEMBER 6, 1984; THE SEVENTH AMENDMENT DATED JULY 9, 1985; THE EIGHTH AMENDMENT DATED MARCH 24, 1987; THE NINTH AMENDMENT DATED APRIL 30, 1987; THE TENTH AMENDMENT DATED JUNE 12, 1987; THE ELEVENTH AMENDMENT DATED SEPTEMBER 8, 1987; THE TWELFTH AMENDMENT DATED JUNE 29, 1988; THE THIRTEENTH AMENDMENT DATED DECEMBER 5, 1989; THE FOURTEENTH AMENDMENT DATED JUNE 27, 1990; THE FIFTEENTH AMENDMENT DATED NOVEMBER 6, 1991; THE SIXTEENTH AMENDMENT DATED APRIL 23, 1992; THE SEVENTEENTH AMENDMENT DATED NOVEMBER 12, 1992; THE EIGHTEENTH AMENDMENT DATED JANUARY 7, 1994; THE NINETEENTH AMENDMENT DATED APRIL 21, 1995; THE TWENTIETH AMENDMENT DATED SEPTEMBER 22, 1995; AND THE TWENTY FIRST AMENDMENT DATED SEPTEMBER 24, 1996; THE TWENTY SECOND AMENDMENT DATED SEPTEMBER 18, 1997 AND SHOULD BE READ IN CONJUNCTION WITH SAID PLAN.

Apartment Corporation:
SADORE LANE GARDENS, INC.

Sponsor:
GARDEN TOWERS CO.

The Cooperative Offering Plan, a Plan to convert to cooperative ownership premises at 1-5 Sadore Lane, Yonkers, New York, dated September 28, 1982, as heretofore amended (the "Plan") is hereby further amended as follows:

(1) The Sponsor has no financial obligations to the Apartment Corporation other than for payment of maintenance charges and the payment of reserve fund contributions at the rate of \$7.3972 per share sold. None of the units owned by the Sponsor are subject to mortgages, loans or financing commitments. The Sponsor is current in all its financial obligations to the Apartment Corporation, and during the previous twelve months the Sponsor has not been in default with respect to any such obligations beyond any applicable grace period.

(2) The Sponsor, as Holder of Unsold Shares, holds the Shares allocated to those Apartments indicated on Exhibit "A" annexed hereto. The aggregate monthly maintenance charges due in connection with the Unsold Shares are \$156,490.61. The aggregate monthly rents received from tenants of Apartments to which Unsold Shares are allocated are \$222,842.04. The Sponsor plans to market

the vacant Apartments to which Unsold Shares are allocated immediately. As those Apartments are sold the monthly maintenance will decrease.

(3) Annexed hereto as Exhibit "B" are the Apartment Corporation's audited financial statements for the year ended February 29, 1997, and February 28, 1998.

(4) Some of the principals of the Sponsor, as individual holders of unsold shares or units or as general partners or principals of the sponsor or holder of unsold shares, own more than 10% of the shares or units in other cooperative or condominium conversion projects. The offering plans for these buildings are on file with the Department of Law and are available for public inspection. The principals of the Sponsor, as individual holders of unsold shares, are current on all financial obligations in respect of these other cooperatives in which they owns shares or units as individuals, general partners or principals.

Annexed hereto as Exhibit "C" is a list of the identity of each principal of the Sponsor who owns more than 10% of the shares of other buildings, and the address of said building.

(5) The current board of directors of the Corporation was elected at the annual stockholders' meeting which was held on July 15, 1998. The following were elected as officers and directors: Louis Monaco, president, Herbert Goldstein, Charles Scheinberg,

Gordon Burrows, Philip Rosen, and Abraham Roller. Of the foregoing, Philip Rosen, and Abraham Roller are affiliated with the Sponsor or a Holder of Unsold Shares. The Sponsor gave up control of the board of directors as of the meeting held on April 26, 1984.

(6) Maintenance Charges.

Maintenance charges are currently \$2.89 per share per month; the most recent increase was effective June 1, 1997.

(7) The firm name of the escrow agent has been changed from "Gross and Gross" to "Gross and Gross LLP."

(8) The Apartment Corporation has completed the following improvements and repairs in the last twelve months or is currently in the process of completing the same: (a) replacement of the roofs of 4 & 5 Sadore Lane; (b) repair of the roofs of 1, 2, & 3 Sadore Lane; and (c) replacement of boilers on 2 & 4 Sadore Lane

(9) Annexed hereto as Exhibit "D" is the text of a new statute enacted by the State of New York which grants cooperatives broader rights when a cooperative apartment is occupied by a renter and the owner of the shares and lease allocated to the apartment fails to pay maintenance charges due.

(10) The Sponsor has adopted a revised form of contract to be used for sales of unsold shares; a copy of the revised form of

contract is annexed as Exhibit "E".

(11) The Offering Plan may be used for twelve (12) months from the date of this Amendment.

(12) The Offering Plan, as modified, supplemented and extended hereby, is incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment, not otherwise defined herein, shall have the same meanings ascribed to them in the Offering Plan.

(13) Except as set forth herein there have been no material changes in the terms of the Offering.

SADORE LANE GARDENS, INC.
Apartment Corporation

GARDEN TOWERS CO.
Sponsor

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
---------------	---------------	---------------	---------------

BUILDING NO. 1

1A	96	2A	100
1E	130	2E	134
1F	155	2F	159
1H	124	2H	128
1J	108	2J	112
1L	162	2K	159
1M	96	2M	100
1P	96	2N	100
1R	64	2P	100
1W	114	2T	166
1Y	162	2U	134
		2V	134
		2X	166
3B	205	4B	207
3F	163	4G	134
3G	132	4J	118
3N	102	4K	165
3P	102	4L	170
3R	70	4M	104
3T	168	4P*	104
3U	136	4T	170
3V	136	4V	138
3X	168	4W	122

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
3Z	102	4Y	170
5A	106	6A	108
5E	140	6B	211
5F	167	6E	142
5G	136	6F	169
5K*	167	6G	138
5L	172	6J	122
5N	106	6L	174
5S	140	6N	108
5Y	172	6V	142
7A	110		
7B	213		
7C	110		
7D	78		
7G	140		
7H	140		
7J	124		
7M	110		
7S	144		
7T	176		
7V	144		
7X	176		
7Z	110		
	5,872.00		4,608.00
			10,480.00

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SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
---------------	---------------	---------------	---------------

Building Totals:

Apartments: 77

Shares: 10,480

[After pending sale:

Apartments: 75

Shares: 10,209]

BUILDING NO. 2

1A	96	2C	95
1F	155	2G	134
1K*	162	2H	134
1M	96	2M	100
1O	90	2N	100
1T	151	2R	64
1V	126	2S	128
1W	110	2U	130
		2W	114
		2Y	166
3C	97	4A	104
3G	136	4D	68
3J	120	4F	163
3K	168	4G	138
3L	168	4H	138
3M	102	4K	170
3P	97	4L	170

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

APT. # SHARES APT. # SHARES

3T	157	4M	104
3W	116	4O	207
3X	163	4P	99
		4T	159
		4X	165
		4Z	104
5B	209	6A	108
5C	101	6C	103
5N	106	6E	136
5P	101	6F	167
5S	134	6G*	142
5T	161	6H	142
5W	120	6K	174
5Y	72	6M	108
5Z	106	6N	108
		6R	72
		6U	138
		6V	138
		6W	122
		6Y	174
		6Z	108
7A	110		
7E	138		
7G	144		

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SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

APT. # SHARES APT. # SHARES

7H	144		
7J	128		
7K*	176		
7N	110		
7P	105		
7R	74		
7S	138		
7V	140		
7X	171		
7Z	110		
	5,108.00		4,894.00
			10,002.00

Building Totals:

Apartments: 78

Shares: 10,226

[After pending sale:

Apartments: 75

Shares: 9,746]

BUILDING NO. 3

1B	96	2B	203
1D	64	2C*	100
1E	130	2E	134
1F	162	2F	166
1J	114	2G	134
1K	162	2H	134

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SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

APT. # SHARES APT. # SHARES

1L	162	2J	118
1M	96	2K*	166
1O	64	2L	116
1P	96	2S	134
1S	130	2T	166
1T	162	2V	134
1U	130	2W	118
1W*	114		
1X	162		
1Y	162		
1Z	96		
3A	102	4A	104
3C	102	4E	138
3D	70	4G	138
3G	136	4K	170
3J	120	4M	104
3K	168	4R	72
3L	168	4S	138
3M	102	4U	138
3P	102	4V	138
3S	136	4W	132
3W	120	4X	170
3Y	168	4Z	104
5A	106	6B	211
5E*	140	6C	108

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SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
---------------	---------------	---------------	---------------

5G	140	6D	76
5H	140	6E	142
5J	124	6F	174
5K	172	6G	142
5M	106	6H	142
5N	106	6J	126
5P	106	6K	174
5R	74	6L	174
5S	140	6O	211
5T	172	6P	108
5V	140	6R	76
5W	124	6S	142
5X	172	6U	142
5Z	106	6V	142
		6W	126*
		6Y	174
		6Z	108
7A	110		
7C	110		
7D	78		
7E	144		
7G	144		
7H	144		
7J*	128		

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SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
7L	176		
7N	110		
7O	213		
7P	110		
7X	176		
	7,307.00		6,067.00
			13,374.00

Building Totals:

Apartments: 101

Shares: 13,182

[After pending sales

Apartments: 95

Shares: 12,408]

BUILDING NO. 4

1A	96	2B	203
1B*	91	2C	95
1C	91	2E	128
1D	60	2G	132
1E	124	2J	116
1J	112	2K	164
1K	160	2O	203
1L	162	2S	128
1M	96	2T	161
1N	96	2U	134

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SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
1O	60	2W	118
1P	91		
1T	157		
1X	162		
1Y	162		
1Z	96		
3A	102	4A	104
3C	97	4B*	207
3H	136	4C	99
3J	118	4E	132
3K	166	4F	163
3R	66	4G	138
3S	130	4H	138
3U	136	4K	168
3W	120	4T	165
		4V	138
		4W	122
		4X	170
		4Y	170
		4Z	104
5A	106	6A	108
5B	209	6B*	211
5C*	101	6C	103
5D	70	6F	167
5F	165	6G	142

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

APT. # SHARES APT. # SHARES

5J	122	6L	174
5K	170	6M	188
5L	172	6P	103
5O	209	6S	136
5R	70	6U	142
5T	167	6W*	126
5V	140	6X	174
5X	172	6Y	174
5Z	106	6Z	108
7B	213		
7H	144		
7K	174		
7P	105		
7S	138		
7T	171		
7U	144		
7X	176		
7Y	176		
7Z	110		
	6,417.00		5,656.00
			12,073.00

Building Totals:

Apartments: 88

Shares 11,740

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SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
---------------	---------------	---------------	---------------

[After pending sales
Apartments: 83
Shares: 11,428]

BUILDING NO. 5

LG	128	2D*	124
LL	128	2E	203
LM	94	2K	134
1E	128	2N	163
1H	114	2P	132
1J	114	2R	132
1K	132		
1L	132		
3A	84	4A	86
3B	136	4B	138
3C	136	4C	138
3D	136	4F	138
3E	205	4G	138
3J	118	4H	120
3L*	136	4K	138
3S	102	4L	138
		4P	138
		4R	138
		4S	104
5B*	140	6C	142
5F	140	6E	211

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

APT. # SHARES APT. # SHARES

5M	169	6H	124
5N	169	6J*	124
5P	140	6K	142
		6L	142
		6P*	142
		6R	142
7B	144		
7E	213		
7F	144		
7G	144		
7K	144		
7L	144		
7M	173		
7N	173		
7P	??		
7R	144		
	4,204.00		3,471.00
			7,675.00

Building Totals:

Apartments: 56

Shares: 8,047

[After pending sales:

Apartments: 51

Shares: 7,659]

Project Totals:

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SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
---------------	---------------	---------------	---------------

Apartments: 399

Shares: 53,675

Building 4	4B	207**	Parrilla & Dixon *
Building 5	2C	124**	Lombardo
Building 1	3H	132**	Odom*
Building 1	3K	163**	Morrison*
Building 1	2R	68**	Toribio
Building 4	6W	126**	Davis*

**NOT AN UNSOLD SHARE UNIT
BUT OWNED BY SPONSOR

399 apartments unsold out of 775 =
51.48%
53,675 shares out of 103,945 =
51.64%

[After pending sales

of 775 =

103,945 =

390 apartments unsold out

50.32

52,325 shares out of

50.34%]

TO REACH 50.5% sold - must sell 8 more apts.

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SADORE LANE GARDENS, INC.
FINANCIAL STATEMENTS
FEBRUARY 28, 1998 AND 1997
with
INDEPENDENT AUDITORS' REPORT

EXHIBIT B

SADORE LANE GARDENS, INC.
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For the Years Ended February 28, 1998 and 1997

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▼
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS ADVISORS
INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
Sadore Lane Gardens, Inc.

We have audited the accompanying balance sheets of Sadore Lane Gardens, Inc. as of February 28, 1999 and 1998 and the related statements of operations and accumulated deficit and cash flows for the years then ended. These financial statements are the responsibility of the Corporation'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 Sadore Lane Gardens Inc. as of February 28, 1999 and 1998 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Sadore Lane Gardens, Inc. has not presented the supplementary information on future major repairs and replacements that the American Institute of Certified Public Accountants has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Bernhardt, Karlitz, Hayden & DeCruze LLP
Bernhardt, Karlitz, Hayden & DeCruze LLP
April 2, 1999

SADORE LANE GARDENS, INC.
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Years Ended February 28, 1999 and 1998

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SADORE LANE GARDENS, INC.

BALANCE SHEETS

February 28, 1999 and 1998

ASSETS

	1999	1998
Cash and cash equivalents (Note 3)	\$ 219,334	\$ 427,804
Investments in marketable securities (Note 4)	978,095	1,161,562
Real estate tax escrow deposits	300,468	287,539
Reserve fund receivable (Note 5)	398,435	427,126
Assessments and other receivables	96,201	31,539
Prepaid real estate taxes and other prepaid expenses	231,852	240,321
Deferred finance costs, net of accumulated amortization (Note 2b)	103,893	119,190
Land, property and equipment, net of accumulated depreciation (Note 6)	7,299,543	7,178,039
Total assets	<u>\$ 9,627,820</u>	<u>\$ 9,873,120</u>

LIABILITIES AND SHAREHOLDERS' DEFICIT

Accounts payable and accrued expenses	\$ 138,070	\$ 191,717
Mortgage note payable (Note 7)	11,513,841	11,631,972
Deferred maintenance charges	-	5,709
Total liabilities	<u>11,651,911</u>	<u>11,829,398</u>
Shareholders' deficit		
Common stock, par value \$1; 103,945 shares authorized, issued and outstanding	103,945	103,945
Additional paid-in capital	2,423,834	2,305,704
Accumulated deficit	(4,551,870)	(4,365,927)
Total shareholders' deficit	<u>(2,024,091)</u>	<u>(1,956,278)</u>
Total liabilities and shareholders' deficit	<u>\$ 9,627,820</u>	<u>\$ 9,873,120</u>

The accompanying notes are an integral part of these financial statements

SADORE LANE GARDENS, INC.
STATEMENTS OF OPERATIONS AND ACCUMULATED DEFICIT
Years Ended February 28, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Revenues:		
Maintenance assessments	\$ 3,494,290	\$ 3,405,314
Parking	240,459	270,586
Investment income, net	59,248	91,096
Transfer and application fees	1,800	2,325
Laundry	50,400	50,400
Other	<u>36,156</u>	<u>32,335</u>
	<u>3,882,353</u>	<u>3,852,056</u>
Expenses:		
Administrative	337,165	321,037
Utilities	332,696	441,252
Building operations	89,148	94,646
Payroll and related costs	813,546	833,480
Mortgage interest	919,341	928,329
Real estate taxes	909,322	898,436
Major repairs and replacements	<u>205,843</u>	<u>233,892</u>
	<u>3,607,061</u>	<u>3,751,072</u>
Excess of revenues (expenses) over expenses (revenues) before depreciation and amortization	<u>275,292</u>	<u>100,984</u>
Depreciation	445,938	438,861
Amortization	<u>15,297</u>	<u>15,297</u>
Total depreciation and amortization	<u>461,235</u>	<u>454,158</u>
Excess of expenses over revenues	(185,943)	(353,174)
Accumulated deficit beginning of year	<u>(4,365,927)</u>	<u>(4,012,753)</u>
Accumulated deficit end of year	<u>\$ (4,551,870)</u>	<u>\$ (4,365,927)</u>

The accompanying notes are an integral part of these financial statements

SADORE LANE GARDENS, INC.
STATEMENTS OF CASH FLOWS
Years Ended February 28, 1999 and 1998

	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of expenses over revenues	\$ (185,943)	\$ (353,174)
Adjustments to reconcile excess of expenses over revenues to net cash provided by operating activities:		
Depreciation and amortization	461,235	454,158
(Increase) decrease in:		
Real estate tax escrow deposits	(12,929)	5,159
Assessments and other receivables	(64,662)	24,868
Prepaid expenses	8,469	19,703
Increase (decrease) in:		
Accounts payable and accrued expenses	(53,647)	15,580
Deferred maintenance charges	(5,709)	2,630
Net cash provided by operating activities	<u>146,815</u>	<u>168,924</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of marketable securities	(569,588)	(817,607)
Sales of marketable securities	753,055	925,414
Expenditures for property and equipment	(567,442)	(291,780)
Net cash used in investing activities	<u>(383,975)</u>	<u>(183,973)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on mortgage note payable	(118,131)	(109,142)
Increase in additional paid-in capital	118,130	109,142
Reserve fund receivable	28,692	-
Net cash provided by financing activities	<u>28,691</u>	<u>-</u>
Net decrease in cash and cash equivalents	(208,470)	(15,049)
Cash and cash equivalents at beginning of year	<u>427,804</u>	<u>442,853</u>
Cash and cash equivalents at end of year	<u>\$ 219,334</u>	<u>\$ 427,804</u>
Other supplemental information:		
Interest paid	\$ 919,341	\$ 928,329
Income taxes paid	13,258	4,898

The accompanying notes are an integral part of these financial statements

SADORE LANE GARDENS, INC.
Notes to Financial Statements
Years Ended February 28, 1999 and 1998

Note 1 - Nature of Organization

Sadore Lane Gardens, Inc. (the "Corporation") is a co-operative housing corporation incorporated in the State of New York on March 1, 1984. The Corporation owns five buildings known as Sadore Lane Gardens located in Yonkers, New York. The buildings consist of 778 units, and as of February 28, 1999, there were 376 units which were owned by tenant-shareholders and 402 units owned by Garden Towers, Inc. (the "Sponsor").

Note 2 - Summary of Significant Accounting Policies

(a) Depreciation

Fixed assets are stated at cost. Buildings, building improvements and equipment are depreciated over their estimated useful lives using the accelerated methods. Improvements are capitalized while repairs and maintenance are charged to expense when incurred.

(b) Deferred finance costs

Deferred finance costs represent costs paid to refinance the mortgage on the Corporation's real property. These costs are amortized over the term of the related mortgage loan using the straight-line method. Amortization of deferred finance costs was \$15,297 for the years ended February 28, 1999 and 1998.

(c) Income Taxes

The Corporation generally is taxed only on non-member related net income, such as interest income and income from commercial operations. If there had been earnings from member related services, these earnings would be taxed at the standard corporate tax rates. The provision for income taxes included in these financial statements is based on non-member income reduced by an allocation of expenses attributable to non-member income.

For income tax purposes, the Corporation has federal and state net operating loss carryforwards of approximately \$4,480,000 and \$4,340,000 respectively, expiring between the years 2000 and 2014.

(d) Statement of Cash Flows

The Corporation considers all short-term investments purchased with an original maturity of three months or less to be classified as cash equivalents. For the years ended February 28, 1999 and 1998, cash equivalents consisted principally of money market funds.

(e) Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SADORE LANE GARDENS, INC.
Notes to Financial Statements
Years Ended February 28, 1999 and 1998

Note 3 - Cash and Cash Equivalents

The Corporation maintains several interest-bearing accounts at a commercial bank. At February 28, 1999 and 1998, the Corporation had deposits in excess of Federal depository insurance coverage amounting to \$68,685 and \$304,668 respectively.

Note 4 - Investments in Marketable Securities

The Corporation maintains an investment portfolio consisting primarily of high-grade corporate and municipal bonds, certificates of deposit, and certain government security income funds. At February 28, 1999 and 1998 these securities had an aggregate amortized cost of \$978,095 and \$1,161,562, respectively which approximates market. The Corporation has designated its investment portfolio as its reserve fund for future repairs and replacements. For the years ended February 28, 1999 and 1998, the Corporation earned interest income of \$61,007 and \$80,294, respectively, in connection with its investment portfolio.

Note 5 - Reserve Fund Receivable

Pursuant to an amendment to the offering plan, the Corporation is to receive \$1,000,000 in specified installments from the Sponsor out of proceeds from the sale of shares. As of February 28, 1999 and 1998 the Corporation has received \$601,565, of which \$28,691 was received during the year ended February 28, 1999. The remaining balance of \$398,435 is due in installments based on future sales of shares by the Sponsor.

Note 6 - Land, Property and Equipment

The estimated useful lives of depreciable property and equipment for the purpose of computing depreciation for financial accounting and reporting purposes are as follows:

	<u>Years</u>
Buildings	27.5
Building improvements	5 - 27.5
Equipment	5
Vehicles	5

SADORE LANE GARDENS, INC.
Notes to Financial Statements
Years Ended February 28, 1999 and 1998

Note 6 - Land, Property and Equipment (continued)

Land, property and equipment consists of the following:

	<u>1999</u>	<u>1998</u>
Land	\$1,568,638	1,568,638
Building	8,888,950	8,888,950
Building improvements	2,787,726	2,220,865
Equipment	21,502	20,920
Vehicles	<u>14,911</u>	<u>14,911</u>
Total land, property and equipment	13,281,727	12,714,284
Less accumulated depreciation	<u>(5,982,183)</u>	<u>(5,536,245)</u>
Net fixed assets	<u>\$7,299,544</u>	<u>\$7,178,039</u>

Note 7 - Mortgage Notes Payable

On December 15, 1995 the Corporation refinanced its previous mortgage with their current mortgage of \$11,850,000. The mortgage note bears interest at 7.94% per annum and requires monthly payments of principal and interest of \$86,456. The mortgage note is collateralized by the land and building owned by the Corporation which has a net book value of \$5,124,218. Pursuant to the mortgage note, a final balloon payment of approximately \$10,382,000 is due on January 1, 2006; however, the Corporation intends to seek refinancing prior to such date.

The Corporation incurred interest expense related to this mortgage obligation for the years ended February 28, 1999 and 1998 of \$919,341 and \$928,329, respectively.

The maturities of the mortgage note for each of the next 5 years ending February 28 (or 29) and in the aggregate thereafter are as follows:

<u>Years</u>	<u>Amount</u>
2000	\$ 127,859
2001	138,389
2002	149,785
2003	162,121
2004	175,473
Thereafter	<u>10,760,214</u>
	<u>\$ 11,513,841</u>

SADORE LANE GARDENS, INC.
Notes to Financial Statements
Years Ended February 28, 1999 and 1998

Note 8 – Line of Credit

The Corporation has a revolving credit agreement with a bank in the amount of \$700,000 which expires December 15, 2005. Interest is payable monthly at ½ percent per annum over the bank's reference rate. The Corporation may convert the outstanding balance, minimum amount of \$400,000, to a fixed rate mortgage at 2½ percent per annum over the U.S. Treasury rate in effect at the time of conversion. At February 28, 1999 and 1998, there were no outstanding borrowings on this credit facility.

Note 9 - Future Major Repairs and Replacements

The Corporation's governing documents do not require the accumulation of funds to finance estimated future major repairs and replacements. The Corporation has not conducted a study to determine the useful lives of the components of common property or estimates of the costs of major repairs and replacements that may be required in the future. In addition, the Corporation has not developed a plan to fund repair and replacement needs. As discussed in Note 4 - Investments in Marketable Securities, the Corporation has designated its investment portfolio as a reserve fund for future major repairs and replacements. However, should future major repairs and replacements requirements exceed the balances maintained in the investment portfolio, then the Corporation plans to either borrow, increase maintenance assessments, or delay repairs and replacements until funds are available. The effect on future assessments has not been determined.

Note 10 - Commitments

(a) - Agreement for Management Services

Effective March 15, 1995, Prime Locations, Inc. ("Prime") was contracted as the managing agent for the Corporation's properties. Pursuant to the agreement, Prime is responsible for processing all day-to-day bookkeeping transactions, and contracting for goods and services (including labor) required in the normal operations of the properties, subject to Board approval in certain instances. Pursuant to the agreement, Prime was compensated at the rate of \$157,000 per annum.

This agreement was extended for three years beginning January 1, 1998 through December 31, 2000. All terms and conditions of the original management agreement remained the same except that Prime is now compensated at a rate of \$160,000 per annum.

(b) - Agreement for Parking Garage Services

Effective December 1, 1995 the Corporation exercised a five year renewal of their current agreement with a managing agent to manage the garages and outside parking. The agreement provides that the Corporation shall retain \$259,200 annually, plus any excess remaining after the agent's contractual fee has been satisfied. Since parking spaces were lost during the current year to the fire dept. and snow removal, the parking income is only \$240,459.

SADORE LANE GARDENS, INC.
Notes to Financial Statements
Years Ended February 28, 1999 and 1998

Note 10 – Commitments (continued)

(c) - Agreement for Maintenance of Laundry Facilities

Effective October 1, 1989, the Corporation engaged a maintenance contractor to assume operation and maintenance of the laundry machines for ten years under an agreement pursuant to which the Corporation receives \$50,400 per year.

(d) - Agreement for Pool Operations

Effective May 1, 1994, the Corporation engaged a third party to manage pool operations the four summer seasons ending October 1, 1997. The contract was not renewed and as of October 1, 1997, the Corporation is managing the pool operations.

(e) - Agreement for Maintenance of Elevators

Effective January 1, 1995, the Corporation engaged an elevator contractor to assume maintenance of the elevators for five years. Under this agreement, the elevator contractor is entitled to receive from the Corporation \$36,600 per year, subject to annual adjustments as defined in the agreement.

EXHIBIT "C"

PERCENTAGE INTEREST IN OTHER CO-OPS

BY HOLDERS OF UNSOLD SHARES

Individual's Name	Percentage Interest	Building Address
PHILIP ROSEN	27.50%	2035 Central Park Ave. Yonkers, New York
	71.25%	480 Riverdale Ave. Yonkers, New York
MILDRED ROLLER	21.25%	480 Riverdale Ave. Yonkers, New York
MICHELLE ROSEN	15%	2035 Central Park Ave. Yonkers, New York
WENDY LANDIS	15%	2035 Central Park Ave. Yonkers, New York
PHYLLIS RASKIN	15%	2035 Central Park Ave. Yonkers, New York
RITA ROSEN	27.50%	2035 Central Park Ave. Yonkers, New York

Contract of Sale - Cooperative Apartment

This contract is made as of _____, 199__ between the "Seller" and the "Purchaser" identified below.

1. Certain Definitions and Information

1.1 The "Parties" are:

Seller: GARDEN TOWERS CO.
Address: 550 MAMARONECK AVENUE, HARRISON, NEW YORK 10528
Prior names used by Seller:
Soc. Sec. No. 13-2578521

Purchaser:
Address:
Soc. Sec. No.

1.2 The "Attorneys" are (name, address and telephone):

For Seller: GROSS AND GROSS LLP
9 WEST PROSPECT AVENUE, SUITE 406
MOUNT VERNON, NEW YORK 10550
(914) 699-1919

For Purchaser:

1.3 The "Escrowee" is (name, address, and telephone)

GROSS AND GROSS LLP
9 WEST PROSPECT AVENUE, SUITE 406
MOUNT VERNON, NEW YORK 10550
(914) 699-1919

1.4 The "Managing Agent" is (name, address, and telephone)

PRIME LOCATIONS
5 SADORE LANE
YONKERS, NEW YORK 10710
(914) 963-7400

1.5 The name of the cooperative housing corporation ("Corporation") is SADORE LANE GARDENS, INC.

1.6 The "Unit" number is

1.7 The Unit is located in "Premises" known as 1-5 SADORE LANE, YONKERS, NEW YORK 10710.

1.8 The "Shares" are the _____ shares of the Corporation allocated to the Unit.

1.9 The "Lease" is the proprietary lease for the Unit given by the Corporation.

1.10 The "Broker" (see Par. 12) is THE PHOENIX GROUP, 4 SADORE LANE, SUITE 4J, YONKERS, NEW YORK 10710

1.11 The "Closing" is the transfer of ownership of the Shares and Lease, which is scheduled to occur on _____ at 1000 AM (see Pars. 9 and 10)

1.12 The "Purchase Price" is \$

1.12.1 the "Contract Deposit" is \$

1.12.2 the "Balance" of the Purchase Price due at Closing is \$ (see Par. 2)

1.13 The "Maintenance" charge is the rent payable under the Lease which at the date this Contract is in the monthly amount of \$ (see Par. 4). This maintenance is subject to change.

1.14 The "Assessment" is the additional rent payable under the Lease which at the date of this Contract is \$ -0- payable as follows: NONE

1.15 The Party upon whom the Corporation imposes a "Flip Tax" or similar transfer fee, if any, is NONE (see Par. 11.3)

1.16 If Par. 19 (Financing Contingency) applies:

1.16.1 the "Loan Terms" are:

Amount Financed: \$ or any lower amount applied for or acceptable to Purchaser.

Payment Terms and Charges: The customary payment terms (including prevailing fixed or adjustable interest rate, prepayment provisions and maturity) and charges (including points, origination and other fees) then currently being offered to purchasers of cooperative apartments by the Institutional Lender (defined in Par. 19.5.1) to which Purchaser applies.

Security: Pledge of the Shares and Lease.

1.16.2 the period for Purchaser to obtain a Loan Commitment Letter is 30 days after a fully executed counterpart of this Contract is given to Purchaser.

1.17 The "Proposed Occupants" of the Unit are the following:

1.17.1 persons and relationship to Purchaser:

1.17.2 pets: NONE

1.18 The Contract Deposit shall be held in a non-interest bearing escrow account. Interest shall be payable to the party entitled to the Contract Deposit. The escrow account shall be an IOLA type account held at CITIBANK, N.A., 895 PELHAM PARKWAY, PELHAM MANOR, NEW YORK 10803 (see Par. 28)

2. Agreement to Sell and Purchase; Purchase Price; Escrow

2.1 Seller agrees to sell and assign to Purchaser, and Purchaser agrees to purchase and assume from Seller, the Seller's Shares and Lease for the Purchase Price and upon the other terms and conditions stated in this Contract.

2.2 The Purchase Price is payable to Seller by Purchaser as follows:

2.2.1 the Contract Deposit at the time of signing this Contract, by Purchaser's collectible check to the order of Escrowee.

2.2.2 the Balance at Closing, only by cashier's, official bank or certified check of Purchaser made payable to the direct order of Seller. These checks shall be drawn on and payable by a branch of a commercial or savings bank, savings and loan association or trust company located in the same City or County as the Unit. Seller may direct, on not less than 3 business days' Notice (defined in Par. 17) prior to Closing, that all or a portion of the Balance shall be made payable to persons other than Seller.

3. Personal Property

3.1 Subject to any rights of the Corporation or any holder of a mortgage to which the Lease is subordinate, this sale includes all of Seller's ownership, if any, of the following "Property" to the extent existing in the Unit on the date hereof: the refrigerator, freezer, range, oven, microwave oven, dishwasher, cabinets and counters, light fixtures, central air-conditioning and/or window or sleeve units, washing machine, dryer, screens and storm windows, window treatments, switch plates, door hardware, built-ins not excluded in Par. 3.2 and **SEE RIDER**

3.2 Specifically excluded from this sale is all personalty not included in Par. 3.1 and

3.3 The Property shall not be purchased if Closing does not occur.

3.4 No consideration is being paid for the Property. Seller makes no representation as to the condition of the Property. Purchaser shall take the Property "as is" on the date of this Contract, except for reasonable wear and tear, and except further, the appliances shall be in working order at Closing.

3.5 At or prior to the time of Closing, Seller shall remove from the Unit all the furniture, furnishings and other personalty not included in this sale, and repair any damage caused by such removal.

4. Representations and Covenants

4.1 Subject to any matter affecting title to the Premises (as to which Seller makes no representations or covenants), Seller represents and covenants that:

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4.1.1 Seller is and shall at Closing be the sole owner of the Shares and Lease with the full right and power to sell and assign them;

4.1.2 the Shares and Lease will at Closing be free and clear of liens (other than the Corporation's general lien on the Shares, for which no monies shall be owed), encumbrances and adverse interests ("Liens"); or Seller will deliver to Purchaser at Closing all requisite terminations, releases and/or satisfactions executed in form suitable for filing and/or recording, so as to remove of record, at Seller's expense, any such Liens;

4.1.3 the Shares were duly issued, fully paid for and are non-assessable;

4.1.4 the Lease is, and will at Closing be, in full force and effect and no notice of default under the Lease will be in effect at Closing;

4.1.5 the Maintenance and Assessments payable as of the date hereof are as specified in Pars. 1.13 and 1.14. All sums due to the Corporation will be fully paid by Seller to the end of the payment period immediately preceding the date of Closing;

4.1.6 as of this date, Seller neither has actual knowledge nor has received any written notice of (a) any increase in Maintenance or (b) any proposed Assessment which has been either adopted or is under consideration by the Board of Directors of the Corporation and not reflected in the amounts set forth in Pars. 1.13 and 1.14;

4.1.7 Seller will not at Closing be indebted for labor or material which might result in the filing of a notice of mechanic's lien against the Unit or the Premises;

4.1.8 there are and at closing will be no violations of record which the owner of the Shares and Lease would be obligated to remedy under the terms of the Lease;

~~4.1.9 Seller has not made any alterations or additions to the Unit, without any required consent of the Corporation;~~

4.1.10 Seller has not entered and will not enter into, and has no actual knowledge of, any agreement (other than the Lease) affecting the use and/or occupancy of the Unit which would be binding on or adversely affect Purchaser; and

4.1.11 Seller has been known by no other name for the past 10 years except as set forth in Par. 1.1.

4.2 Purchaser represents and covenants that Purchaser is acquiring the Shares and Lease solely for residential occupancy of the Unit by the Proposed Occupants only and will so represent to the Corporation in connection with Purchaser's application to the Corporation for approval of this transaction by the Corporation.

4.3 The representations and covenants contained in Par. 4.1 shall survive Closing, but any action based thereon must be instituted within 1 year from Closing.

5. Corporate Documents

Purchaser has examined and is satisfied with or has waived the examination of the Lease, and the Corporation's certificate of incorporation, bylaws, house rules, most recent audited financial statement and most recent statement of tax deductions available to the Corporation's shareholders under Internal Revenue Code ("IRC") § 216 (or any successor statute).

6. Required Approval and References

6.1 This sale is NOT subject to the approval of the Corporation.

~~6.2 Purchaser shall in good faith:~~

~~6.2.1 submit to the Corporation or its Managing Agent, within 10 business days after the receipt of a fully executed counterpart of this Contract, an application for approval of this sale on the form required by the Corporation containing such data and together with such documents as the Corporation reasonably requires except for the Loan Commitment Letter (defined in Par. 19.5.2), if applicable, which shall be submitted by Purchaser within 3 business days after it is obtained;~~

~~6.2.2 attend (and cause any person who will reside in the Unit to attend) one or more personal interviews, as requested by the Corporation; and~~

~~6.2.3 promptly submit to the Corporation such further references, data and documents reasonably requested by the Corporation.~~

6.3 Either Party, after learning of the approval or denial by the Corporation of the application, shall promptly send Notice to the other Party of the Corporation's decisions. If approval or denial has not been issued on or before the date set for Closing, the Closing shall be adjourned for 30 business days for the purpose of obtaining such approval unless otherwise agreed to by the Parties. If approval of this sale is not obtained by said adjourned date, either Party may cancel this Contract on Notice to the other provided that the Corporation's approval is not issued before Notice of cancellation is given. In the event of a denial other than for Purchaser's bad faith conduct, this contract shall be deemed canceled. In the event of cancellation pursuant to this Par. 6, the Escrowee shall refund the Contract Deposit to Purchaser. In case of a denial or lack of approval due to Purchaser's bad faith conduct, Purchaser shall be in default and Par. 13.1 shall govern.

7. Condition of Unit and Possession

7.1 Seller makes no representation as to the condition of the Unit. Purchaser has inspected the Unit and shall take the same "as is," on the date of this Contract, reasonable wear and tear excepted.

7.2 Seller shall deliver possession of the Unit at Closing, vacant, broom-clean and free of all occupants and rights of possession, **OTHER THAN OCCUPANCY RIGHTS OF THE PURCHASER, IF ANY.**

8. Risk of Loss

8.1 While Seller has legal title and is in possession of the Unit, Seller assumes all risk of loss or damage ("Loss") to the Unit and Property from fire or other cause not due to the fault of Purchaser or Purchaser's contractors, agents or servants. In the event of a Loss, Seller shall have the option (but not the obligation) to restore the Unit and Property to as near as reasonably possible to the condition immediately prior to the Loss.

8.2 Within 10 calendar days after the Loss occurs, Seller shall give Notice to Purchaser of the Loss and whether or not Seller elects to restore ("Election Notice").

8.3 If Seller elects to restore, Seller must do so within 60 calendar days after sending the Election Notice or by the Closing, whichever is later ("Restoration Period").

8.4 If the Closing is before such 60 calendar day period expires, then the Closing shall be adjourned to a date and time fixed by the Seller on not less than 10 calendar days' prior Notice to Purchaser, but in no event shall the Closing be adjourned for more than 70 calendar days after giving of the Election Notice.

8.5 If Seller elects not to restore or fails, in a timely manner, to send the Election Notice or, having sent the Notice, Seller fails to complete the restoration within the Restoration Period, then Purchaser's sole remedy is either to:

8.5.1 cancel this Contract in accordance with Par. 16 and recover all sums theretofore paid on account of the Purchase Price; or

8.5.2 complete the purchase in accordance with this Contract, without reduction in the Purchase Price or claim against Seller, but with the right to receive any "Net Insurance Proceeds" as defined in Par. 8.6 together with an assignment to Purchaser, without recourse to Seller, of any uncollected proceeds, which assignment shall be delivered by Seller at Closing.

8.6 "Net Insurance Proceeds" are proceeds of Seller's insurance covering the Loss which is attributable to the Unit and Property after deducting legal and other collection expenses incurred by Seller and any sums paid or incurred by Seller for restoration.

8.7 If Purchaser fails to exercise one of Purchaser's options pursuant to Par. 8.5 by Notice to Seller within 7 business days after Seller gives the Election Notice or within 7 business days after the Restoration Period expires (in the event Seller fails to complete the restoration within the Restoration Period), then Purchaser will be deemed to have conclusively elected the option to complete the purchase pursuant to Par. 8.5.2.

8.8 If Purchaser is given possession of the Unit prior to Closing:

8.8.1 Purchaser assumes all risk of Loss to the Unit and Property prior to Closing from fire or other cause not the fault of Seller or Seller's contractors, agents, employees or servants; and

8.8.2 Purchaser shall be obligated to complete the purchase in accordance with this Contract, without reduction in the Purchase Price or claim against Seller and without delay.

8.9 Notwithstanding anything to the contrary in Par. 8.1, Purchaser shall have the right to cancel this Contract in accordance with Par. 16 if, prior to Closing and while Seller is in possession, through no fault of Purchaser or Purchaser's contractors, agents, employees and servants, either:

8.9.1 a Loss occurs to the Unit would cost more than 10% of the Purchase Price to restore; or

8.9.2 more than 10% of the units in the Premises are damaged and rendered uninhabitable by fire or other cause, regardless of whether the Unit is damaged.

8.10 Purchaser shall be deemed to have waived Purchaser's right to cancel under Par. 8.9 if Purchaser fails to elect to cancel by Notice to Seller given within 7 business days after Seller gives Notice to Purchaser of the event which gives rise to Purchaser's right to cancel. In the event Purchaser waives or is deemed to have waived this right to cancel, the provisions of Par. 8.5.2 shall apply.

9. Closing Location

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The Closing shall be held at the location designated by the Corporation, or (if none is designated), at the office of Seller's attorney or Purchaser's lender **PROVIDED SAME IS IN BRONX OR WESTCHESTER COUNTY.**

10. Closing

10.1 At Closing, Seller shall deliver:

10.1.1 Seller's certificate for the Shares duly endorsed for transfer to Purchaser or accompanied by a separate duly executed stock power to Purchaser, and in either case, with any guarantee of Seller's signature required by the Corporation;

10.1.2 Seller's counterpart original of the Lease and duly executed assignment thereof to Purchaser in the form required by the Corporation;

10.1.3 a written statement by an officer of the Corporation or its authorized agent consenting to the transfer of the Shares and Lease to Purchaser and setting forth the amounts and payments status of the Maintenance and any Assessments;

10.1.4 executed FIRPTA document(s) (defined in Par. 26);

10.1.5 keys to the Unit, building entrances, garage, mailbox and any locks in the Unit;

10.1.6 if requested, an assignment to Purchaser of Seller's interest in the Property;

10.1.7 Net Insurance Proceeds and/or assignment of any uncollected Net Insurance Proceeds, if applicable; and

10.1.8 instruments or other documents required under Par. 4.1.2, if any.

10.2 At Closing, Purchaser shall:

10.2.1 pay the Balance in accordance with Par. 2.2.2;

10.2.2 execute and deliver to Seller and the Corporation an agreement assuming the Lease, in form required by the Corporation; and

10.2.3 if requested by the Corporation, execute and deliver counterparts of a new lease substantially the same as the Lease, for the balance of the Lease term, in which case the Lease shall be cancelled and surrendered to the Corporation together with Seller's assignment thereof to Purchaser.

10.3 At Closing, the Parties shall provide, the information necessary for Internal Revenue Service ("IRS") Form 1099-S or other similar form required.

10.4 At Closing, Seller shall provide and the parties shall execute, all documents necessary to comply with any applicable transfer and/or gains tax filings.

11. Closing Fees, Taxes and Apportionments

11.1 At Closing, Seller shall pay, if applicable:

~~11.1.1 the processing fee(s) of the Corporation, its attorneys, and/or agents, except as set forth in Par. 11.2.3;~~

11.1.2 the cost of stock transfer stamps; and

11.1.3 the transfer tax and transfer gains tax, except a transfer tax which by its terms imposes primary liability on the purchaser.

11.2 At Closing, Purchaser shall pay:

11.2.1 the sales taxes, if any, on this sale, other than the transfer stamps as provided for in Par. 11.1.2;

11.2.2 the cost of any title search;

11.2.3 any fee to the Corporation or its agents and/or attorneys relating to Purchaser's financing (\$200.00 TO SMITH, BUSS & JACOBS LLP); \$300.00 TO THE PHOENIX GROUP (CLOSING FEE) and

11.2.4 a transfer tax which by law is primarily imposed on the purchaser.

11.3 At Closing, the Flip Tax, if any, shall be paid by the Party specified in Par. 1.15:

11.4 At Closing, the Parties shall apportion as of 11:59 P.M. of the day preceding the Closing, the Maintenance and any other periodic charges due the Corporation (other than Assessments).

11.5 Assessments, whether payable in a lump sum or installments, shall not be apportioned but shall be paid by the party who is the owner of the Shares on the date specified by the Corporation for payment. Purchaser shall pay any installments payable after Closing provided Seller had the right to and elected to pay the Assessment in installments.

11.6 Each party covenants to the other that it will timely pay any taxes for which it is primarily liable pursuant to law. This Par. 11.6 shall survive Closing.

12. Broker

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12.1 Each Party represents to the other that such Party has not dealt with any other person acting as a broker, whether licensed or unlicensed, in connection with this transaction other than the Broker named in Par. 1.10.

12.2 Seller shall pay the Broker's commission pursuant to a separate agreement. The Broker shall not be deemed to be a third-party beneficiary of this provision.

12.3 This Par. 12 shall survive the Closing.

13. Defaults, Remedies and Indemnities

13.1 In the event of a default or misrepresentation by Purchaser, Seller's sole remedy shall be to terminate this Contract and retain the Contract Deposit as liquidated damages, except there shall be no limitation on Seller's remedies for breach of Par. 12.1. In case of Purchaser's misrepresentation or default, Seller's damages would be impossible to ascertain and the Contract Deposit constitutes a fair and reasonable amount of compensation.

13.2 In the event of a default or misrepresentation by Seller, Purchaser shall have such remedies as Purchaser is entitled to at law or in equity, including specific performance, because the Unit and possession thereof cannot be duplicated.

13.3 Each Party indemnifies and holds harmless the other against and from any claim, judgment, loss, liability, cost or expense resulting from the indemnitor's breach of any of the representations or covenants stated to survive Closing. This indemnity includes, without limitation, reasonable attorney's fees and disbursements, court costs and litigation expenses. This Par. 13.3 shall survive the Closing.

13.4 Purchaser indemnifies and holds harmless Seller against and from any claim, judgment, loss, cost or expense resulting from the Lease obligations assumed by Purchaser. This indemnity includes, without limitation, reasonable attorney's fees and disbursements, court costs and litigations expenses. This indemnity does not include or excuse a breach of any representation or covenant by Seller in Par. 4.1. This Par. 13.4 shall survive the Closing.

13.5 In the event any instrument for the payment of the Contract Deposit fails of collection, Seller shall have the right to sue on the uncollected instrument. In addition, such failure of collection shall be a default under this Contract, provided Seller gives Purchaser notice of such failure of collection and, within 3 business days after Notice is given, Escrowee does not receive from Purchaser an unendorsed-certified check, bank check or immediately available funds in the amount of the uncollected funds. Failure to cure such default shall entitle Seller to the remedy in Par. 13.1 and to retain all sums as may be collected and/or recovered.

14. Entire Agreement; Modification

14.1 All prior oral or written representations, understandings and agreements had between the Parties with respect to the subject matter of this Contract, and with the Escrowee as to Par. 28, are merged in this Contract, which alone fully and completely expresses their agreement.

14.2 A provision of this Contract may be changed or waived only in writing signed by the Party (or Escrowee) to be charged.

14.3 The Attorneys may extend in writing any of the time limitations stated in this Contract.

15. No Assignment by Purchaser

15.1 Purchaser may not assign this Contract or any of Purchaser's rights hereunder and any purported assignment shall be null and void.

15.2 This Contract shall bind and inure to the benefit of the Parties hereto and their respective heirs, personal and legal representatives and successors in interest.

16. Cancellation for Other than Default or Misrepresentation

If Seller shall be unable to transfer the Lease and the Shares in accordance with this Contract for any reason not due to Seller's willful acts or omissions, then the sole obligation of Seller shall be to refund to Purchaser the Contract Deposit and reimburse Purchaser for the actual costs incurred for Purchaser's title or abstract search, except such reimbursement shall not be required if a cancellation is pursuant to Par. 6 or 19. Upon making such refund, this Contract shall be canceled and neither Party shall have any further claims against the other hereunder.

17. Notices

17.1 Any notice or demand ("Notice") shall be in writing and either delivered by hand or overnight delivery or sent by certified

or registered mail to the Party and simultaneously, in like manner, to such Party's Attorney, if any, and to Escrowee at the address set forth in Par. 1, or to such other address as shall hereafter be designated by Notice given pursuant to this Par. 17.

17.2 Each Notice shall be deemed given on the same day if delivered by hand or on the following business day if sent by overnight delivery, or the second business day following the date of mailing.

17.3 The Attorneys are authorized to give any Notice specified in this Contract on behalf of their respective clients.

17.4 Failure to accept a Notice does not invalidate the Notice.

18. ~~Margin Headings~~

The margin headings do not constitute part of the text of this Contract.

19. Financing Contingency (~~delete if inapplicable~~)

19.1 Purchaser may cancel this Contract and recover the Contract Deposit by following the procedure in Par. 19.4 if after complying with Purchaser's "Financing Obligations" in Par. 19.2 below and Purchaser's other obligations under this Contract:

19.1.1 Purchaser fails through no fault of Purchaser to obtain from an "Institutional Lender" (defined in Par. 19.5.1) a "Loan Commitment Letter" (defined in Par. 19.5.2) for financing on the Loan Terms and within the time period stated in Par. 1.16 (the "Loan"); or

19.1.2 the Institutional Lender and the Corporation cannot agree on the terms of an agreement for the protection of the Institutional lender (commonly called a recognition agreement), if required by the Institutional Lender.

19.2 Purchaser's right to cancel under Par. 19.1 and recover the Contract Deposit is conditioned upon Purchaser's diligent compliance with all of the following "Financing Obligations":

19.2.1 Purchaser must apply in good faith for the Loan from an Institutional Lender within 7 business days after a fully executed counterpart of this Contract is given to Purchaser;

19.2.2 the Loan application must contain truthful, accurate and complete information as required by the Institutional Lender; and

19.2.3 Purchaser must comply with all requirements of the Institutional Lender to obtain the Loan Commitment Letter and to close the Loan.

19.3 Purchaser may also cancel this Contract and recover the Contract Deposit in accordance with the procedure in Par. 19.4 if:

19.3.1 the Closing is adjourned by Seller or the Corporation for more than 30 business days from the date set for Closing in Par. 1.11; and

19.3.2 the Loan Commitment Letter expires on a date more than 30 business days after the date set for Closing in Par. 1.11 and before the new date set for Closing pursuant to Par. 19.3.1; and

19.3.3 Purchaser is unable in good faith to obtain from the Institutional Lender an extension or a new Loan Commitment Letter for the Amount Financed stated in Par. 1.16 or the same principal amount stated in the expired Loan Commitment Letter, whichever is lower, without paying any additional fees to the Institutional Lender (unless Seller, within 5 business days after receipt of Notice of such fees, gives Notice that Seller will pay such fees and pays them when due). All other substantive Loan terms may be materially no less favorable than in the expired Loan Commitment Letter.

19.4 In order to cancel pursuant to Par. 19.1 or 19.3, Purchaser shall give Notice of cancellation to Seller within 7 business days after the right to cancel arises. **Purchaser's failure to timely give such Notice of cancellation will be deemed a conclusive waiver of such right to cancel.** In case of cancellation pursuant to Par. 19.1, a copy of any loan refusal letter or non-complying Loan Commitment Letter (as the case may be) issued by the Institutional Lender shall accompany the Notice of cancellation, if available, or if not then available, shall be provided promptly after receipt. In case of cancellation pursuant to Par. 19.3, a copy of all written communications between the Institutional Lender and Purchaser concerning the extension or new loan commitment shall accompany the Notice of cancellation (or a copy of any letter refusing to extend the loan commitment or make a new loan commitment received by Purchaser after sending the cancellation Notice shall be sent to Seller promptly after receipt). Purchaser's obligation under this Par. 19.4 shall survive the cancellation of this Contract.

19.5 The definitions for certain terms used in this Par. 19 are:

19.5.1 an "Institutional Lender" is any bank, savings bank, savings and loan association, trust company, credit union of which Purchaser is a member, insurance company or governmental entity which is duly authorized to issue a loan secured by the Shares and Lease in the state where the Unit is located and is then currently extending similarly secured loan commitments; and

19.5.2 a "Loan Commitment Letter" is a written offer to make the Loan with or without recourse and whether or not conditional upon any factor other than an appraisal satisfactory to the Institutional Lender. ~~An offer to make the Loan which is~~

conditional on obtaining a satisfactory appraisal shall only become a Loan Commitment Letter upon such condition being met.

20. Singular/Plural and Joint/Several

The use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires. If more than one entity is selling or purchasing the Unit, their obligations shall be joint and several.

21. No Survival

No representation and/or covenant contained herein shall survive Closing except as expressly provided. Computation errors shall survive and be corrected after Closing.

22. Inspections

Purchaser shall have the right to inspect the Unit at reasonable times upon reasonable request to Seller, and within 48 hours prior to Closing.

23. Governing Law

This Contract shall be governed by the laws of the State of New York. Any action or proceeding arising out of this Contract shall be brought in the county where the Unit is located and the Parties hereby consent to said venue.

24. Removal of Liens

24.1 Purchaser shall deliver or cause to be delivered to Seller or Seller's Attorney, not less than 10 calendar days prior to Closing, a list of Liens, if any, which may violate Par. 4.1.

24.2 Seller shall have a reasonable period of time to remove any such Lien.

25. Cooperation of Parties

25.1 The Parties shall each cooperate with the other, the Corporation, Purchaser's Institutional Lender and title company, if any, and obtain, execute and deliver such documents as are reasonably necessary to close.

25.2 The Parties shall timely file or pre-file all required documents in connection with all governmental filings that are required by law. Each Party represents to the other that its statements in such filings will be true and complete. This Par. 25.2 shall survive the Closing.

26. FIRPTA and Gains Tax

26.1 The Parties shall comply with IRC §§ 897, 1445 and related provisions, as amended, and any substitute provisions of any successor statute and the regulations thereunder ("FIRPTA"). The Seller shall furnish to the Purchaser at or prior to Closing a Certification of Nonforeign Status in accordance with FIRPTA. If the Seller fails to deliver such certification by Closing, the Purchaser shall deduct and withhold from the Purchase Price such sum required by law and remit such amount to the IRS. In the event of such withholding by Purchaser, Seller's obligations hereunder, including (but not limited to) the transfer of ownership of the Shares and Lease, shall not be excused or otherwise affected. In the event of any claimed over-withholding, Seller shall be limited solely to an action against the IRS for a refund. Seller hereby waives any right of action against Purchaser on account of such withholding. This Par. 26.1 shall survive the Closing.

~~26.2 If a Real Property Transfer Gains Tax pre-filing is required by law, Purchaser shall simultaneously herewith deliver to Seller a completed and executed Transferee Questionnaire or the equivalent thereof.~~

27. Additional Conditions

27.1 Purchaser shall not be obligated to close unless at the time of the Closing:

27.1.1 the Corporation is duly incorporated and in good standing; and

27.1.2 the Corporation has fee or leasehold title to the Premises, whether or not marketable or insurable; and

27.1.3 there is no pending *in rem* action or foreclosure action of any underlying mortgage affecting the Premises.

27.2 Purchaser shall give Seller Notice of any failure of any of the conditions in Par. 27.1. If any condition in Par. 27.1 is not true and is not cured within a reasonable period of time after giving said Notice, then either Seller or Purchaser shall have the option to cancel this Contract pursuant to Par. 16.

28. Escrow Terms THE ESCROW IS SUBJECT TO THE TERMS OF THE OFFERING PLAN

28.1 Escrowee acknowledges receipt of the check for the Contract Deposit, subject to collection.

28.2 The check for the Contract Deposit shall be deposited by Escrowee in an escrow account as described in Par. 1.18 and the proceeds held and disbursed in accordance with the terms of this Contract. Upon Closing, Escrowee shall deliver the Contract Deposit to Seller. In all other cases, if either Party makes a demand upon Escrowee for delivery of the Contract Deposit, Escrowee shall give Notice to the other Party of such demand. If a Notice of objection to the proposed payment is not received from the other Party within 10 business days after giving notice by Escrowee, time being of the essence, Escrowee is hereby authorized to deliver the Contract Deposit to the Party who made the demand. If Escrowee receives a Notice of objection within said period, or if for any other reason, Escrowee in good faith elects not to deliver the Contract Deposit, then Escrowee shall continue to hold the Contract Deposit and thereafter pay it to the Party entitled when Escrowee receives (a) a Notice from the objecting Party withdrawing the objection, or (b) a Notice signed by both Parties directing disposition of the Contract Deposit or (c) a judgment or order of a court of competent jurisdiction **OR (D) A DETERMINATION OF THE DEPARTMENT OF LAW.**

28.3 In the event of any dispute or doubt as to the genuineness of any document or signature, or uncertainty as to Escrowee's duties, then Escrowee shall have the right either to continue to hold the Contract Deposit in escrow or to pay the Contract Deposit into court pursuant to relevant statute.

28.4 The SELLER agrees jointly to defend (by attorneys selected by Escrowee), indemnify and hold harmless Escrowee against and from any claim, judgment, loss, liability, cost or expense resulting from any dispute or litigation arising out of or concerning Escrowee's duties or services hereunder. This indemnity includes, without limitation, disbursements and reasonable attorneys' fees either paid to retain attorneys or representing fair value of legal services rendered by Escrowee to itself.

28.5 Escrowee shall not be liable **TO SELLER** for any error in judgment or for any act done or step taken or omitted in good faith, or for any mistake of fact or law, except for Escrowee's own gross negligence or willful misconduct.

28.6 The parties acknowledged that Escrowee is merely a stakeholder. Upon payment of the Contract Deposit pursuant to Par. 28.2 of 28.3, Escrowee shall be fully released from all liability and obligations with respect to the Contract Deposit.

28.7 In the event Escrowee is the attorney for either Party, Escrowee shall be entitled to represent such Party in any lawsuit.

28.8 Escrowee shall serve without compensation.

28.9 The signing of this Contract by Escrowee is only to evidence Escrowee's acceptance of the terms and conditions of this Par. 28.

29. Binding Effect

This Contract shall not be binding unless a fully executed counterpart thereof has been delivered to each of the Parties.

See Rider annexed hereto for additional terms.

In Witness Whereof, the Parties hereto have duly executed this Contract as of the date first above written.

ESCROW TERMS AGREED TO:

SELLER:

PURCHASER:

GROSS AND GROSS LLP

GARDEN TOWERS CO.

BY: _____

Escrowee

RIDER TO CONTRACT DATED: _____, 199__

SELLER: Garden Towers Co.

PURCHASER:

APARTMENT: Apt. _____, _____ Sadore Lane, Yonkers, New York 10710

THIS RIDER IS INTENDED TO BE AFFIXED TO AND BECOME A PART OF THE ABOVE DESCRIBED CONTRACT; IF ANY PROVISION IN THIS RIDER CONFLICTS WITH OR IS INCONSISTENT WITH ANY PRINTED PROVISION OF THE CONTRACT, THEN THE PROVISION OF THIS RIDER SHALL CONTROL.

30. The terms of this Contract are expressly subject to the terms of that certain cooperative offering plan for the Corporation, dated as of September 24, 1982, as the same has been amended to date (the "Plan"). Purchaser acknowledges receipt of a copy of the Plan at least three (3) business days prior to execution of this Contract and represents that Purchaser has examined and is satisfied with same. In the event of conflict between the terms of the Plan and the terms of this Contract, the terms of the Plan shall control.

31. Supplementing Paragraphs 3 and 31, it is agreed that:

A. Seller is not obligated to install any equipment or appliances in the Unit or otherwise make any repairs, improvements or decorations to the Unit or its equipment, appliances and fixtures.

B. The Seller is a Holder of Unsold Shares as such term is defined in the Plan.

C. Purchaser acknowledges having entered into this Contract without relying upon any promises, statements, estimates, representations, warranties, conditions or other inducements, expressed or implied, oral or written, not set forth herein or in the Plan as amended.

32. Supplementing and modifying Paragraphs 2.2.2 and 10.2.1:

A. Purchaser hereby guarantees payment of all checks delivered at closing on account of Purchaser's obligations under this Contract. This subparagraph 32.A. shall survive the Closing.

B. Purchaser acknowledges that the balance of the Purchase Price must be paid by checks strictly in accordance with paragraph 2.2.2. Certified personal checks or official cashier's or bank checks payable to the order of Purchaser and endorsed to Seller will not be accepted at closing.

33. With respect to all proceeds received by or on behalf of Seller under this Agreement, the Seller shall comply with the trust fund and escrow provisions of General Business Law Section 352-h and Section 352-e(2-b).

34. The acceptance of the Shares and the assumption of the Lease by the Purchaser shall be deemed to be a full performance and discharge of every agreement and obligation on the part of the Seller to be performed pursuant to the provisions of this Contract except (a) those expressly provided to survive the closing and (b) those obligations which Seller, as the Sponsor, is required to perform either under (i) the terms of the Plan, as amended to date, or (ii) applicable provisions of the General Business Law.

CONTRACT.FRM

35. If through no fault of Seller, Purchaser, for any reason, fails to close on the date scheduled for closing in Paragraph 1.11 (the "Scheduled Closing Date"), then Purchaser will be obligated to reimburse Seller a daily sum for each day's delay of \$25.00 for the period beginning with the Scheduled Closing Date and ending on the day immediately preceding the actual closing date. Time is of the essence for Purchaser to pay and perform Purchaser's obligations hereunder within 30 days of the Scheduled Closing Date.

36. Supplementing Paragraph 10.2, Purchaser shall pay any application fee, recognition agreement review fee, move-in fee or other fee the Corporation may require.

37. Supplementing and Modifying Paragraph 28:

A. The Escrowee shall deposit and handle the Contract Deposit in accordance with the terms and provisions of Paragraph 1 of the 16th Amendment, Paragraph 7 of the 18th Amendment and Paragraph 7 of the 23rd Amendment to the Plan converting the Premises to cooperative ownership. Purchaser acknowledges having read the terms of such 16th, 18th and 23rd Amendments and the escrow provisions contained therein and agrees to be bound by same.

B. The Escrowee shall not be bound by any modification of this Contract or its escrow provisions unless there is delivered to the Escrowee a written modification signed by the parties. No such modification shall, without the written consent of the Escrowee, modify the provisions relating to the duties, obligations or rights of the Escrowee.

38. The execution and delivery of this Contract of Sale by Purchaser and the delivery thereof to Seller shall have no binding force and effect on Seller unless and until Seller shall have executed this Contract of Sale and a counterpart thereof shall have been delivered to Purchaser or Purchaser's attorney as set forth herein.

39. Purchaser understands that the Corporation is not a party to this Contract or the sale contemplated hereby and that no representations, warranties or promises of any kind have been made to Purchaser by the Corporation. Purchaser agrees that no claim will be made against the Corporation by Purchaser in respect of, or arising out of, the purchase of the shares and appurtenant Lease.

40. Purchaser represents to Seller and to the Corporation that Purchaser is not less than 18 years of age. The provisions of this Paragraph shall inure to the benefit of both Seller and the Corporation and shall survive the Closing.

41. Supplementing Paragraph 12, Seller and Purchaser agree to indemnify and hold the other harmless from and against any claim, judgment, liability, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from any breach of the representation set forth in Paragraph 12. The provisions of Paragraph 12 and this Paragraph shall survive the Closing.

42. If this Contract is terminated or canceled for any reason, the Purchaser agrees to return to the Seller or to Seller's attorney any and all documentation, including the offering plan, amendments to the offering plan and financial statements relative to this transaction; if Purchaser fails to return the documentation within ten (10) days of the cancellation or termination of the Contract, Purchaser hereby authorizes the Escrow Agent to deduct the cost of replacing such documentation, up to \$150.00, from the Contract Deposit, if the same is to be refunded.

43. LEAD BASED PAINT HAZARDS

- A. Seller has no knowledge of any lead based paint and/or lead based paint hazards in the housing.
- B. Seller has no reports or records pertaining to lead based paint and/or lead based paint hazards in the housing.

C. This Contract is contingent upon a risk assessment or inspection of the property for the presence of lead-based paint and/or lead-based paint hazards at the Purchaser's expense until 9 p.m. on the date which is ten (10) days after this Contract is delivered to you. (Intact lead-based paint that is in good condition is not necessarily a hazard. See the EPA pamphlet Protect Your Family From Lead in Your Home for more information.) This contingency will terminate at the above predetermined deadline unless the Purchaser (or Purchaser's agent) delivers to the Seller (or Seller's agent) a written request, listing specific existing deficiencies and annexing a copy of the risk assessment, to terminate this contract. Upon receipt of such a request, Seller shall promptly return the down payment and this Contract shall be of no further force and effect. The Purchaser may remove this contingency at any time without cause.

D. Purchaser acknowledges receipt of a copy of the EPA pamphlet "Protect Your Family From Lead in Your Home."

44. LEASE PURCHASE PROGRAM

A. Purchaser will occupy the Unit prior to closing under the terms of a "Lease Purchase Program" lease (the "Lease"), commencing on _____. If Purchaser consummates the purchase of the Unit pursuant to this Contract, the Seller shall credit the Purchaser, at closing, an amount equal to six (6) months' rent paid under the Lease, each month's rent being in the amount of \$ _____. The total credit hereunder shall not exceed \$ _____, and this credit shall be applied to the Purchase Price due hereunder.

B. If the Purchaser fails to comply with all of his obligations under the Lease, and such failure continues beyond the notice period, if any, set forth in the Lease, such failure to comply shall be an uncured default under the Lease. An uncured default under the Lease shall be a default under this Contract, entitling the Seller, at its sole option, to terminate this Contract immediately.

45. FINANCING PROVISIONS

A. **This Contract is not contingent upon financing.**

B. The parties acknowledge that the Purchaser has an option either (i) to obtain financing through Hudson Valley Bank (the "Lender") for up to \$ _____ on such terms as the Lender may then offer, in which case the Seller shall give Purchaser a credit at Closing equal to the Purchaser's closing costs imposed by the Lender for the following: points, Lender's attorneys fee, judgment and lien search fee, UCC filing fee, flood certification fee; or (ii) apply for financing through the lender of Purchaser's choice, in which event Seller shall not grant a closing cost credit.

C. Seller has arranged for financing through the Lender for its purchasers, subject to Seller's approval of each purchaser. The Seller's approval of Purchaser is conditioned on Purchaser's successful completion of the Lease Purchase Program. Failure to pay rent on time every month is a basis for the Seller to withhold its approval; for purposes of this paragraph, rent is "on time" if it is received no later than the 15th of the month in which it is due. Additionally, any material adverse change in the income or credit of the

Purchaser between the date the Purchaser signs this Contract and the Closing may result in the withdrawal of Seller approval.

D. Purchaser acknowledges that his/her rent payment history will be made available to any lender which requests the same.

E. Purchaser gives permission for any the Lender or any other lending institution to discuss any and all details of the Purchaser's application and the financing process with the Seller or the Selling Agent.

F. Seller shall not be obligated to grant the credit referred to in clause 45.B.(i) unless Purchaser complies strictly with the following time table for application with the Lender: (i) the Purchaser must make his initial application to the Lender no later than 60 days prior to the Closing Date set forth in Paragraph 1.11 above; (ii) within three (3) business days after making application to the Lender, the Purchaser must notify the Selling Agent that the application has been made; and (iii) the Purchaser must diligently pursue the application with the Lender, must promptly provide the Lender with all documentation requested by the Lender, and must comply with all requirements of the Lender.

46. UNIT IMPROVEMENTS

Seller will make the following improvements to the Unit within 30 days after closing:

- A. install new kitchen cabinets;
- B. purchase and install new 15 cubic foot refrigerator;
- C. purchase and install range with hood;
- D. purchase and install dishwasher;
- E. purchase and install stainless steel sink;
- F. purchase and install new kitchen floor; and
- G. purchase and install bathroom vanity/sink (where heating register precludes vanity, wall hung sink will be installed).

SELLER: GARDEN TOWERS CO.

PURCHASER:

BY: _____

TWENTY FOURTH AMENDMENT

TO

OFFERING PLAN OF

COOPERATIVE OWNERSHIP OF

PREMISES KNOWN AS

1, 2, 3, 4 AND 5 SADORE LANE
YONKERS, NEW YORK 10710

Dated: December 22, 1999

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED SEPTEMBER 28, 1982, AND THE FIRST AMENDMENT DATED NOVEMBER 10, 1982; THE SECOND AMENDMENT DATED AUGUST 17, 1983; THE THIRD AMENDMENT DATED SEPTEMBER 7, 1983; THE FOURTH AMENDMENT DATED NOVEMBER 30, 1983; THE FIFTH AMENDMENT DATED MARCH 2, 1984; THE SIXTH AMENDMENT DATED SEPTEMBER 6, 1984; THE SEVENTH AMENDMENT DATED JULY 9, 1985; THE EIGHTH AMENDMENT DATED MARCH 24, 1987; THE NINTH AMENDMENT DATED APRIL 30, 1987; THE TENTH AMENDMENT DATED JUNE 12, 1987; THE ELEVENTH AMENDMENT DATED SEPTEMBER 8, 1987; THE TWELFTH AMENDMENT DATED JUNE 29, 1988; THE THIRTEENTH AMENDMENT DATED DECEMBER 5, 1989; THE FOURTEENTH AMENDMENT DATED JUNE 27, 1990; THE FIFTEENTH AMENDMENT DATED NOVEMBER 6, 1991; THE SIXTEENTH AMENDMENT DATED APRIL 23, 1992; THE SEVENTEENTH AMENDMENT DATED NOVEMBER 12, 1992; THE EIGHTEENTH AMENDMENT DATED JANUARY 7, 1994; THE NINETEENTH AMENDMENT DATED APRIL 21, 1995; THE TWENTIETH AMENDMENT DATED SEPTEMBER 22, 1995; THE TWENTY FIRST AMENDMENT DATED SEPTEMBER 24, 1996; THE TWENTY SECOND AMENDMENT DATED SEPTEMBER 18, 1997; AND THE TWENTY THIRD AMENDMENT DATED NOVEMBER 9, 1998 AND SHOULD BE READ IN CONJUNCTION WITH SAID PLAN.

Apartment Corporation:
SADORE LANE GARDENS, INC.

Sponsor:
GARDEN TOWERS CO.

The Cooperative Offering Plan, a Plan to convert to cooperative ownership premises at 1-5 Sadore Lane, Yonkers, New York, dated September 28, 1982, as heretofore amended (the "Plan") is hereby further amended as follows:

(1) The Sponsor has no financial obligations to the Apartment Corporation other than for payment of maintenance charges and the payment of reserve fund contributions at the rate of \$7.3972 per share sold. None of the units owned by the Sponsor are subject to mortgages, loans or financing commitments. The Sponsor is current in all its financial obligations to the Apartment Corporation, and during the previous twelve months the Sponsor has not been in default with respect to any such obligations beyond any applicable grace period.

(2) The Sponsor, as Holder of Unsold Shares, holds the Shares allocated to those Apartments indicated on Exhibit "A" annexed hereto. The aggregate monthly maintenance charges due in connection with the Unsold Shares are \$146,910.26. The aggregate monthly rents received from tenants of Apartments to which Unsold Shares are allocated are \$206,358.45. The Sponsor plans to market

the vacant Apartments to which Unsold Shares are allocated immediately. As those Apartments are sold the monthly maintenance will decrease.

(3) Annexed hereto as Exhibit "B" are the Apartment Corporation's audited financial statements for the year ended February 28, 1998, and February 28, 1999.

(4) Some of the principals of the Sponsor, as individual holders of unsold shares or units or as general partners or principals of the sponsor or holder of unsold shares, own more than 10% of the shares or units in other cooperative or condominium conversion projects. The offering plans for these buildings are on file with the Department of Law and are available for public inspection. The principals of the Sponsor, as individual holders of unsold shares, are current on all financial obligations in respect of these other cooperatives in which they owns shares or units as individuals, general partners or principals.

Annexed hereto as Exhibit "C" is a list of the identity of each principal of the Sponsor who owns more than 10% of the shares of other buildings, and the address of said building.

(5) The current board of directors of the Corporation was elected at the annual stockholders' meeting which was held on July 26, 1999. The following were elected as officers and directors: Louis Monaco, president, Herbert Goldstein, Charles Scheinberg,

Gordon Burrows, Philip Rosen, and Abraham Roller. Of the foregoing, Philip Rosen, and Abraham Roller are affiliated with the Sponsor or a Holder of Unsold Shares. The Sponsor gave up control of the board of directors as of the meeting held on April 26, 1984.

(6) Maintenance Charges.

Maintenance charges are currently \$2.89 per share per month; the most recent increase was effective June 1, 1997.

(7) The Apartment Corporation has completed the following improvements and repairs in the last twelve months or is currently in the process of completing the same: replace all windows throughout the project; and waterproofing of buildings 1, 2, 3 and 4 at Sadore Lane, Yonkers, New York.

(8) The Sponsor has further revised the form of contract to be used for sales of unsold shares; a copy of the most recent revision of the form of contract is annexed as Exhibit "D".

(9) The Sponsor's selling agent is a corporation, the correct name of which is "The Phoenix Realty Group, Inc." "The Phoenix Group" is a name under which the Selling Agent does business

(10) The Offering Plan may be used for twelve (12) months from the date of this Amendment.

(11) The Offering Plan, as modified, supplemented and extended hereby, is incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment, not otherwise defined herein, shall have the same meanings ascribed to them in the Offering Plan.

(12) Except as set forth herein there have been no material changes in the terms of the Offering.

SADORE LANE GARDENS, INC.
Apartment Corporation

GARDEN TOWERS CO.
Sponsor

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
---------------	---------------	---------------	---------------

BUILDING NO. 1

1A	96	2A	100
1E	130	2E	134
1F	155	2F	159
1H	124	2H	128
1J	108	2J	112
1L	162	2K	159
1M	96	2M	100
1P	96	2N	100
1R	64	2P	100
1W*	114	2T	166
1Y	162	2U	134
		2V	134
		2X	166
3B	205	4B	207
3F	163	4G	134
3G	132	4J	118
3N	102	4K	165
3P	102	4L	170
3R*	70	4M	104
3T	168	4T	170
3U	136	4V	138
3V	136	4W	122
3X	168	4Y	170

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
3Z	102	6A	108
5A	106	6B	211
5E	140	6E	142
5F	167	6F	169
5G	136	6G	138
5L	172	6J	122
5N	106	6L	174
5S	140	6N*	108
5Y	172	6V	142
7A	110		
7B	213		
7C	110		
7D	78		
7G	140		
7H	140		
7J	124		
7M	110		
7S	144		
7T	176		
7V	144		
7X	176		
7Z	110		
	5,705.00		4,504.00
			10,209.00

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
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Building Totals:

Apartments: 75

Shares: 10,209

[After pending sale:

Apartments: 73

Shares: 9,987]

BUILDING NO. 2

1A	96	2C	95
1F	155	2G	134
1M	96	2H	134
1O	90	2M	100
1T	151	2N	100
1V	126	2R	64
1W	110	2S	128
		2U	130
		2W	114
		2Y	166
3C	97	4A	104
3G	136	4D	68
3J	120	4F	163
3K*	168	4G	138
3L	168	4H	138
3M	102	4K	170
3P	97	4L	170
3T	157	4M	104

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

APT. # SHARES APT. # SHARES

3W	116	4O	207
3X	163	4P	99
		4T	159
		4X	165
		4Z	104
5B	209	6A	108
5C	101	6C	103
5N	106	6E	136
5P	101	6F	167
5S	134	6H	142
5T	161	6K	174
5W*	120	6M	108
5Y	72	6N	108
5Z	106	6U	138
		6V	138
		6W	122
		6Y	174
		6Z*	108
7A	110		
7E	138		
7G	144		
7H	144		
7J	128		
7N	110		
7P	105		

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SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
---------------	---------------	---------------	---------------

7R	74		
7S	138		
7V	140		
7Z	110		
	4,599.00		4,680.00
			9,279.00

Building Totals:

Apartments: 73

Shares: 9,279

[After pending sale: Apartments: 70
Shares: 8,847]

BUILDING NO. 3

1B	96	2B	203
1D	64	2C*	100
1E	130	2E	134
1F	162	2F	166
1J	114	2G	134
1K	162	2H	134
1L	162	2J	118
1M	96	2L	116
1O	64	2S	134
1P	96	2T*	166
1S	130	2V	134
1T	162	2W	118

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

APT. # SHARES APT. # SHARES

1U	130		
1X	162		
1Y	162		
1Z	96		
3A	102		
3C	102	4A	104
3D	70	4G	138
3G	136	4K	170
3J	120	4M	104
3K	168	4R	72
3L	168	4S	138
3M	102	4U	138
3P	102	4V	138
3S	136	4W	132
3W	120	4X	170
3Y	168	4Z	104
5A	106	6B	211
5G	140	6C	108
5H	140	6D	76
5K	172	6E	142
5M	106	6F	174
5N	106	6G	142
5P	106	6H	142
5R	74	6J	126
5S	140	6K	174

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SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
5T	172	6L	174
5V	140	6O	211
5W	124	6P	108
5X	172	6R	76
5Z	106	6S	142
		6U	142
		6V	142
		6W*	126
		6Y	174
		6Z	108
7A	110		
7C	110		
7D	78		
7E	144		
7G	144		
7H*	144		
7L	176		
7N	110		
7O	213		
7P	110		
7X	176		
	6,801.00		5,763.00
			12,564.00

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
---------------	---------------	---------------	---------------

Building Totals:

Apartments: 95

Shares: 12,564

[After pending sales

Apartments: 91

Shares: 12,028]

BUILDING NO. 4

1A	96	2B	203
1B*	91	2C	95
1C	91	2E	128
1E	124	2G	132
1J	112	2J	116
1K	160	2K	164
1L	162	2O	203
1M	96	2S	128
1N	96	2T	161
1O	60	2U	134
1P	91	2W	118
1T	157		
1X	162		
1Y	162		
1Z	96		
3A	102	4A	104
3C	97	4E	132

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SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
3H	136	4F	163
3J	118	4G	138
3K	166	4H	138
3R	66	4K	168
3S	130	4T	165
3U	136	4V	138
3W	120	4W	122
		4X	170
		4Y	170
		4Z	104
5A	106	6A	108
5B	209	6C	103
5D	70	6F	167
5F	165	6G	142
5J	122	6L	174
5K	170	6M	188
5L*	172	6P	103
5O	209	6S	136
5R	70	6U*	142
5T	167	6X	174
5V	140	6Y	174
5X	172	6Z	108
5Z	106		
7B	91		
7H	144		

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
7K	174		
7P	105		
7S	138		
7T	171		
7U	144		
7X	176		
7Y	176		
7Z	110		
	6,134.00		5,013.00
			11,147.00

Building Totals:

Apartments: 82

Shares 11,147

[After pending sales

Apartments: 79

Shares: 10,742]

BUILDING NO. 5

LG	128	2D*	124
LL	128	2E	203
LM	94	2K	134
1E	128	2N	163
1H	114	2P	132
1J	114	2R	132
1K*	132		

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SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
1L	132		
3A	84	4A	86
3B	136	4B	138
3C	136	4C	138
3D	136	4F	138
3E	205	4G	138
3J	118	4H	120
3S	102	4K	138
		4L	138
		4P	138
		4R	138
		4S	104
5B*	140	6C	142
5F	140	6E	211
5M	169	6H	124
5N	169	6K	142
5P	140	6L	142
		6R	142
7B	144		
7E	213		
7F	144		
7G	144		
7K	144		
7L	144		
7M	173		

BKHA
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS ADVISORS

ROBERTA I. BERNHARDT, CPA
GARY M. KARLITZ, CPA
RICHARD W. HAYDEN, CPA, PFS
KATHLEEN M. DECRUZE, CPA
STANLEY GOODMAN, CPA (1960-67)

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
Sadore Lane Gardens, Inc.

We have audited the accompanying balance sheets of Sadore Lane Gardens, Inc. as of February 28, 1998 and 1997 and the related statements of operations and accumulated deficit and cash flows for the years then ended. These financial statements are the responsibility of the Corporation'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.

The Corporation has kept its records and has prepared its financial statements for previous years on the income tax basis. As described in Note 2a, the Corporation has changed its method of accounting as of the beginning of the year. No adjustments were required to be made to the accumulated deficit as of that date, as the reporting differences were immaterial, in order to be in conformity with generally accepted accounting principals.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sadore Lane Gardens Inc. as of February 28, 1998 and 1997 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Sadore Lane Gardens Inc. has not presented the supplementary information on future major repairs and replacements that the American Institute of Certified Public Accountants has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Bernhardt, Karlitz, Hayden & DeCruze

Bernhardt, Karlitz, Hayden & DeCruze LLP
April 30, 1998

SADORE LANE GARDENS, INC.
BALANCE SHEETS
February 28, 1998 and 1997

ASSETS

	1988	1997
Cash and cash equivalents (Note 3)	\$ 427,804	\$ 442,853
Investments in marketable securities (Note 4)	1,161,562	1,269,369
Real estate tax escrow deposits	287,539	292,698
Reserve fund receivable (Note 5)	427,126	427,126
Assessments and other receivables	31,539	56,407
Prepaid real estate taxes and other prepaid expenses	240,321	260,024
Deferred finance costs, net of accumulated amortization (Note 2c)	119,190	134,487
Land, property and equipment, net of accumulated depreciation (Note 9)	7,178,039	7,325,120
Total assets	\$ 9,873,120	\$ 10,208,084

LIABILITIES AND SHAREHOLDERS' DEFICIT

Accounts payable and accrued expenses	\$ 191,717	\$ 176,137
Mortgage note payable (Note 7)	11,631,972	11,741,114
Deferred maintenance charges	5,709	3,079
Total liabilities	11,828,398	11,920,330
Shareholders' deficit		
Common stock, par value \$1: 103,945 shares authorized, issued and outstanding	103,945	103,945
Additional paid-in capital	2,305,704	2,186,562
Accumulated deficit	(4,365,827)	(4,012,733)
Total shareholders' deficit	(1,956,278)	(1,712,246)
Total liabilities and shareholders' deficit	\$ 9,873,120	\$ 10,208,084

The accompanying notes are an integral part of these financial statements

SADORE LANE GARDENS, INC.
STATEMENTS OF OPERATIONS AND ACCUMULATED DEFICIT
For the Years Ended February 28, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Revenues:		
Maintenance assessments	\$ 3,405,314	\$ 3,306,477
Parking	270,586	254,333
Investment income, net	91,096	70,780
Transfer and application fees	2,325	3,300
Laundry	50,400	50,400
Other	32,335	15,910
	<u>3,852,056</u>	<u>3,701,200</u>
Expenses:		
Administrative	321,037	300,043
Utilities	441,252	491,280
Building operations	94,646	98,978
Payroll and related costs	833,480	807,124
Mortgage interest	928,329	936,634
Real estate taxes	898,436	824,105
Major repairs and replacements	233,892	301,634
	<u>3,751,072</u>	<u>3,759,798</u>
Excess of revenues (expenses) over expenses (revenues) before depreciation and amortization	<u>100,984</u>	<u>(58,598)</u>
Depreciation	438,861	430,356
Amortization	15,297	15,297
Total depreciation and amortization	<u>454,158</u>	<u>445,653</u>
Excess of expenses over revenues	(353,174)	(504,251)
Accumulated deficit beginning of year	<u>(4,012,753)</u>	<u>(3,508,502)</u>
Accumulated deficit end of year	<u>\$ (4,365,927)</u>	<u>\$ (4,012,753)</u>

The accompanying notes are an integral part of these financial statements

SADORE LANE GARDENS, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended February 28, 1998 and 1997

	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of expenses over revenues	\$ (353,174)	\$ (504,251)
Adjustments to reconcile excess of expenses over revenues to net cash provided by (used in) operating activities:		
Depreciation and amortization	454,158	445,653
(Increase) decrease in:		
Real estate tax escrow deposits	5,159	(41,971)
Assessments and other receivables	24,868	(9,705)
Prepaid expenses	19,703	(43,353)
Increase (decrease) in:		
Accounts payable and accrued expenses	15,580	53,189
Deferred maintenance charges	2,630	(2,422)
Net cash provided by (used in) operating activities	<u>168,924</u>	<u>(102,860)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of marketable securities	(817,607)	(1,397,048)
Sales of marketable securities	925,414	1,323,226
Expenditures for property and equipment	(291,780)	(358,372)
Net cash used in investing activities	<u>(183,973)</u>	<u>(432,194)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on mortgage note payable	(109,142)	(100,838)
Increase in additional paid-in capital	109,142	100,838
Reserve fund receivable	-	21,357
Net cash provided by financing activities	<u>-</u>	<u>21,357</u>
Net decrease in cash and cash equivalents	(15,449)	(513,697)
Cash and cash equivalents at beginning of year	<u>442,853</u>	<u>956,550</u>
Cash and cash equivalents at end of year	<u>\$ 427,804</u>	<u>\$ 442,853</u>
Other supplemental information:		
Interest paid	\$ 928,329	\$ 936,634
Income taxes paid		

The accompanying notes are an integral part of these financial statements

SADORE LANE GARDENS, INC.
Notes to Financial Statements
For the Years Ended February 28, 1998 and 1997

Note 1 - Nature of Organization

Sadore Lane Gardens, Inc. (the "Corporation") is a co-operative housing corporation incorporated in the State of New York on March 1, 1984. The Corporation owns five buildings known as Sadore Lane Gardens located in Yonkers, New York. The buildings consist of 778 units, and as of February 28, 1998, there were 352 units which were owned by tenant-shareholders and 426 units owned by Garden Towers, Inc. (the "Sponsor").

Note 2 - Summary of Significant Accounting Policies

(a) Basis of Presentation

The financial statements for the year ending February 28, 1997 were prepared using the income tax basis of accounting. Since the reporting differences are immaterial, no change was necessary to the February 28, 1997 financial statements in order for them to be in conformity with generally accepted accounting principals applied in the current year.

(b) Depreciation

Fixed assets are stated at cost. Buildings, building improvements and equipment are depreciated over their estimated useful lives using the accelerated methods. Improvements are capitalized while repairs and maintenance are charged to expense when incurred.

(c) Deferred finance costs

Deferred finance costs represent costs paid to refinance the mortgage on the Corporation's real property. These costs are amortized over the term of the related mortgage loan using the straight-line method. Amortization of deferred finance costs was \$15,297 for the years ended February 28, 1998 and 1997.

(d) Income Taxes

The Corporation generally is taxed only on non-member related net income, such as interest income and income from commercial operations. If there had been earnings from member related services, these earnings would be taxed at the standard corporate tax rates. The provision for income taxes included in these financial statements is based on non-member income reduced by an allocation of expenses attributable to non-member income.

For income tax purposes, the Corporation has federal and state net operating loss carryforwards of \$4,293,608 and \$4,154,398, respectively, expiring between the years 2000 and 2013.

(e) Statement of Cash Flows

The Corporation considers all short-term investments purchased with an original maturity of three months or less to be classified as cash equivalents. For the years ended February 28, 1998 and 1997, cash equivalents consisted principally of money market funds.

SADORE LANE GARDENS, INC.
Notes to Financial Statements
For the Years Ended February 28, 1998 and 1997

Note 2 - Summary of Significant Policies (continued)

(f) Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 3 - Cash and Cash Equivalents

The Corporation maintains several interest-bearing accounts at a commercial bank. At February 28, 1998 and 1997, the Corporation had deposits in excess of Federal depository insurance coverage amounting to \$304,668 and \$206,754, respectively.

Note 4 - Investments in Marketable Securities

The Corporation maintains an investment portfolio consisting primarily of high-grade corporate and municipal bonds, certificates of deposit, and certain government security income funds. At February 28, 1998 and 1997 these securities had an aggregate amortized cost of \$1,161,562 and \$1,269,369, respectively which approximates market. The Corporation has designated its investment portfolio as its reserve fund for future repairs and replacements. For the years ended February 28, 1998 and 1997, the Corporation earned interest income of \$80,294 and \$71,319, respectively, in connection with its investment portfolio.

Note 5 - Reserve Fund Receivable

Pursuant to an amendment to the offering plan, the Corporation is to receive \$1,000,000 in specified installments from the Sponsor out of proceeds from the sale of shares. As of February 28, 1998 and 1997 the Corporation has received \$572,874, (none of which was received during the year ended February 28, 1998). The remaining balance of \$427,126 is due in installments based on future sales of shares by the Sponsor.

Note 6 - Land, Property and Equipment

The estimated useful lives of depreciable property and equipment for the purpose of computing depreciation for financial accounting and reporting purposes are as follows:

	<u>Years</u>
Buildings	27.5
Building improvements	5 - 27.5
Equipment	5
Vehicles	5

SADORE LANE GARDENS, INC.
Notes to Financial Statements
For the Years Ended February 28, 1998 and 1997

Note 6 - Land, Property and Equipment (continued)

Land, property and equipment consists of the following:

	<u>1998</u>	<u>1997</u>
Land	\$1,568,638	1,568,638
Building	8,888,950	8,888,950
Building improvements	2,220,865	1,934,607
Equipment	20,920	15,399
Vehicles	<u>14,911</u>	<u>14,911</u>
Total land, property and equipment	12,714,284	12,422,505
Less accumulated depreciation	<u>(5,536,245)</u>	<u>(5,097,384)</u>
Net fixed assets	<u>\$7,178,039</u>	<u>\$7,325,120</u>

Note 7 - Mortgage Notes Payable

On December 15, 1995 the Corporation refinanced its previous mortgage with their current mortgage of \$11,850,000. The mortgage note bears interest at 7.94% per annum and requires monthly payments of principal and interest of \$86,456. The mortgage note is collateralized by the land and building owned by the Corporation which has a net book value of \$5,479,776. Pursuant to the mortgage note, a final balloon payment of approximately \$10,382,000 is due on January 1, 2006. however, the Corporation intends to seek refinancing prior to such date.

The Corporation incurred interest expense related to this mortgage obligation for the years ended February 28, 1998 and 1997 of \$928,329 and \$936,634, respectively.

The maturities of the mortgage note for each of the next 5 years ending February 28 (or 29) and in the aggregate thereafter are as follows:

<u>Years</u>	<u>Amount</u>
1999	\$ 118,131
2000	127,859
2001	138,389
2002	149,785
2003	162,121
Thereafter	<u>10,935,687</u>
	<u>\$ 11,631,972</u>

SADORE LANE GARDENS, INC.
Notes to Financial Statements
For the Years Ended February 28, 1998 and 1997

Note 8 - Line of Credit

The Corporation has a revolving credit agreement with a bank in the amount of \$700,000 which expires December 15, 2005. Interest is payable monthly at $\frac{1}{2}$ percent per annum over the bank's reference rate. The Corporation may convert the outstanding balance, minimum amount of \$400,000, to a fixed rate mortgage at $2\frac{1}{2}$ percent per annum over the U.S. Treasury rate in effect at the time of conversion. At February 28, 1998 and 1997, there were no outstanding borrowings on this credit facility.

Note 9 - Future Major Repairs and Replacements

The Corporation's governing documents do not require the accumulation of funds to finance estimated future major repairs and replacements. The Corporation has not conducted a study to determine the useful lives of the components of common property or estimates of the costs of major repairs and replacements that may be required in the future. In addition, the Corporation has not developed a plan to fund repair and replacement needs. As discussed in Note 4 - Investments in Marketable Securities, the Corporation has designated its investment portfolio as a reserve fund for future major repairs and replacements. However, should future major repairs and replacements requirements exceed the balances maintained in the investment portfolio, then the Corporation plans to either borrow, increase maintenance assessments, or delay repairs and replacements until funds are available. The effect on future assessments has not been determined.

Note 10 - Commitments

(a) - Agreement for Management Services

Effective March 15, 1995, Prime Locations, Inc. ("Prime") was contracted as the managing agent for the Corporation's properties. Pursuant to the agreement, Prime is responsible for processing all day-to-day bookkeeping transactions, and contracting for goods and services (including labor) required in the normal operations of the properties, subject to Board approval in certain instances. Pursuant to the agreement, Prime was compensated at the rate of \$157,000 per annum.

This agreement was extended for three years beginning January 1, 1998 through December 31, 2000. All terms and conditions of the original management agreement remained the same except that Prime is now compensated at a rate of \$160,000 per annum.

(b) - Agreement for Parking Garage Services

Effective December 1, 1995 the Corporation exercised a five year renewal of their current agreement with a managing agent to manage the garages and outside parking. The agreement provides that the Corporation shall retain \$259,200 annually, plus any excess remaining after the agent's contractual fee has been satisfied.

(c) - Agreement for Maintenance of Laundry Facilities

Effective October 1, 1989, the Corporation engaged a maintenance contractor to assume operation and maintenance of the laundry machines for ten years under an agreement pursuant to which the Corporation receives \$50,400 per year.

SADORE LANE GARDENS, INC.
Notes to Financial Statements
For the Years Ended February 28, 1998 and 1997

Note 10 – Commitments (continued)

(d) - Agreement for Pool Operations

Effective May 1, 1994, the Corporation engaged a third party to manage pool operations the four summer seasons ending October 1, 1997. The contract was not renewed and as of October 1, 1997, the Corporation is managing the pool operations.

(e) - Agreement for Maintenance of Elevators

Effective January 1, 1995, the Corporation engaged an elevator contractor to assume maintenance of the elevators for five years. Under this agreement, the elevator contractor is entitled to receive from the Corporation \$36,600 per year, subject to annual adjustments as defined in the agreement.

EXHIBIT "C"

PERCENTAGE INTEREST IN OTHER CO-OPS

BY HOLDERS OF UNSOLD SHARES

Individual's Name	Percentage Interest	Building Address
PHILIP ROSEN	27.50%	2035 Central Park Ave. Yonkers, New York
	71.25%	480 Riverdale Ave. Yonkers, New York
MILDRED ROLLER	21.25%	480 Riverdale Ave. Yonkers, New York
MICHELLE ROSEN	15%	2035 Central Park Ave. Yonkers, New York
WENDY LANDIS	15%	2035 Central Park Ave. Yonkers, New York
PHYLLIS RASKIN	15%	2035 Central Park Ave. Yonkers, New York
RITA ROSEN	27.50%	2035 Central Park Ave. Yonkers, New York

AN ACT to amend the general business law and the real property law, in relation to cooperatives and condominiums where non-occupying owners default on payments due; and to repeal subdivision 2-d of section 352-e of the general business law, relating thereto

Became a law July 22, 1998, with the approval of the Governor.

Passed by a majority vote, three-fifths being present.

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Subdivision 2-d of section 352-e of the general business law is REPEALED.

§ 2. The general business law is amended by adding a new section 352-1 to read as follows:

§ 352-1. COOPERATIVE CORPORATIONS. 1. FOR THE PURPOSES OF THIS SECTION, "NON-OCCUPYING OWNER" SHALL MEAN THE OWNER OF SHARES IN A COOPERATIVE CORPORATION WHO DOES NOT OCCUPY THE DWELLING UNITS TO WHICH HIS OR HER SHARES ARE ALLOCATED.

2. IF A NON-OCCUPYING OWNER RENTS ANY DWELLING UNIT TO A TENANT AND THEN FAILS TO MAKE PAYMENTS DUE FOR MAINTENANCE, ASSESSMENTS OR LATE FEES FOR SUCH UNIT WITHIN SIXTY DAYS OF THE EXPIRATION OF ANY GRACE PERIOD AFTER THEY ARE DUE, UPON NOTICE IN ACCORDANCE WITH SUBDIVISION THREE OF THIS SECTION, ALL RENTAL PAYMENTS FROM THE TENANT SHALL BE DIRECTLY PAYABLE TO THE COOPERATIVE CORPORATION.

3. IF THE MAINTENANCE, ASSESSMENTS OR LATE FEES DUE FOR ANY UNIT HAVE NOT BEEN PAID IN FULL WITHIN SIXTY DAYS AFTER THE EXPIRATION OF ANY GRACE PERIOD OF THE EARLIEST DUE DATE, THE BOARD OF DIRECTORS SHALL PROVIDE WRITTEN NOTICE TO THE RENTAL TENANT AND THE NON-OCCUPYING OWNER PROVIDING THAT, COMMENCING IMMEDIATELY AND UNTIL SUCH TIME AS ALL PAYMENTS FOR MAINTENANCE, ASSESSMENTS OR LATE FEES ARE MADE CURRENT, ALL RENTAL PAYMENTS DUE SUBSEQUENT TO THE ISSUANCE OF SUCH NOTICE ARE TO BE MADE PAYABLE TO THE COOPERATIVE CORPORATION AT THE ADDRESS LISTED ON THE NOTICE. WHERE A MAJORITY OF THE BOARD OF DIRECTORS HAS BEEN ELECTED BY AND FROM AMONG THE OWNERS WHO ARE IN OCCUPANCY, THE BOARD MAY ELECT NOT TO REQUIRE THAT RENTAL PAYMENTS BE MADE PAYABLE TO THE COOPERATIVE CORPORATION. AT SUCH TIME AS PAYMENTS FOR MAINTENANCE, ASSESSMENTS AND LATE FEES FROM THE NON-OCCUPYING OWNER ARE ONCE AGAIN CURRENT, NOTICE OF SUCH FACT SHALL BE GIVEN WITHIN THREE BUSINESS DAYS TO THE RENTAL TENANT AND NON-OCCUPYING OWNER. THEREAFTER ALL RENTAL PAYMENTS FOR SUCH UNIT SHALL BE MADE PAYABLE TO THE NON-OCCUPYING OWNER OR TO A DESIGNATED AGENT: A NON-OCCUPYING OWNER WHO DISPUTES THE COOPERATIVE CORPORATION'S CLAIM TO RENTAL PAYMENTS PURSUANT TO THIS SECTION SHALL BE ENTITLED TO PRESENT FACTS SUPPORTING SUCH OWNER'S POSITION AT THE NEXT SCHEDULED MEETING OF THE BOARD OF DIRECTORS, WHICH MUST BE HELD WITHIN THIRTY DAYS

EXPLANATION--Matter in ITALICS is new; matter in brackets [-] is old law to be omitted.

OF THE DATE THAT SUCH BOARD RECEIVES NOTICE THAT SUCH OWNER SEEKS TO DISPUTE SUCH CLAIM.

4. NOTHING IN THIS SECTION SHALL LIMIT ANY RIGHTS OF SHAREHOLDERS OR OF THE BOARD OF DIRECTORS EXISTING UNDER ANY OTHER LAW OR AGREEMENT.

5. PAYMENT BY A RENTAL TENANT TO THE COOPERATIVE CORPORATION MADE IN CONNECTION WITH THIS SECTION SHALL RELIEVE THAT RENTAL TENANT FROM THE OBLIGATION TO PAY SUCH RENT TO THE NON-OCCUPYING OWNER AND SHALL BE AN ABSOLUTE DEFENSE IN ANY NON-PAYMENT PROCEEDING COMMENCED BY SUCH NON-OCCUPYING OWNER AGAINST SUCH TENANT FOR SUCH RENT.

§ 3. The real property law is amended by adding a new section 339-kk to read as follows:

§ 339-KK. RENTS. (A) FOR THE PURPOSES OF THIS SECTION, "NON-OCCUPYING OWNER" SHALL MEAN A UNIT OWNER IN A CONDOMINIUM ASSOCIATION WHO DOES NOT OCCUPY THE DWELLING UNIT.

(B) IF A NON-OCCUPYING OWNER RENTS ANY DWELLING UNIT TO A RENTAL TENANT AND THEN FAILS TO MAKE PAYMENTS DUE FOR COMMON CHARGES, ASSESSMENTS OR LATE FEES FOR SUCH UNIT WITHIN SIXTY DAYS OF THE EXPIRATION OF ANY GRACE PERIOD AFTER THEY ARE DUE, UPON NOTICE IN ACCORDANCE WITH SUBDIVISION (C) OF THIS SECTION, ALL RENTAL PAYMENTS FROM THE TENANT SHALL BE DIRECTLY PAYABLE TO THE CONDOMINIUM ASSOCIATION.

(C) IF THE COMMON CHARGES, ASSESSMENTS OR LATE FEES DUE FOR ANY UNIT HAVE NOT BEEN PAID IN FULL, WITHIN SIXTY DAYS AFTER THE EXPIRATION OF ANY GRACE PERIOD OF THE EARLIEST DUE DATE, THE BOARD OF MANAGERS SHALL PROVIDE WRITTEN NOTICE TO THE TENANT AND THE NON-OCCUPYING OWNER PROVIDING THAT, COMMENCING IMMEDIATELY AND UNTIL SUCH TIME AS ALL PAYMENTS FOR COMMON CHARGES, ASSESSMENTS OR LATE FEES ARE MADE CURRENT, ALL RENTAL PAYMENTS DUE SUBSEQUENT TO THE ISSUANCE OF SUCH NOTICE ARE TO BE MADE PAYABLE TO THE CONDOMINIUM ASSOCIATION AT THE ADDRESS LISTED ON THE NOTICE. WHERE A MAJORITY OF THE BOARD OF MANAGERS HAS BEEN ELECTED BY AND FROM AMONG THE UNIT OWNERS WHO ARE IN OCCUPANCY, THE BOARD MAY ELECT NOT TO REQUIRE THAT RENTAL PAYMENTS BE MADE PAYABLE TO THE CONDOMINIUM ASSOCIATION. AT SUCH TIME AS PAYMENTS FOR COMMON CHARGES, ASSESSMENTS AND LATE FEES FROM THE NON-OCCUPYING OWNER ARE ONCE AGAIN CURRENT, NOTICE OF SUCH FACT SHALL BE GIVEN WITHIN THREE BUSINESS DAYS TO THE RENTAL TENANT AND NON-OCCUPYING OWNER. THEREAFTER ALL RENTAL PAYMENTS SHALL BE MADE PAYABLE TO THE NON-OCCUPYING OWNER OR A DESIGNATED AGENT. A NON-OCCUPYING OWNER WHO DISPUTES THE ASSOCIATION'S CLAIM TO RENTAL PAYMENTS PURSUANT TO THIS SECTION SHALL BE ENTITLED TO PRESENT FACTS SUPPORTING SUCH OWNER'S POSITION AT THE NEXT SCHEDULED MEETING OF THE BOARD OF MANAGERS, WHICH MUST BE HELD WITHIN THIRTY* DAYS OF THE DATE THAT SUCH BOARD RECEIVES NOTICE THAT SUCH OWNER SEEKS TO DISPUTE SUCH CLAIM.

(D) NOTHING IN THIS SECTION SHALL LIMIT ANY RIGHTS OF UNIT OWNERS OR OF THE BOARD OF MANAGERS EXISTING UNDER ANY OTHER LAW OR AGREEMENT.

(E) PAYMENT BY A RENTAL TENANT TO THE CONDOMINIUM ASSOCIATION MADE IN CONNECTION WITH THIS SECTION SHALL RELIEVE THAT RENTAL TENANT FROM THE OBLIGATION TO PAY SUCH RENT TO THE NON-OCCUPYING OWNER AND SHALL BE AN ABSOLUTE DEFENSE IN ANY NON-PAYMENT PROCEEDING COMMENCED BY SUCH NON-OCCUPYING OWNER AGAINST SUCH TENANT FOR SUCH RENT.

§ 4. This act may be enforced by any party by means of a special proceeding brought pursuant to article 4 of the civil practice law and rules.

§ 5. This act shall take effect immediately, and is applicable to all cooperative corporations and condominiums in existence on or after such date.

Pursuant to the authority vested in us by section 70-b of the Public Officers Law, we hereby jointly certify that this slip copy of this session law was printed under our direction and, in accordance with such section, is entitled to be read into evidence.

JOSEPH L. BRUNO

TEMPORARY PRESIDENT OF THE SENATE

SHELDON SILVER

SPEAKER OF THE ASSEMBLY

Contract of Sale - Cooperative Apartment

This contract is made as of _____, 199__ between the "Seller" and the "Purchaser" identified below.

1. Certain Definitions and Information

1.1 The "Parties" are:

Seller: GARDEN TOWERS CO.
Address: 550 MAMARONECK AVENUE, HARRISON, NEW YORK 10528
Prior names used by Seller:
Soc. Sec. No. 13-2578521

Purchaser:
Address:
Soc. Sec. No.

1.2 The "Attorneys" are (name, address and telephone):

For Seller: GROSS AND GROSS LLP
9 WEST PROSPECT AVENUE, SUITE 406
MOUNT VERNON, NEW YORK 10550
(914) 699-1919

For Purchaser:

1.3 The "Escrowee" is (name, address, and telephone)

GROSS AND GROSS LLP
9 WEST PROSPECT AVENUE, SUITE 406
MOUNT VERNON, NEW YORK 10550
(914) 699-1919

1.4 The "Managing Agent" is (name, address, and telephone)

PRIME LOCATIONS
5 SADORE LANE
YONKERS, NEW YORK 10710
(914) 963-7400

1.5 The name of the cooperative housing corporation ("Corporation") is SADORE LANE GARDENS, INC.

1.6 The "Unit" number is _____.

1.7 The Unit is located in "Premises" known as 1-5 SADORE LANE, YONKERS, NEW YORK 10710.

1.8 The "Shares" are the _____ shares of the Corporation allocated to the Unit.

1.9 The "Lease" is the proprietary lease for the Unit given by the Corporation.

1.10 The "Broker" (see Par. 12) is THE PHOENIX GROUP, 4 SADORE LANE, SUITE 4J, YONKERS, NEW YORK 10710

1.11 The "Closing" is the transfer of ownership of the Shares and Lease, which is scheduled to occur on _____ at 10:00 A.M. (see Pars. 9 and 10)

1.12 The "Purchase Price" is \$ _____.

1.12.1 the "Contract Deposit" is \$ _____.

1.12.2 the "Balance" of the Purchase Price due at Closing is \$ _____ (see Par. 2)

1.13 The "Maintenance" charge is the rent payable under the Lease which at the date this Contract is in the monthly amount of \$ _____ (see Par. 4). This maintenance is subject to change.

1.14 The "Assessment" is the additional rent payable under the Lease which at the date of this Contract is \$ -0- payable as follows: NONE

1.15 The Party upon whom the Corporation imposes a "Flip Tax" or similar transfer fee, if any, is NONE (see Par. 11.3)

1.16 If Par. 19 (Financing Contingency) applies: _____

1.16.1 the "Loan Terms" are:

Amount Financed: \$ _____ or any lower amount applied for or acceptable to Purchaser.

Payment Terms and Charges: The customary payment terms (including prevailing fixed or adjustable interest rate, prepayment provisions and maturity) and charges (including points, origination and other fees) then currently being offered to purchasers of cooperative apartments by the Institutional Lender (defined in Par. 19.5.1) to which Purchaser applies.

Security: Pledge of the Shares and Lease.

1.16.2 the period for Purchaser to obtain a Loan Commitment Letter is 30 days after a fully executed counterpart of this Contract is given to Purchaser.

1.17 The "Proposed Occupants" of the Unit are the following:

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Exhibit E

1.17.1 persons and relationship to Purchaser:

1.17.2 pets: NONE

1.18 The Contract Deposit shall be held in a non-interest bearing escrow account. Interest shall be payable to the party entitled to the Contract Deposit. The escrow account shall be an IOLA type account held at CITIBANK, N.A., 895 PELHAM PARKWAY, PELHAM MANOR, NEW YORK 10803 (see Par. 28)

2. Agreement to Sell and Purchase; Purchase Price; Escrow

2.1 Seller agrees to sell and assign to Purchaser, and Purchaser agrees to purchase and assume from Seller, the Seller's Shares and Lease for the Purchase Price and upon the other terms and conditions stated in this Contract.

2.2 The Purchase Price is payable to Seller by Purchaser as follows:

2.2.1 the Contract Deposit at the time of signing this Contract, by Purchaser's collectible check to the order of Escrowee.

2.2.2 the Balance at Closing, only by cashier's, official bank or certified check of Purchaser made payable to the direct order of Seller. These checks shall be drawn on and payable by a branch of a commercial or savings bank, savings and loan association or trust company located in the same City or County as the Unit. Seller may direct, on not less than 3 business days' Notice (defined in Par. 17) prior to Closing, that all or a portion of the Balance shall be made payable to persons other than Seller.

3. Personal Property

3.1 Subject to any rights of the Corporation or any holder of a mortgage to which the Lease is subordinate, this sale includes all of Seller's ownership, if any, of the following "Property" to the extent existing in the Unit on the date hereof: the refrigerator, freezer, range, oven, microwave oven, dishwasher, cabinets and counters, light fixtures, central air-conditioning and/or window or sieve units, washing machine, dryer, screens and storm windows, window treatments, switch plates, door hardware, built-ins not excluded in Par. 3.2 and SEE RIDER

3.2 Specifically excluded from this sale is all personalty not included in Par. 3.1 and

3.3 The Property shall not be purchased if Closing does not occur.

3.4 No consideration is being paid for the Property. Seller makes no representation as to the condition of the Property. Purchaser shall take the Property "as is" on the date of this Contract, except for reasonable wear and tear, and except further, the appliances shall be in working order at Closing.

3.5 At or prior to the time of Closing, Seller shall remove from the Unit all the furniture, furnishings and other personalty not included in this sale, and repair any damage caused by such removal.

4. Representations and Covenants

4.1 Subject to any matter affecting title to the Premises (as to which Seller makes no representations or covenants), Seller represents and covenants that:

4.1.1 Seller is and shall at Closing be the sole owner of the Shares and Lease with the full right and power to sell and assign them;

4.1.2 the Shares and Lease will at Closing be free and clear of liens (other than the Corporation's general lien on the Shares, for which no monies shall be owed), encumbrances and adverse interests ("Liens"); or Seller will deliver to Purchaser at Closing all requisite terminations, releases and/or satisfactions executed in form suitable for filing and/or recording, so as to remove of record, at Seller's expense, any such Liens;

4.1.3 the Shares were duly issued, fully paid for and are non-assessable;

4.1.4 the Lease is, and will at Closing be, in full force and effect and no notice of default under the Lease will be in effect at Closing;

4.1.5 the Maintenance and Assessments payable as of the date hereof are as specified in Pars. 1.13 and 1.14. All sums due to the Corporation will be fully paid by Seller to the end of the payment period immediately preceding the date of Closing;

4.1.6 as of this date, Seller neither has actual knowledge nor has received any written notice of (a) any increase in Maintenance or (b) any proposed Assessment which has been either adopted or is under consideration by the Board of Directors of the Corporation and not reflected in the amounts set forth in Pars. 1.13 and 1.14;

4.1.7 Seller will not at Closing be indebted for labor or material which might result in the filing of a notice of mechanic's lien against the Unit or the Premises;

4.1.8 there are and at closing will be no violations of record which the owner of the Shares and Lease would be obligated to remedy under the terms of the Lease;

~~4.1.9 Seller has not made any alterations or additions to the Unit, without any required consent of the Corporation;~~

4.1.10 Seller has not entered and will not enter into, and has no actual knowledge of, any agreement (other than the Lease) affecting the use and/or occupancy of the Unit which would be binding on or adversely affect Purchaser; and

4.1.11 Seller has been known by no other name for the past 10 years except as set forth in Par. 1.1.

4.2 Purchaser represents and covenants that Purchaser is acquiring the Shares and Lease solely for residential occupancy of the Unit by the Proposed Occupants only and will so represent to the Corporation in connection with Purchaser's application to the Corporation for approval of this transaction by the Corporation.

4.3 The representations and covenants contained in Par. 4.1 shall survive Closing, but any action based thereon must be instituted within 1 year from Closing.

5. Corporate Documents

Purchaser has examined and is satisfied with or has waived the examination of the Lease, and the Corporation's certificate of incorporation, bylaws, house rules, most recent audited financial statement and most recent statement of tax deductions available to the Corporation's shareholders under Internal Revenue Code ("IRC") § 216 (or any successor statute).

6. Required Approval and References

6.1 This sale is NOT subject to the approval of the Corporation.

~~6.2 Purchaser shall in good faith:~~

~~6.2.1 submit to the Corporation or its Managing Agent, within 10 business days after the receipt of a fully executed counterpart of this Contract, an application for approval of this sale on the form required by the Corporation containing such data and together with such documents as the Corporation reasonably requires except for the Loan Commitment Letter (defined in Par. 19.5.2), if applicable, which shall be submitted by Purchaser within 3 business days after it is obtained;~~

~~6.2.2 attend (and cause any person who will reside in the Unit to attend) one or more personal interviews, as requested by the Corporation; and~~

~~6.2.3 promptly submit to the Corporation such further references, data and documents reasonably requested by the Corporation.~~

~~6.3 Either Party, after learning of the approval or denial by the Corporation of the application, shall promptly send Notice to the other Party of the Corporation's decisions. If approval or denial has not been issued on or before the date set for Closing, the Closing shall be adjourned for 30 business days for the purpose of obtaining such approval unless otherwise agreed to by the Parties. If approval of this sale is not obtained by said adjourned date, either Party may cancel this Contract on Notice to the other provided that the Corporation's approval is not issued before Notice of cancellation is given. In the event of a denial other than for Purchaser's bad faith conduct, this contract shall be deemed canceled. In the event of cancellation pursuant to this Par. 6, the Escrowee shall refund the Contract Deposit to Purchaser. In case of a denial or lack of approval due to Purchaser's bad faith conduct, Purchaser shall be in default and Par. 13.1 shall govern.~~

7. Condition of Unit and Possession

7.1 Seller makes no representation as to the condition of the Unit. Purchaser has inspected the Unit and shall take the same "as is," on the date of this Contract, reasonable wear and tear excepted.

7.2 Seller shall deliver possession of the Unit at Closing, vacant, broom-clean and free of all occupants and rights of possession, **OTHER THAN OCCUPANCY RIGHTS OF THE PURCHASER, IF ANY.**

8. Risk of Loss

8.1 While Seller has legal title and is in possession of the Unit, Seller assumes all risk of loss or damage ("Loss") to the Unit and Property from fire or other cause not due to the fault of Purchaser or Purchaser's contractors, agents or servants. In the event of a Loss, Seller shall have the option (but not the obligation) to restore the Unit and Property to as near as reasonably possible to the condition immediately prior to the Loss.

8.2 Within 10 calendar days after the Loss occurs, Seller shall give Notice to Purchaser of the Loss and whether or not Seller elects to restore ("Election Notice").

8.3 If Seller elects to restore, Seller must do so within 60 calendar days after sending the Election Notice or by the Closing, whichever is later ("Restoration Period").

8.4 If the Closing is before such 60 calendar day period expires, then the Closing shall be adjourned to a date and time fixed by the Seller on not less than 10 calendar days' prior Notice to Purchaser, but in no event shall the Closing be adjourned for more than 70 calendar days after giving of the Election Notice.

8.5 If Seller elects not to restore or fails, in a timely manner, to send the Election Notice or, having sent the Notice, Seller fails to complete the restoration within the Restoration Period, then Purchaser's sole remedy is either to:

8.5.1 cancel this Contract in accordance with Par. 16 and recover all sums theretofore paid on account of the Purchase Price; or

8.5.2 complete the purchase in accordance with this Contract, without reduction in the Purchase Price or claim against Seller, but with the right to receive any "Net Insurance Proceeds" as defined in Par. 8.6 together with an assignment to Purchaser, without recourse to Seller, of any uncollected proceeds, which assignment shall be delivered by Seller at Closing.

8.6 "Net Insurance Proceeds" are proceeds of Seller's insurance covering the Loss which is attributable to the Unit and Property after deducting legal and other collection expenses incurred by Seller and any sums paid or incurred by Seller for restoration.

8.7 If Purchaser fails to exercise one of Purchaser's options pursuant to Par. 8.5 by Notice to Seller within 7 business days after Seller gives the Election Notice or within 7 business days after the Restoration Period expires (in the event Seller fails to complete the restoration within the Restoration Period), then Purchaser will be deemed to have conclusively elected the option to complete the purchase pursuant to Par. 8.5.2.

8.8 If Purchaser is given possession of the Unit prior to Closing:

8.8.1 Purchaser assumes all risk of Loss to the Unit and Property prior to Closing from fire or other cause not the fault of Seller or Seller's contractors, agents, employees or servants; and

8.8.2 Purchaser shall be obligated to complete the purchase in accordance with this Contract, without reduction in the Purchase Price or claim against Seller and without delay.

8.9 Notwithstanding anything to the contrary in Par 8.1, Purchaser shall have the right to cancel this Contract in accordance with Par. 16 if, prior to Closing and while Seller is in possession, through no fault of Purchaser or Purchaser's contractors, agents, employees and servants, either:

8.9.1 a Loss occurs to the Unit would cost more than 10% of the Purchase Price to restore; or

8.9.2 more than 10% of the units in the Premises are damaged and rendered uninhabitable by fire or other cause, regardless of whether the Unit is damaged.

8.10 Purchaser shall be deemed to have waived Purchaser's right to cancel under Par. 8.9 if Purchaser fails to elect to cancel by Notice to Seller given within 7 business days after Seller gives Notice to Purchaser of the event which gives rise to Purchaser's

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right to cancel. In the event Purchaser waives or is deemed to have waived this right to cancel, the provisions of Par. 8.5.2 shall apply.

9. Closing Location

The Closing shall be held at the location designated by the Corporation, or (if none is designated), at the office of Seller's attorney or Purchaser's lender PROVIDED SAME IS IN BRONX OR WESTCHESTER COUNTY.

10. Closing

10.1 At Closing, Seller shall deliver:

10.1.1 Seller's certificate for the Shares duly endorsed for transfer to Purchaser or accompanied by a separate duly executed stock power to Purchaser, and in either case, with any guarantee of Seller's signature required by the Corporation;

10.1.2 Seller's counterpart original of the Lease and duly executed assignment thereof to Purchaser in the form required by the Corporation;

10.1.3 a written statement by an officer of the Corporation or its authorized agent consenting to the transfer of the Shares and Lease to Purchaser and setting forth the amounts and payments status of the Maintenance and any Assessments;

10.1.4 executed FIRPTA document(s) (defined in Par. 26);

10.1.5 keys to the Unit, building entrances, garage, mailbox and any locks in the Unit;

10.1.6 if requested, an assignment to Purchaser of Seller's interest in the Property;

10.1.7 Net Insurance Proceeds and/or assignment of any uncollected Net Insurance Proceeds, if applicable; and

10.1.8 instruments or other documents required under Par. 4.1.2, if any.

10.2 At Closing, Purchaser shall:

10.2.1 pay the Balance in accordance with Par. 2.2.2;

10.2.2 execute and deliver to Seller and the Corporation an agreement assuming the Lease, in form required by the Corporation; and

10.2.3 if requested by the Corporation, execute and deliver counterparts of a new lease substantially the same as the Lease, for the balance of the Lease term, in which case the Lease shall be cancelled and surrendered to the Corporation together with Seller's assignment thereof to Purchaser.

10.3 At Closing, the Parties shall provide, the information necessary for Internal Revenue Service ("IRS") Form 1099-S or other similar form required.

10.4 At Closing, Seller shall provide and the parties shall execute, all documents necessary to comply with any applicable transfer and/or gains tax filings.

11. Closing Fees, Taxes and Apportionments

11.1 At Closing, Seller shall pay, if applicable:

11.1.1 the processing fee(s) of the Corporation, its attorneys, and/or agents, except as set forth in Par. 11.2.3;

11.1.2 the cost of stock transfer stamps; and

11.1.3 the transfer tax and transfer gains tax, except a transfer tax which by its terms imposes primary liability on the purchaser.

11.2 At Closing, Purchaser shall pay:

11.2.1 the sales taxes, if any, on this sale, other than the transfer stamps as provided for in Par. 11.1.2;

11.2.2 the cost of any title search;

11.2.3 any fee to the Corporation or its agents and/or attorneys relating to Purchaser's financing (\$200.00 TO SMITH, BUSS & JACOBS LLP; \$300.00 TO THE PHOENIX GROUP (CLOSING FEE)) and

11.2.4 a transfer tax which by law is primarily imposed on the purchaser.

11.3 At Closing, the Flip Tax, if any, shall be paid by the Party specified in Par. 1.15.

11.4 At Closing, the Parties shall apportion as of 11:59 P.M. of the day preceding the Closing, the Maintenance and any other periodic charges due the Corporation (other than Assessments).

11.5 Assessments, whether payable in a lump sum or installments, shall not be apportioned but shall be paid by the party who is the owner of the Shares on the date specified by the Corporation for payment. Purchaser shall pay any installments payable after Closing provided Seller had the right to and elected to pay the Assessment in installments.

11.6 Each party covenants to the other that it will timely pay any taxes for which it is primarily liable pursuant to law. This Par. 11.6 shall survive Closing.

12. Broker

12.1 Each Party represents to the other that such Party has not dealt with any other person acting as a broker, whether licensed or unlicensed, in connection with this transaction other than the Broker named in Par. 1.10.

12.2 Seller shall pay the Broker's commission pursuant to a separate agreement. The Broker shall not be deemed to be a third-party beneficiary of this provision.

12.3 This Par. 12 shall survive the Closing.

13. Defaults, Remedies and Indemnities

13.1 In the event of a default or misrepresentation by Purchaser, Seller's sole remedy shall be to terminate this Contract and retain the Contract Deposit as liquidated damages, except there shall be no limitation on Seller's remedies for breach of Par. 12.1. In case of Purchaser's misrepresentation or default, Seller's damages would be impossible to ascertain and the Contract Deposit constitutes a fair and reasonable amount of compensation.

13.2 In the event of a default or misrepresentation by Seller, Purchaser shall have such remedies as Purchaser is entitled to at law or in equity, including specific performance, because the Unit and possession thereof cannot be duplicated.

13.3 Each Party indemnifies and holds harmless the other against and from any claim, judgment, loss, liability, cost or expense resulting from the indemnitor's breach of any of the representations or covenants stated to survive Closing. This indemnity includes, without limitation, reasonable attorney's fees and disbursements, court costs and litigation expenses. This Par. 13.3 shall survive the Closing.

13.4 Purchaser indemnifies and holds harmless Seller against and from any claim, judgment, loss, cost or expense resulting from the Lease obligations assumed by Purchaser. This indemnity includes, without limitation, reasonable attorney's fees and disbursements, court costs and litigation expenses. This indemnity does not include or excuse a breach of any representation or covenant by Seller in Par. 4.1. This Par. 13.4 shall survive the Closing.

13.5 In the event any instrument for the payment of the Contract Deposit fails of collection, Seller shall have the right to sue on the uncollected instrument. In addition, such failure of collection shall be a default under this Contract, provided Seller gives Purchaser notice of such failure of collection and, within 3 business days after Notice is given, Escrowee does not receive from Purchaser an unendorsed certified check, bank check or immediately available funds in the amount of the uncollected funds. Failure to cure such default shall entitle Seller to the remedy in Par. 13.1 and to retain all sums as may be collected and/or recovered.

14. Entire Agreement; Modification

14.1 All prior oral or written representations, understandings and agreements had between the Parties with respect to the subject matter of this Contract, and with the Escrowee as to Par. 28, are merged in this Contract, which alone fully and completely expresses their agreement.

14.2 A provision of this Contract may be changed or waived only in writing signed by the Party (or Escrowee) to be charged.

14.3 The Attorneys may extend in writing any of the time limitations stated in this Contract.

15. No Assignment by Purchaser

15.1 Purchaser may not assign this Contract or any of Purchaser's rights hereunder and any purported assignment shall be null and void.

15.2 This Contract shall bind and inure to the benefit of the Parties hereto and their respective heirs, personal and legal representatives and successors in interest.

16. Cancellation for Other than Default or Misrepresentation

If Seller shall be unable to transfer the Lease and the Shares in accordance with this Contract for any reason not due to Seller's willful acts or omissions, then the sole obligation of Seller shall be to refund to Purchaser the Contract Deposit and reimburse Purchaser for the actual costs incurred for Purchaser's title or abstract search, except such reimbursement shall not be required if a cancellation is pursuant to Par. 6 or 19. Upon making such refund, this Contract shall be cancelled and neither Party shall have any further claims against the other hereunder.

17. Notices

17.1 Any notice or demand ("Notice") shall be in writing and either delivered by hand or overnight delivery or sent by certified or registered mail to the Party and simultaneously, in like manner, to such Party's Attorney, if any, and to Escrowee at the address set forth in Par. 1, or to such other address as shall hereafter be designated by Notice given pursuant to this Par. 17.

17.2 Each Notice shall be deemed given on the same day if delivered by hand or on the following business day if sent by overnight delivery, or the second business day following the date of mailing.

17.3 The Attorneys are authorized to give any Notice specified in this Contract on behalf of their respective clients.

17.4 Failure to accept a Notice does not invalidate the Notice.

18. Margin Headings

The margin headings do not constitute part of the text of this Contract.

19. Financing Contingency (delete if inapplicable)

19.1 Purchaser may cancel this Contract and recover the Contract Deposit by following the procedure in Par. 19.4 if after complying with Purchaser's "Financing Obligations" in Par. 19.2 below and Purchaser's other obligations under this Contract:

19.1.1 Purchaser fails through no fault of Purchaser to obtain from an "Institutional Lender" (defined in Par. 19.5.1) a "Loan Commitment Letter" (defined in Par. 19.5.2) for financing on the Loan Terms and within the time period stated in Par. 1.16 (the "Loan"); or

19.1.2 the Institutional Lender and the Corporation cannot agree on the terms of an agreement for the protection of the Institutional lender (commonly called a recognition agreement), if required by the Institutional Lender.

19.2 Purchaser's right to cancel under Par. 19.1 and recover the Contract Deposit is conditioned upon Purchaser's diligent compliance with all of the following "Financing Obligations":

19.2.1 Purchaser must apply in good faith for the Loan from an Institutional Lender within 7 business days after a fully executed counterpart of this Contract is given to Purchaser;

19.2.2 the Loan application must contain truthful, accurate and complete information as required by the Institutional Lender; and

19.2.3 Purchaser must comply with all requirements of the Institutional Lender to obtain the Loan Commitment Letter and to close the Loan.

~~19.3 Purchaser may also cancel this Contract and recover the Contract Deposit in accordance with the procedure in Par. 19.4 if:~~

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~~19.3.1 the Closing is adjourned by Seller or the Corporation for more than 30 business days from the date set for Closing in Par. 1.11; and~~

~~19.3.2 the Loan Commitment Letter expires on a date more than 30 business days after the date set for Closing in Par. 1.11 and before the new date set for Closing pursuant to Par. 19.3.1; and~~

~~19.3.3 Purchaser is unable in good faith to obtain from the Institutional Lender an extension or a new Loan Commitment Letter for the Amount Financed stated in Par. 1.16 or the same principal amount stated in the expired Loan Commitment Letter, whichever is lower, without paying any additional fees to the Institutional Lender (unless Seller, within 5 business days after receipt of Notice of such fees, gives Notice that Seller will pay such fees and pays them when due). All other substantive Loan terms may be materially no less favorable than in the expired Loan Commitment Letter.~~

~~19.4 In order to cancel pursuant to Par. 19.1 or 19.3, Purchaser shall give Notice of cancellation to Seller within 7 business days after the right to cancel arises. Purchaser's failure to timely give such Notice of cancellation will be deemed a conclusive waiver of such right to cancel. In case of cancellation pursuant to Par. 19.1, a copy of any loan refusal letter or non-complying Loan Commitment Letter (as the case may be) issued by the Institutional Lender shall accompany the Notice of cancellation, if available, or if not then available, shall be provided promptly after receipt. In case of cancellation pursuant to Par. 19.3, a copy of all written communications between the Institutional Lender and Purchaser concerning the extension or new loan commitment shall accompany the Notice of cancellation (or a copy of any letter refusing to extend the loan commitment or make a new loan commitment received by Purchaser after sending the cancellation Notice shall be sent to Seller promptly after receipt). Purchaser's obligation under this Par. 19.4 shall survive the cancellation of this Contract.~~

~~19.5 The definitions for certain terms used in this Par. 19 are:~~

~~19.5.1 an "Institutional Lender" is any bank, savings bank, savings and loan association, trust company, credit union of which Purchaser is a member, insurance company or governmental entity which is duly authorized to issue a loan secured by the Shares and Lease in the state where the Unit is located and is then currently extending similarly secured loan commitments; and~~

~~19.5.2 a "Loan Commitment Letter" is a written offer to make the Loan with or without recourse and whether or not conditional upon any factor other than an appraisal satisfactory to the Institutional Lender. An offer to make the Loan which is conditional on obtaining a satisfactory appraisal shall only become a Loan Commitment Letter upon such condition being met.~~

20. Singular/Plural and Joint/Several

The use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires. If more than one entity is selling or purchasing the Unit, their obligations shall be joint and several.

21. No Survival

No representation and/or covenant contained herein shall survive Closing except as expressly provided. Computation errors shall survive and be corrected after Closing.

22. Inspections

Purchaser shall have the right to inspect the Unit at reasonable times upon reasonable request to Seller, and within 48 hours prior to Closing.

23. Governing Law

This Contract shall be governed by the laws of the State of New York. Any action or proceeding arising out of this Contract shall be brought in the county where the Unit is located and the Parties hereby consent to said venue.

24. Removal of Liens

24.1 Purchaser shall deliver or cause to be delivered to Seller or Seller's Attorney, not less than 10 calendar days prior to Closing, a list of Liens, if any, which may violate Par. 4.1.

24.2 Seller shall have a reasonable period of time to remove any such Lien.

25. Cooperation of Parties

25.1 The Parties shall each cooperate with the other, the Corporation, Purchaser's Institutional Lender and title company, if any, and obtain, execute and deliver such documents as are reasonably necessary to close.

25.2 The Parties shall timely file or pre-file all required documents in connection with all governmental filings that are required by law. Each Party represents to the other that its statements in such filings will be true and complete. This Par. 25.2 shall survive the Closing.

26. FIRPTA and Gains Tax

26.1 The Parties shall comply with IRC §§ 897, 1445 and related provisions, as amended, and any substitute provisions of any successor statute and the regulations thereunder ("FIRPTA"). The Seller shall furnish to the Purchaser at or prior to Closing a Certification of Nonforeign Status in accordance with FIRPTA. If the Seller fails to deliver such certification by Closing, the Purchaser shall deduct and withhold from the Purchase Price such sum required by law and remit such amount to the IRS. In the event of such withholding by Purchaser, Seller's obligations hereunder, including (but not limited to) the transfer of ownership of the Shares and Lease, shall not be excused or otherwise affected. In the event of any claimed over-withholding, Seller shall be limited solely to an action against the IRS for a refund. Seller hereby waives any right of action against Purchaser on account of such withholding. This Par. 26.1 shall survive the Closing.

~~26.2 If a Real Property Transfer Gains Tax pre-filing is required by law, Purchaser shall simultaneously herewith deliver to Seller a completed and executed Transferee Questionnaire or the equivalent thereof.~~

27. Additional Conditions

27.1 Purchaser shall not be obligated to close unless at the time of the Closing:

27.1.1 the Corporation is duly incorporated and in good standing; and

27.1.2 the Corporation has fee or leasehold title to the Premises, whether or not marketable or insurable; and

27.1.3 there is no pending *in rem* action or foreclosure action of any underlying mortgage affecting the Premises.

CONTRACT.TED

27.1 Purchaser shall give Seller Notice of any failure of any of the conditions in Par. 27.1. If any condition is not cured within a reasonable period of time after giving said Notice, then either Seller or Purchaser shall have the option to cancel this Contract pursuant to Par. 16.

28. Escrow Terms THE ESCROW IS SUBJECT TO THE TERMS OF THE OFFERING PLAN

28.1 Escrowee acknowledges receipt of the check for the Contract Deposit, subject to collection.

28.2 The check for the Contract Deposit shall be deposited by Escrowee in an escrow account as described in Par. 1.18 and the proceeds held and disbursed in accordance with the terms of this Contract. Upon Closing, Escrowee shall deliver the Contract Deposit to Seller. In all other cases, if either Party makes a demand upon Escrowee for delivery of the Contract Deposit, Escrowee shall give Notice to the other Party of such demand. If a Notice of objection to the proposed payment is not received from the other Party within 10 business days after giving notice by Escrowee, time being of the essence, Escrowee is hereby authorized to deliver the Contract Deposit to the Party who made the demand. If Escrowee receives a Notice of objection within said period, or if for any other reason, Escrowee in good faith elects not to deliver the Contract Deposit, then Escrowee shall continue to hold the Contract Deposit and thereafter pay it to the Party entitled when Escrowee receives (a) a Notice from the objecting Party withdrawing the objection, or (b) a Notice signed by both Parties directing disposition of the Contract Deposit or (c) a judgment or order of a court of competent jurisdiction OR (D) A DETERMINATION OF THE DEPARTMENT OF LAW.

28.3 In the event of any dispute or doubt as to the genuineness of any document or signature, or uncertainty as to Escrowee's duties, then Escrowee shall have the right either to continue to hold the Contract Deposit in escrow or to pay the Contract Deposit into court pursuant to relevant statute.

28.4 The SELLER agrees jointly to defend (by attorneys selected by Escrowee), indemnify and hold harmless Escrowee against and from any claim, judgment, loss, liability, cost or expense resulting from any dispute or litigation arising out of or concerning Escrowee's duties or services hereunder. This indemnity includes, without limitation, disbursements and reasonable attorneys' fees either paid to retain attorneys or representing fair value of legal services rendered by Escrowee to itself.

28.5 Escrowee shall not be liable TO SELLER for any error in judgment or for any act done or step taken or omitted in good faith, or for any mistake of fact or law, except for Escrowee's own gross negligence or willful misconduct.

28.6 The parties acknowledged that Escrowee is merely a stakeholder. Upon payment of the Contract Deposit pursuant to Par. 28.2 of 28.3, Escrowee shall be fully released from all liability and obligations with respect to the Contract Deposit.

28.7 In the event Escrowee is the attorney for either Party, Escrowee shall be entitled to represent such Party in any lawsuit.

28.8 Escrowee shall serve without compensation.

28.9 The signing of this Contract by Escrowee is only to evidence Escrowee's acceptance of the terms and conditions of this Par. 28.

29. Binding Effect

This Contract shall not be binding unless a fully executed counterpart thereof has been delivered to each of the Parties.

See Rider annexed hereto for additional terms.

In Witness Whereof, the Parties hereto have duly executed this Contract as of the date first above written.

ESCROW TERMS AGREED TO:

SELLER:

PURCHASER:

GROSS AND GROSS LLP

GARDEN TOWERS CO.

BY: _____

Escrowee

SELLER: Garden Towers Co.

PURCHASER: _____

APARTMENT: Apt. __, __ Sadore Lane, Yonkers, New York 10710

THIS RIDER IS INTENDED TO BE AFFIXED TO AND BECOME A PART OF THE ABOVE DESCRIBED CONTRACT; IF ANY PROVISION IN THIS RIDER CONFLICTS WITH OR IS INCONSISTENT WITH ANY PRINTED PROVISION OF THE CONTRACT, THEN THE PROVISION OF THIS RIDER SHALL CONTROL.

30. The terms of this Contract are expressly subject to the terms of that certain cooperative offering plan for the Corporation, dated as of September 24, 1982, as the same has been amended to date (the "Plan"). Purchaser acknowledges receipt of a copy of the Plan at least three (3) business days prior to execution of this Contract and represents that Purchaser has examined and is satisfied with same. In the event of conflict between the terms of the Plan and the terms of this Contract, the terms of the Plan shall control.

31. Supplementing Paragraphs 3 and 31, it is agreed that:

A. Seller is not obligated to install any equipment or appliances in the Unit or otherwise make any repairs, improvements or decorations to the Unit or its equipment, appliances and fixtures.

B. The Seller is a Holder of Unsold Shares as such term is defined in the Plan.

C. Purchaser acknowledges having entered into this Contract without relying upon any promises, statements, estimates, representations, warranties, conditions or other inducements, expressed or implied, oral or written, not set forth herein or in the Plan as amended.

32. Supplementing and modifying Paragraphs 2.2.2 and 10.2.1:

A. Purchaser hereby guarantees payment of all checks delivered at closing on account of Purchaser's obligations under this Contract. This subparagraph 32.A. shall survive the Closing.

B. Purchaser acknowledges that the balance of the Purchase Price must be paid by checks strictly in accordance with paragraph 2.2.2. Certified personal checks or official cashier's or bank checks payable to the order of Purchaser and endorsed to Seller will not be accepted at closing.

33. With respect to all proceeds received by or on behalf of Seller under this Agreement, the Seller shall comply with the trust fund and escrow provisions of General Business Law Section 352-h and Section 352-e(2-b).

34. The acceptance of the Shares and the assumption of the Lease by the Purchaser shall be deemed to be a full performance and discharge of every agreement and obligation on the part of the Seller to be performed pursuant to the provisions of this Contract except (a) those expressly provided to survive the closing and (b) those obligations which Seller, as the Sponsor, is required to perform either under (i) the terms of the Plan, as amended to date, or (ii) applicable provisions of the General Business Law.

35. If through no fault of Seller, Purchaser, for any reason, fails to close on the date scheduled for closing in Paragraph 1.11 (the "Scheduled Closing Date"), then Purchaser will be obligated to reimburse Seller a daily sum for each day's delay of \$25.00 for the period beginning with the Scheduled Closing Date and ending on the day immediately preceding the actual closing date. Time is of the essence for Purchaser to pay and perform Purchaser's obligations hereunder within 30 days of the Scheduled Closing Date.

36. Supplementing Paragraph 10.2, Purchaser shall pay any application fee, recognition agreement review fee, move-in fee or other fee the Corporation may require.

37. Supplementing and Modifying Paragraph 28: -

A. The Escrowee shall deposit and handle the Contract Deposit in accordance with the terms and provisions of Paragraph 1 of the 16th Amendment, Paragraph 7 of the 18th Amendment and Paragraph 7 of the 23rd Amendment to the Plan converting the Premises to cooperative ownership. Purchaser acknowledges having read the terms of such 16th, 18th and 23rd Amendments and the escrow provisions contained therein and agrees to be bound by same.

B. The Escrowee shall not be bound by any modification of this Contract or its escrow provisions unless there is delivered to the Escrowee a written modification signed by the parties. No such modification shall, without the written consent of the Escrowee, modify the provisions relating to the duties, obligations or rights of the Escrowee.

38. The execution and delivery of this Contract of Sale by Purchaser and the delivery thereof to Seller shall have no binding force and effect on Seller unless and until Seller shall have executed this Contract of Sale and a counterpart thereof shall have been delivered to Purchaser or Purchaser's attorney as set forth herein.

39. Purchaser understands that the Corporation is not a party to this Contract or the sale contemplated hereby and that no representations, warranties or promises of any kind have been made to Purchaser by the Corporation. Purchaser agrees that no claim will be made against the Corporation by Purchaser in respect of, or arising out of, the purchase of the shares and appurtenant Lease.

40. Purchaser represents to Seller and to the Corporation that Purchaser is not less than 18 years of age. The provisions of this Paragraph shall inure to the benefit of both Seller and the Corporation and shall survive the Closing.

41. Supplementing Paragraph 12, Seller and Purchaser agree to indemnify and hold the other harmless from and against any claim, judgment, liability, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from any breach of the representation set forth in Paragraph 12. The provisions of Paragraph 12 and this Paragraph shall survive the Closing.

42. If this Contract is terminated or canceled for any reason, the Purchaser agrees to return to the Seller or to Seller's attorney any and all documentation, including the offering plan, amendments to the offering plan and financial statements relative to this transaction; if Purchaser fails to return the documentation within ten (10) days of the cancellation or termination of the Contract, Purchaser hereby authorizes the Escrow Agent to deduct the cost of replacing such documentation, up to \$150.00, from the Contract Deposit, if the same is to be refunded.

43. LEAD BASED PAINT HAZARDS

A. Seller has no knowledge of any lead based paint and/or lead based paint hazards in the housing.

B. Seller has no reports or records pertaining to lead based paint and/or lead based paint hazards in the housing.

C. This Contract is contingent upon a risk assessment or inspection of the property for the presence of lead-based paint and/or lead-based paint hazards at the Purchaser's expense until 9 p.m. on the date which is ten (10) days after this Contract is delivered to you. (Intact lead-based paint that is in good condition is not necessarily a hazard. See the EPA pamphlet Protect Your Family From Lead in Your Home for more information.) This contingency will terminate at the above predetermined deadline unless the Purchaser (or Purchaser's agent) delivers to the Seller (or Seller's agent) a written request, listing specific existing deficiencies and annexing a copy of the risk assessment, to terminate this contract. Upon receipt of such a request, Seller shall promptly return the down payment and this Contract shall be of no further force and effect. The Purchaser may remove this contingency at any time without cause.

D. Purchaser acknowledges receipt of a copy of the EPA pamphlet "Protect Your Family From Lead in Your Home."

44. LEASE PURCHASE PROGRAM

A. Purchaser will occupy the Unit prior to closing under the terms of a "Lease Purchase Program" lease (the "Lease"), commencing on _____. If Purchaser consummates the purchase of the Unit pursuant to this Contract, the Seller shall credit the Purchaser, at closing, an

amount equal to six (6) months' rent paid under the Lease, each month's rent being in the amount of \$ _____. The total credit hereunder shall not exceed \$ _____, and this credit shall be applied to the Purchase Price due hereunder.

B. If the Purchaser fails to comply with all of his obligations under the Lease, and such failure continues beyond the notice period, if any, set forth in the Lease, such failure to comply shall be an uncured default under the Lease. An uncured default under the Lease shall be a default under this Contract, entitling the Seller, at its sole option, to terminate this Contract immediately.

45. FINANCING PROVISIONS

A. This Contract is not contingent upon financing.

B. The parties acknowledge that the Purchaser has an option either (i) to obtain financing through Hudson Valley Bank (the "Lender") for up to \$ _____ on such terms as the Lender may then offer, in which case the Seller shall give Purchaser a credit at Closing equal to the Purchaser's closing costs imposed by the Lender for the following: points, Lender's attorneys fee, judgment and lien search fee, UCC filing fee, flood certification fee; or (ii) apply for financing through the lender of Purchaser's choice, in which event Seller shall not grant a closing cost credit.

C. Seller has arranged for financing through the Lender for its purchasers, subject to Seller's approval of each purchaser. The Seller's approval of Purchaser is conditioned on Purchaser's successful completion of the Lease Purchase Program. Failure to pay rent on time every month is a basis for the Seller to withhold its approval; for purposes of this paragraph, rent is "on time" if it is received no later than the 15th of the month in which it is due. Additionally, any material adverse change in the income or credit of the Purchaser between the date the Purchaser signs this Contract and the Closing may result in the withdrawal of Seller approval.

D. Purchaser acknowledges that his/her rent payment history will be made available to any lender which requests the same.

E. Purchaser gives permission for any the Lender or any other lending institution to discuss any and all details of the Purchaser's application and the financing process with the Seller or the Selling Agent.

46. UNIT IMPROVEMENTS

Seller will make the following improvements to the Unit within 30 days after closing:

- A. install new kitchen cabinets;
- B. purchase and install new 15 cubic foot refrigerator;
- C. purchase and install range with hood;
- D. purchase and install dishwasher;
- E. purchase and install stainless steel sink;
- F. purchase and install new kitchen floor; and
- G. purchase and install bathroom vanity/sink (where heating register precludes vanity, wall hung sink will be installed).

SELLER: GARDEN TOWERS CO.

PURCHASER:

BY: _____

TWENTY FIFTH AMENDMENT
TO
OFFERING PLAN OF
COOPERATIVE OWNERSHIP OF
PREMISES KNOWN AS

1, 2, 3, 4 AND 5 SADORE LANE
YONKERS, NEW YORK 10710

Dated: June 6, 2000

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED SEPTEMBER 28, 1982, AND THE FIRST AMENDMENT DATED NOVEMBER 10, 1982; THE SECOND AMENDMENT DATED AUGUST 17, 1983; THE THIRD AMENDMENT DATED SEPTEMBER 7, 1983; THE FOURTH AMENDMENT DATED NOVEMBER 30, 1983; THE FIFTH AMENDMENT DATED MARCH 2, 1984; THE SIXTH AMENDMENT DATED SEPTEMBER 6, 1984; THE SEVENTH AMENDMENT DATED JULY 9, 1985; THE EIGHTH AMENDMENT DATED MARCH 24, 1987; THE NINTH AMENDMENT DATED APRIL 30, 1987; THE TENTH AMENDMENT DATED JUNE 12, 1987; THE ELEVENTH AMENDMENT DATED SEPTEMBER 8, 1987; THE TWELFTH AMENDMENT DATED JUNE 29, 1988; THE THIRTEENTH AMENDMENT DATED DECEMBER 5, 1989; THE FOURTEENTH AMENDMENT DATED JUNE 27, 1990; THE FIFTEENTH AMENDMENT DATED NOVEMBER 6, 1991; THE SIXTEENTH AMENDMENT DATED APRIL 23, 1992; THE SEVENTEENTH AMENDMENT DATED NOVEMBER 12, 1992; THE EIGHTEENTH AMENDMENT DATED JANUARY 7, 1994; THE NINETEENTH AMENDMENT DATED APRIL 21, 1995; THE TWENTIETH AMENDMENT DATED SEPTEMBER 22, 1995; THE TWENTY FIRST AMENDMENT DATED SEPTEMBER 24, 1996; THE TWENTY SECOND AMENDMENT DATED SEPTEMBER 18, 1997; THE TWENTY THIRD AMENDMENT DATED NOVEMBER 9, 1998; AND THE TWENTY FOURTH AMENDMENT DATED DECEMBER 22, 1999 AND SHOULD BE READ IN CONJUNCTION WITH SAID PLAN.

Apartment Corporation:
SADORE LANE GARDENS, INC.

Sponsor:
GARDEN TOWERS LLC

The Cooperative Offering Plan, a Plan to convert to cooperative ownership premises at 1-5 Sadore Lane, Yonkers, New York, dated September 28, 1982, as heretofore amended (the "Plan") is hereby further amended as follows:

(1) Revised Mortgage Indebtedness.

The Apartment Corporation has obtained a building loan second mortgage affecting the Premises. The building loan was closed on December 16, 1999. The material terms of this new mortgage include the following:

Mortgagee: Republic National Bank of New York
452 Fifth Avenue, New York, NY 10018

Maximum Principal Amount: \$2,500,000

Maturity Date: January 1, 2006

Interest Rate: Thirty day London Interbank Offered Rate, on a reserve adjusted basis, plus 175 basis points.

Monthly Installment Payments: Payments of interest only shall commence on the last day of the first month in which a draw is made and shall continue monthly thereafter so long as funds are outstanding until the maturity date.

Prepayment - The Mortgage may be prepaid in whole or in part without penalty on the last day of any Interest

Period, on 5 days prior written notice to the Mortgagee.
Default Rate - The greater of 1.5% per month or 400 basis points per annum above the then-current note rate.

Late Charges - \$.04 on each dollar overdue for more than 10 days.

Due-on-Sale - The Apartment Corporation may not sell, transfer, convey or further encumber the Premises or the stock of the Apartment Corporation except in connection with the sale of individual units. The Apartment Corporation agreed not to sell or transfer air rights at the Premises.

Events of Default - (a) Failure to make any payment due under the Note for a period of 10 days or more;

(b) Failure to make payment of any sum due and payable under the Mortgage on demand;

(c) Failure to comply with any other term of the Mortgage;

(d) Refusal by two or more fire insurance companies to issue insurance policies on the improvements on the Premises;

(e) Passage of any law changing the taxation of mortgages;

(f) Commencement of any action to foreclose any lien on the Premises or the personal property covered by the Mortgage;

(g) Failure to discharge any mechanic's lien within

sixty (60) days after the lien has been filed;

(h) Occurrence of an event which would entitle the Mortgagee to advance sums which would be secured by the Mortgage;

(i) Default beyond any notice and grace periods under any assignment of leases and/or rents or the Building Loan Agreement;

(j) Discovery by the Mortgagee of any material misrepresentation made in connection with obtaining the Mortgage;

(k) Any default, beyond applicable grace periods, under the existing first mortgage or any other mortgage on the Premises, giving rise to a right to accelerate such mortgage;

(l) Substantial damage or destruction of any uninsured or underinsured improvement on the Premises, and the Mortgagor fails to demonstrate to the Mortgagee within 20 days that the Mortgagor has sufficient funds to restore such improvement;

(m) Institution against the Mortgagor or any person with an interest in the Mortgagor of criminal proceedings for which forfeiture of assets is a potential penalty if the Premises could be potentially subject to such forfeiture; and

(n) Appointment of a receiver, liquidator or trustee of the Mortgagor or the adjudication that the Mortgagor

is a bankrupt, which appointment or adjudication, if not consented to by the Mortgagor, is not discharged, stayed or dismissed within 60 days.

The building loan second mortgage was secured to finance the following capital improvements at the Premises: new windows and garage repairs and upgrades through out; replacement of bushes at 1, 2, and 3 Sadore Lane; waterproofing and brick work to the concrete garages at 1, 2 and 3 Sadore Lane; replacement of riser shut off valves in 2 and 3 Sadore Lane; repair of free standing garage at 5 Sadore Lane; and replacement of carpet in 5 Sadore Lane. The Apartment Corporation agreed to complete these projects no later than January 1, 2001.

The revolving line of credit of \$700,000.00 which was secured from the Mortgagee in 1995 was retired.

The Mortgagee secured a right of first refusal to refinance the existing first mortgage or the building loan second mortgage; the Apartment Corporation agreed to apply first to the Mortgagee for any such refinancing. If the Mortgagee issues a commitment, the Apartment Corporation agreed to refinance with the Mortgagee unless the Apartment Corporation obtains more favorable terms from another institutional lender, in which event the Mortgagee shall be given 10 business days to match the terms of the other lender's proposal.

(2) The Sponsor currently holds Unsold Shares allocated to 374 of the 775 Apartments at the Premises, representing 48.25% of all Apartments, as set forth in Exhibit A annexed.

(3) The Sponsor has been converted from a general partnership to a limited liability company effective April 21, 2000. The new name of the Sponsor is "Garden Towers LLC". Other than this conversion, there has been no change in the composition or management of the Sponsor.

(4) Sponsor's Share Loan.

On April 27, 2000, the Sponsor obtained a loan secured by the pledge of the Sponsor's Unsold Shares and the proprietary leases appurtenant thereto. The material terms of this loan include the following:

Identity of lender: The Bank of New York

Address of lender: 440 Mamaroneck Avenue
Harrison, New York 10528

Loan Amount: \$4,000,000

Maturity Date: May 1, 2007; if extended, May 1, 2010.

Interest Rate: 9.6% as to \$2,000,000.00 (the "fixed rate portion") and a series of adjustable rates based on the Lender's prime rate and various London Interbank offered rates, on a reserve adjusted basis, plus 200 basis points (currently 8.52-9%) as to \$2,000,000.00 (the "alternate base rate portion")

Approximate
Monthly Payments: \$18,773.42 plus not more than \$17,994.52
(for the alternate base rate portion)

Other Payments: Release payment of \$98.75 per Share is due whenever Unsold Shares are sold.

(5) The Sponsor has no financial obligations to the Apartment Corporation other than for payment of maintenance charges and the payment of reserve fund contributions at the rate of \$7.3972 per Unsold Share sold. The Sponsor is current in all its financial obligations to the Apartment Corporation, and during the previous twelve months the Sponsor has not been in default with respect to any such obligations beyond any applicable grace period.

(6) The Sponsor, as Holder of Unsold Shares, holds the Shares allocated to those Apartments indicated on Exhibit "A" annexed hereto. The aggregate monthly maintenance charges due in connection with the Unsold Shares are \$145,488. The aggregate monthly rents received from tenants of Apartments to which Unsold Shares are allocated are \$216,050. The Sponsor owns the Shares allocated to three additional Apartments which have been previously sold. The aggregate monthly maintenance charges due in connection with these Shares are \$919. The aggregate monthly rents received from tenants of Apartments to which these Shares are allocated are \$2,520. The Sponsor shall pay its obligations to the Apartment Corporation and to the Bank of New York from these rents.

The Sponsor plans to market the vacant Apartments to which Unsold Shares are allocated immediately. As those Apartments are sold the monthly maintenance charges due to the Apartment Corporation and the loan payments due to The Bank of New York will decrease.

(7) The Sponsor and its Escrow Agent, Gross and Gross LLP, have entered into a revised escrow agreement regarding the down payments of purchasers of Unsold Shares. The name of the escrow account is "Gross and Gross LLP Attorney Trust Account". The account is a non-interest bearing IOLA-type account established pursuant to Judiciary Law §497; it is maintained with Hudson Valley Bank, 403 E. Sanford Boulevard, Mount Vernon, New York 10550. This is a new escrow account, and the deposits of purchasers with pending contracts will be transferred to this account within 30 days after this Amendment is filed. A copy of the revised escrow agreement is annexed as Exhibit "B".

(8) Some of the principals of the Sponsor, as individual holders of unsold shares or units or as general partners or principals of the sponsor or holder of unsold shares, own more than 10% of the shares or units in other cooperative or condominium conversion projects. The offering plans for these buildings are on file with the Department of Law and are available for public inspection. The principals of the Sponsor, as individual holders of unsold shares, are current on all financial obligations in respect of these other cooperatives in which they owns shares or units as individuals, general partners or principals.

Annexed hereto as Exhibit "C" is a list of the identity of each principal of the Sponsor who owns more than 10% of the shares of other buildings, and the address of said building.

(9) The current board of directors of the Corporation was elected at the annual stockholders' meeting which was held on July

26, 1999. The following were elected as officers and directors: Louis Monaco, president, Herbert Goldstein, Charles Scheinberg, Gordon Burrows, Philip Rosen, and Abraham Roller. Of the foregoing, Philip Rosen, and Abraham Roller are affiliated with the Sponsor or a Holder of Unsold Shares. The Sponsor gave up control of the board of directors as of the meeting held on April 26, 1984.

(10) The Offering Plan may be used for twelve (12) months from the date of this Amendment.

(11) The Offering Plan, as modified, supplemented and extended hereby, is incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment, not otherwise defined herein, shall have the same meanings ascribed to them in the Offering Plan.

(12) Except as set forth herein there have been no material changes in the terms of the Offering.

SADORE LANE GARDENS, INC.
Apartment Corporation

GARDEN TOWERS LLC
Sponsor

SCHEDULE A
APARTMENTS OWNED BY GARDEN TOWERS LLC
1-5 SADORE LANE, YONKERS, NEW YORK

APT. # SHARES APT. # SHARES

BUILDING NO. 1

1A	96	2A	100
1E	130	2E	134
1F	155	2F	159
1H	124	2H	128
1J	108	2J	112
1L	162	2K	159
1M	96	2M	100
1P	96	2N	100
1Y	162	2P	100
		2T	166
		2U	134
		2V	134
		2X	166
3B	205	4B	207
3F	163	4G	134
3G	132	4J	118
3N	102	4K	165
3P	102	4L	170
3R	70	4M	104
3T	168	4T	170
3U	136	4V	138
3V	136	4W	122
3X	168	4Y	170
3Z	102	6A	108
5A	106	6B	211
5E	140	6E	142
5F	167	6F	169
5G	136	6G	138

SCHEDULE A
APARTMENTS OWNED BY GARDEN TOWERS LLC
1-5 SADORE LANE, YONKERS, NEW YORK

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
5L	172	6J	122
5N	106	6L	174
5S	140	6N	108
5Y	172	6V	142
7A	110		
7B	213		
7C	110		
7D	78		
7G	140		
7H	140		
7J	124		
7M	110		
7S	144		
7T	176		
7V	144		
7X	176		
7Z	110		
	5,527.00		4,504.00
			10,031.00

Building Totals: Apartments: 73 Shares: 10,031

BUILDING NO. 2

1A	96	2C	95
1F	155	2G	134
1M	96	2H	134
1O	60	2M	100
1T	151	2N	100
1V	126	2R	64
1W	110	2S	128
		2U	130

SCHEDULE A
APARTMENTS OWNED BY GARDEN TOWERS LLC
1-5 SADORE LANE, YONKERS, NEW YORK

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
		2W	114
		2Y	166
3C	97	4A	104
3G	136	4D	68
3J	120	4F	163
3K	168	4G	138
3L	168	4H	138
3M	102	4K	170
3P	97	4L	170
3T	157	4M	104
3W	116	4O	207
3X	163	4P	99
		4T	159
		4X	165
		4Z	104
5B	209	6A	108
5C	101	6C	103
5N	106	6E	136
5P	101	6F	167
5S	134	6H	142
5T	161	6K	174
5W	120	6M	108
5Y	172	6N	108
5Z	106	6U	138
		6V	138
		6W	122
		6Y	174
7A	110		
7E	138		

SCHEDULE A
APARTMENTS OWNED BY GARDEN TOWERS LLC
1-5 SADORE LANE, YONKERS, NEW YORK

APT. # SHARES APT. # SHARES

7G	144		
7H	144		
7J	128		
7N	110		
7P	105		
7R	74		
7S	138		
7V	140		
7Z	110		
	4,669.00		4,572.00
			9,241.00

Building Totals: Apartments: 72 Shares: 9,241

BUILDING NO. 3

1B	96	2B	203
1D	64	2C	100
1E	130	2E	134
1F	162	2F	166
1J	114	2G	134
1K	162	2H	134
1L	162	2J	118
1M	96	2L	166
1O	64	2S	134
1P	96	2T	166
1S	130	2V	134
1T	162	2W	118
1U	130		
1X	162		
1Y	162		
1Z	96		

SCHEDULE A
APARTMENTS OWNED BY GARDEN TOWERS LLC
1-5 SADORE LANE, YONKERS, NEW YORK

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
3A	102		
3C	102	4A	104
3D	70	4G	138
3G	136	4K	170
3J	120	4M	104
3K	168	4R	72
3L	168	4S	138
3M	102	4U	138
3P	102	4V	138
3S	136	4W	122
3W	120	4X	170
3Y	168	4Z	104
5A	106	6B	211
5G	140	6C	108
5H	140	6D	76
5K	172	6E	142
5M	106	6F	174
5N	106	6G	142
5P	106	6H	142
5R	74	6J	126
5S	140	6K	174
5T	172	6L	174
5V	140	6O	211
5W	124	6P	108
5X	172	6R	76
5Z	106	6S	142
		6U	142
		6V	142
		6W	126

SCHEDULE A
APARTMENTS OWNED BY GARDEN TOWERS LLC
1-5 SADORE LANE, YONKERS, NEW YORK

APT. # **SHARES** **APT. #** **SHARES**

		6Y	174
		6Z	108
7A	110		
7C	110		
7D	78		
7E	144		
7G	144		
7H	144		
7L	176		
7N	110		
7O	213		
7P	110		
7X	176		
	6,801.00		5,803.00
			12,604.00

Building Totals: Apartments: 95 Shares: 12,604

BUILDING NO. 4

1A	96	2B	203
1B	91	2C	95
1C	91	2E	128
1E	124	2G	132
1J	112	2J	116
1K	160	2K	164
1L	162	2O	203
1M	96	2S	128
1N	96	2T	161
1O	60	2U	134
1P	91	2W	118
1T	157		

SCHEDULE A
APARTMENTS OWNED BY GARDEN TOWERS LLC
1-5 SADORE LANE, YONKERS, NEW YORK

APT. # SHARES APT. # SHARES

1X	162		
1Y	162		
1Z	96		
3A	102	4A	104
3C	97	4E	132
3H	136	4F	163
3J	118	4G	138
3K	166	4H	138
3R	66	4K	168
3S	130	4T	165
3U	136	4V	138
3W	120	4W	122
		4X	170
		4Y	170
		4Z	104
5A	106	6A	108
5B	209	6C	103
5D	70	6F	167
5F	165	6G	142
5J	122	6L	174
5K	170	6M	108
5L	172	6P	103
5O	209	6S	136
5R	70	6U	142
5T	167	6X	174
5V	140	6Y	174
5X	172	6Z	108
5Z	106		
7B	213		

SCHEDULE A
APARTMENTS OWNED BY GARDEN TOWERS LLC
1-5 SADORE LANE, YONKERS, NEW YORK

APT. # **SHARES** **APT. #** **SHARES**

7H	144		
7K	174		
7P	105		
7S	138		
7T	171		
7U	144		
7X	176		
7Y	176		
7Z	110		
	6,256.00		4,933.00
			11,189.00

Building Totals: Apartments: 82 Shares 11,189

BUILDING NO. 5

LG	128	2D	124
LL	128	2E	203
LM	94	2K	134
1E	128	2N	163
1H	114	2P	132
1J	114	2R	132
1K	132		
1L	132		
3A	84	4A	86
3B	136	4B	138
3C	136	4C	138
3D	136	4F	138
3E	205	4G	138
3J	118	4H	120
3S	102	4K	138
		4L	138

SCHEDULE A
APARTMENTS OWNED BY GARDEN TOWERS LLC
1-5 SADORE LANE, YONKERS, NEW YORK

APT. # SHARES APT. # SHARES

		4P	138
		4R	138
		4S	104
5F	140	6C	142
5M	169	6E	211
5N	169	6H	124
5P	140	6K	142
		6L	142
		6R	142
7B	144		
7E	213		
7F	144		
7G	144		
7K	144		
7L	144		
7M	173		
7N	173		
7P	144		
7R	144		
	4,072.00		3,205.00
			7,277.00

Building Totals: Apartments: 52 Shares: 7,277

Unsold Share Totals: Apartments: 374 Shares: 50,342

Additional Units (Not "Unsold")

Building 5 2C 124
Building 1 2R 68
Building 4 6W 126

Total for Project: Apartments 377 Shares: 50,660

ESCROW AGREEMENT

AGREEMENT made this 2nd day of May, 2000, between Garden Towers LLC ("Sponsor") as Sponsor of the offering plan and GROSS AND GROSS LLP ("Escrow Agent") as escrow agent.

WHEREAS, Sponsor is the Sponsor of an offering plan to convert to cooperative ownership the premises located at 1,2,3,4 and 5 Sadore Lane, Yonkers, New York;

WHEREAS, Escrow Agent 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 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 Hudson Valley Bank at its branch located at 403 East Sanford Boulevard, Mount Vernon, New York. The account number is 1200632701.

1.2 The name of the account is Gross and Gross LLP Attorney Trust Account.

1.3 Escrow Agent is the sole signatory on the account.

1.4 The escrow account shall not be an interest-bearing account as disclosed in the offering plan.

1.5 The escrow account is an IOLA established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All funds received from prospective purchasers 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 to, or endorsed by the purchaser to the order of Gross and Gross as escrow agent for 1,2,3,4 and 5 Sadore Lane, Yonkers, New York offering plan. 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 promptly, but in no event more than five (5) 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 purchase 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 any. 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 purchaser.

3. RELEASE OF FUNDS.

3.1 Intentionally omitted.

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 offer 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 so 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 (7) years after release of the funds.

4.2 Upon the 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 canceled, by either:

- (a) Written notice given by Sponsor to 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 successor 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 a 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
GROSS AND GROSS LLP

By: 

HANNAH S. GROSS, Partner

Sponsor
GARDEN TOWERS LLC

By: 

PHILIP ROSEN, Manager

EXHIBIT "C"

PERCENTAGE INTEREST IN OTHER CO-OPS

BY HOLDERS OF UNSOLD SHARES

Individual's Name	Percentage Interest	Building Address
PHILIP ROSEN	27.50%	2035 Central Park Ave. Yonkers, New York
	71.25%	480 Riverdale Ave. Yonkers, New York
MILDRED ROLLER	21.25%	480 Riverdale Ave. Yonkers, New York
MICHELLE ROSEN	15%	2035 Central Park Ave. Yonkers, New York
WENDY LANDIS	15%	2035 Central Park Ave. Yonkers, New York
PHYLLIS RASKIN	15%	2035 Central Park Ave. Yonkers, New York
RITA ROSEN	27.50%	2035 Central Park Ave. Yonkers, New York

TWENTY SIXTH AMENDMENT

TO

OFFERING PLAN OF

COOPERATIVE OWNERSHIP OF

PREMISES KNOWN AS

1, 2, 3, 4 AND 5 SADORE LANE
YONKERS, NEW YORK 10710

Dated: July 24, 2001

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED SEPTEMBER 28, 1982, AND THE FIRST AMENDMENT DATED NOVEMBER 10, 1982; THE SECOND AMENDMENT DATED AUGUST 17, 1983; THE THIRD AMENDMENT DATED SEPTEMBER 7, 1983; THE FOURTH AMENDMENT DATED NOVEMBER 30, 1983; THE FIFTH AMENDMENT DATED MARCH 2, 1984; THE SIXTH AMENDMENT DATED SEPTEMBER 6, 1984; THE SEVENTH AMENDMENT DATED JULY 9, 1985; THE EIGHTH AMENDMENT DATED MARCH 24, 1987; THE NINTH AMENDMENT DATED APRIL 30, 1987; THE TENTH AMENDMENT DATED JUNE 12, 1987; THE ELEVENTH AMENDMENT DATED SEPTEMBER 8, 1987; THE TWELFTH AMENDMENT DATED JUNE 29, 1988; THE THIRTEENTH AMENDMENT DATED DECEMBER 5, 1989; THE FOURTEENTH AMENDMENT DATED JUNE 27, 1990; THE FIFTEENTH AMENDMENT DATED NOVEMBER 6, 1991; THE SIXTEENTH AMENDMENT DATED APRIL 23, 1992; THE SEVENTEENTH AMENDMENT DATED NOVEMBER 12, 1992; THE EIGHTEENTH AMENDMENT DATED JANUARY 7, 1994; THE NINETEENTH AMENDMENT DATED APRIL 21, 1995; THE TWENTIETH AMENDMENT DATED SEPTEMBER 22, 1995; THE TWENTY FIRST AMENDMENT DATED SEPTEMBER 24, 1996; THE TWENTY SECOND AMENDMENT DATED SEPTEMBER 18, 1997; THE TWENTY THIRD AMENDMENT DATED NOVEMBER 9, 1998; AND THE TWENTY FOURTH AMENDMENT DATED DECEMBER 22, 1999; AND THE TWENTY FIFTH AMENDMENT DATED JUNE 6, 2000 AND SHOULD BE READ IN CONJUNCTION WITH SAID PLAN.

Apartment Corporation:
SADORE LANE GARDENS, INC.

Sponsor:
GARDEN TOWERS LLC

The Cooperative Offering Plan, a Plan to convert to cooperative ownership premises at 1-5 Sadore Lane, Yonkers, New York, dated September 28, 1982, as heretofore amended (the "Plan") is hereby further amended as follows:

(1) The Sponsor currently holds Unsold Shares allocated to 328 of the 775 Apartments at the Premises, representing 42.32% of all Apartments, as set forth in Exhibit A annexed.

(2) The Sponsor has no financial obligations to the Apartment Corporation other than for payment of maintenance charges and the payment of reserve fund contributions at the rate of \$7.3972 per Unsold Share sold. The Sponsor is current in all its financial obligations to the Apartment Corporation, and during the previous twelve months the Sponsor has not been in default with respect to any such obligations beyond any applicable grace period.

(3) The Sponsor, as Holder of Unsold Shares, holds the Shares allocated to those Apartments indicated on Exhibit "A" annexed hereto. The aggregate monthly maintenance charges due in connection with the Unsold Shares are \$127,752.45. The aggregate monthly maintenance charges after the imposition of the increase on July 1, 2001, shall be \$137,477.55. The aggregate monthly rents received from tenants of Apartments to which Unsold Shares are allocated are \$179,576.60. The Sponsor owns the Shares allocated to one additional Apartment which has been previously sold. The monthly maintenance charge due in connection with these Shares is

\$196.52 (\$211.48 after July 1, 2001). The monthly rent received from the tenant of the Apartment to which these Shares are allocated is \$675.00. The Sponsor shall pay its obligations to the Apartment Corporation from the rent collected.

The Sponsor plans to market the vacant Apartments to which Unsold Shares are allocated immediately. As those Apartments are sold the monthly maintenance charges due to the Apartment Corporation will decrease.

(4) Annexed hereto as Exhibit "B" are the Apartment Corporation's audited financial statements for the year ended February 29, 2000, and February 28, 2001.

(5) Some of the principals of the Sponsor, as individual holders of unsold shares or units or as general partners or principals of the sponsor or holder of unsold shares, own more than 10% of the shares or units in other cooperative or condominium conversion projects. The offering plans for these buildings are on file with the Department of Law and are available for public inspection. The principals of the Sponsor, as individual holders of unsold shares, are current on all financial obligations in respect of these other cooperatives in which they owns shares or units as individuals, general partners or principals.

Annexed hereto as Exhibit "C" is a list of the identity of each principal of the Sponsor who owns more than 10% of the shares of other buildings, and the address of said building.

(6) Annexed as Exhibit "D" is the Apartment Corporation's budget for March 1, 2001 to February 28, 2002 as adopted by the board of directors of the Apartment Corporation, together with a memorandum regarding the maintenance increase.

(7) The current maintenance charges are \$2.89 per share per month; the maintenance charges shall increase 7.5% to \$3.11 per share per month effective July 1, 2001. This increase is the first since 1997.

(7) The current board of directors of the Corporation was elected at the annual stockholders' meeting which was held on June 13, 2001. The following were elected as officers and directors: Louis Monaco, president, Herbert Goldstein, Charles Scheinberg, Gordon Burrows, Roy Stillman, Philip Rosen, and Abraham Roller. Of the foregoing, Philip Rosen, and Abraham Roller are affiliated with the Sponsor or a Holder of Unsold Shares. The Sponsor gave up control of the board of directors as of the meeting held on April 26, 1984.

(8) The Apartment Corporation has completed window replacements on all Apartments.

(9) The Offering Plan may be used for twelve (12) months from the date of this Amendment.

(10) The Offering Plan, as modified, supplemented and extended hereby, is incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment, not otherwise defined herein, shall have the same meanings ascribed to them in the Offering Plan.

(11) Except as set forth herein there have been no material changes in the terms of the Offering.

SADORE LANE GARDENS, INC.
Apartment Corporation

GARDEN TOWERS LLC
Sponsor

SADORE LANE, YONKERS, NEW YORK.
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
---------------	---------------	---------------	---------------

BUILDING NO. 1

1A	96	2A	100
1E	130	2E	134
1F	155	2H	128
1J	108	2J	112
1L	162	2K	159
1M	96	2M	100
1P	96	2P	100
1Y	162	2T	166
		2U	134
		2X	166
3B	205	4B	207
3F	163	4G	134
3G	132	4K	165
3N	102	4L	170
3P*	102	4M	104
3R	70	4T	170
3T	168	4V	138
3U	136	4Y	170
3V	136	6A	108
3X	168	6B	211
3Z	102	6E	142
5A	106	6F	169
5E	140	6J	122
5G	136	6L	174
5L	172	6N	108

SADORE LANE, YONKERS, NEW YORK.
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
5N	106	6V	142
5S	140		
5Y	172		
7A	110		
7B	213		
7C	110		
7D	78		
7G	140		
7H	140		
7J	124		
7S	144		
7T	176		
7V	144		
7X	176		
7Z	110		
	5,126.00		3,733.00
			8,859.00

Building Totals:

Apartments: 64

Shares: 8,859

BUILDING NO. 2

1A	96	2C	95
1F	155	2G	134
1M	96	2H	134
1O	60	2M	100
1T	151	2N	100

SADORE LANE, YONKERS, NEW YORK.
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
1V	126	2R	64
1W	110	2S	128
		2U	130
		2W	114
		2Y	166
3C	97	4A	104
3G*	136	4D	68
3J	120	4F	163
3L	168	4G	138
3P	97	4H	138
3T	157	4K	170
3W	116	4L	170
3X	163	4M	104
		4O	207
		4P	99
		4T	159
		4X	165
		4Z	104
5B	209	6A	108
5C	101	6C	103
5P	101	6E	136
5T	161	6F	167
5Y	172	6H	142
		6K	174
		6M	108
		6N	108

SADORE LANE, YONKERS, NEW YORK..
UNSOLD APARTMENTS

Exhibit A

APT. # SHARES APT. # SHARES

		6U	138
		6V	138
		6W	122
		6Y	174
7A	110		
7E	138		
7G	144		
7H	144		
7J	128		
7N	110		
7P	105		
7R	74		
7V	140		
7Z	110		
	3,795.00		4,572.00
			8,367.00

Building Totals:

Apartments: 65
Shares: 8,367

BUILDING NO. 3

1B	96	2B	203
1D	64	2E	134
1E	130	2G	134
1F	162	2H	134
1J	114	2J	118
1K	162	2L	166
1L	162	2S	134

SADORE LANE, YONKERS, NEW YORK.
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
---------------	---------------	---------------	---------------

1M	96	2V	134
1O	64	2W	118
1P	96		
1S	130		
1T	162		
1U	130		
1X	162		
1Y	162		
1Z	96		
3A	102	4A	104
3C	102	4G	138
3D	70	4K	170
3G	136	4M	104
3K	168	4R	72
3M	102	4S	138
3P	102	4U	138
3S	136	4V	138
3Y	168	4W	122
		4Z	104
5A	106	6B	211
5G	140	6C	108
5H	140	6D	76
5K	172	6E	142
5M	106	6F	174
5N	106	6J	126

SADORE LANE, YONKERS, NEW YORK.
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
---------------	---------------	---------------	---------------

5R	74	6K	174
5S	140	6L	174
5T	172	6P	108
5V	140	6R	76
5W	124	6U	142
5X	172	6V	142
5Z	106	6Y	174
		6Z	108
7A	110		
7C	110		
7D	78		
7E*	144		
7G	144		
7L	176		
7O	213		
7P	110		
7X	176		
	6,033.00		4,438.00
			10,471.00

Building Totals:

Apartments: 80
 Shares: 10,471

BUILDING NO. 4

1A	96	2B	203
1C	91	2C	95

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
---------------	---------------	---------------	---------------

1E	124	2E	128
1J	112	2G	132
1L	162	2J	116
1M	96	2K	164
1N	96	2O	203
1O	60	2S	128
1P	91	2U	134
1T	157	2W	118
1X	162		
1Y	162		
1Z	96		
3A	102	4E	132
3C	97	4F	163
3H	136	4K	168
3J	118	4T	165
3K	166	4V	138
3R	66	4W	122
3S	130	4X	170
3U	136	4Y	170
3W	120	4Z	104
5A	106	6A	108
5B	209	6C	103
5D	70	6F	167
5F	165	6G	142
5J	122	6L	174

SADORE LANE, YONKERS, NEW YORK.
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
---------------	---------------	---------------	---------------

5K	170	6M	108
5O	209	6P	103
5R	70	6S	136
5T	167	6X	174
5V	140	6Y	174
5X	172		
5Z	106		
7B	213		
7H	144		
7K	174		
7P	105		
7S	138		
7T	171		
7U	144		
7X	176		
7Y	176		
	5,723.00		4,142.00
			9,865.00

Building Totals:

Apartments: 72
Shares 9,865

BUILDING NO. 5

LG	128	2E	203
LL	128	2K	134
LM	94	2N	163

SADORE LANE, YONKERS, NEW YORK.
UNSOLD APARTMENTS

Exhibit A

APT. # SHARES APT. # SHARES

1E	128	2P	132
1H	114	2R	132
1L	132		
3A	84	4A	86
3B	136	4B	138
3C	136	4C	138
3D	136	4F	138
3E	205	4G	138
3J	118	4H	120
3S	102	4K	138
		4L	138
		4P	138
		4R	138
		4S	104
5M	169	6C	142
5N	169	6E	211
5P	140	6K	142
		6L	142
		6R	142
7B	144		
7E	213		
7F	144		
7G	144		
7K	144		

Exhibit A

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SADORE LANE GARDENS, INC.
FINANCIAL STATEMENTS
FEBRUARY 29, 2000 AND FEBRUARY 28, 1999
with
INDEPENDENT AUDITORS' REPORT

SADORE LANE GARDENS, INC.
Table of Contents
Years Ended February 29, 2000 and February 28, 1999

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▼
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS ADVISORS
INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
Sadore Lane Gardens, Inc.

We have audited the accompanying balance sheets of Sadore Lane Gardens, Inc. as of February 29, 2000 and February 28, 1999 and the related statements of operations and accumulated deficit and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. 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 Sadore Lane Gardens Inc. as of February 29, 2000 and February 28, 1999 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Sadore Lane Gardens, Inc. has not presented the supplementary information on future major repairs and replacements that the American Institute of Certified Public Accountants has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Bernhardt, Karlitz, Hayden & DeCruze LLP
Bernhardt, Karlitz, Hayden & DeCruze LLP
June 5, 2000

SADORE LANE GARDENS, INC.
BALANCE SHEETS
February 29, 2000 and February 28, 1999

ASSETS

	2000	1999
Cash and cash equivalents (Note 3)	\$ 115,585	\$ 219,334
Investments in marketable securities (Note 4)	252,474	978,095
Real estate tax escrow deposits	266,671	300,468
Reserve fund receivable (Note 5)	381,292	398,435
Assessments and other receivables	151,993	96,201
Prepaid real estate taxes and other prepaid expenses	210,462	231,852
Deferred finance costs, net (Note 2b)	189,705	103,893
Land, property and equipment, net (Note 6)	7,731,878	7,299,543
Total assets	<u>\$ 9,300,060</u>	<u>\$ 9,627,820</u>

LIABILITIES AND SHAREHOLDERS' DEFICIT

Accounts payable and accrued expenses	\$ 100,848	\$ 138,070
Mortgage note payable (Note 7)	11,385,982	11,513,841
Total liabilities	<u>11,486,830</u>	<u>11,651,911</u>
Commitments		
Shareholders' deficit		
Common stock, par value \$1; 103,945 shares authorized, issued and outstanding	103,945	103,945
Additional paid-in capital	2,551,693	2,423,834
Accumulated deficit	<u>(4,842,408)</u>	<u>(4,551,870)</u>
Total shareholders' deficit	<u>(2,186,770)</u>	<u>(2,024,091)</u>
Total liabilities and shareholders' deficit	<u>\$ 9,300,060</u>	<u>\$ 9,627,820</u>

The accompanying notes are an integral part of these financial statements

SADORE LANE GARDENS, INC.
STATEMENTS OF OPERATIONS AND ACCUMULATED DEFICIT
Years Ended February 29, 2000 and February 28, 1999

	<u>2000</u>	<u>1999</u>
Revenues:		
Maintenance assessments	\$ 3,492,273	\$ 3,494,290
Parking	262,461	240,459
Investment income, net	29,115	59,248
Transfer and application fees	1,950	1,800
Laundry	50,400	50,400
Other	31,315	36,156
	<u>3,867,514</u>	<u>3,882,353</u>
Expenses:		
Administrative	326,192	337,165
Utilities	444,433	332,696
Building operations	84,871	89,148
Payroll and related costs	756,717	813,546
Mortgage interest	909,612	919,341
Real estate taxes	869,631	909,322
Major repairs and replacements	281,726	205,843
	<u>3,673,182</u>	<u>3,607,061</u>
Excess of revenues over expenses before depreciation and amortization	<u>194,332</u>	<u>275,292</u>
Depreciation	467,422	445,938
Amortization	17,448	15,297
Total depreciation and amortization	<u>484,870</u>	<u>461,235</u>
Excess of expenses over revenues	(290,538)	(185,943)
Accumulated deficit beginning of year	<u>(4,551,870)</u>	<u>(4,365,927)</u>
Accumulated deficit end of year	<u>\$ (4,842,408)</u>	<u>\$ (4,551,870)</u>

The accompanying notes are an integral part of these financial statements

SADORE LANE GARDENS, INC.
STATEMENTS OF CASH FLOWS
Years Ended February 29, 2000 and February 28, 1999

	<u>2000</u>	<u>1999</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of expenses over revenues	\$ (290,538)	\$ (185,943)
Adjustments to reconcile excess of expenses over revenues to net cash provided by operating activities:		
Depreciation and amortization	484,870	461,235
Loss on sale of marketable securities	32,197	9,829
(Increase) decrease in assets:		
Real estate tax escrow deposits	33,796	(12,929)
Assessments and other receivables	(55,792)	(64,662)
Prepaid expenses	21,390	8,469
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(37,222)	(53,647)
Deferred maintenance charges	-	(5,709)
Net cash provided by operating activities	<u>188,701</u>	<u>156,644</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of marketable securities	(184,793)	(569,588)
Sales of marketable securities	878,217	743,226
Expenditures for property and equipment	<u>(899,757)</u>	<u>(567,442)</u>
Net cash used in investing activities	<u>(206,333)</u>	<u>(393,804)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on mortgage note payable	(127,859)	(118,131)
Increase in additional paid-in capital	127,859	118,130
Cost to secure new financing	(103,260)	-
Decrease in reserve fund receivable	<u>17,143</u>	<u>28,692</u>
Net cash (used in) provided by financing activities	<u>(86,118)</u>	<u>28,691</u>
Net decrease in cash and cash equivalents	(103,749)	(208,470)
Cash and cash equivalents at beginning of year	<u>219,334</u>	<u>427,804</u>
Cash and cash equivalents at end of year	<u>\$ 115,585</u>	<u>\$ 219,334</u>
Other supplemental information:		
Interest paid	\$ 909,612	\$ 919,341
Income taxes paid	9,160	13,258

The accompanying notes are an integral part of these financial statements

SADORE LANE GARDENS, INC.
Notes to Financial Statements
Years Ended February 29, 2000 and February 28, 1999

Note 1 - Nature of Organization

Sadore Lane Gardens, Inc. (the "Corporation") is a co-operative housing corporation incorporated in the State of New York on March 1, 1984. The Corporation owns five buildings known as Sadore Lane Gardens located in Yonkers, New York. The buildings consist of 778 units, and as of February 28, 1999, there were 393 units which were owned by tenant-shareholders and 385 units owned by Garden Towers, Inc. (the "Sponsor").

Note 2 - Summary of Significant Accounting Policies

(a) Depreciation

Fixed assets are stated at cost. Buildings, building improvements and equipment are depreciated over their estimated useful lives using the accelerated methods. Improvements are capitalized while repairs and maintenance are charged to expense when incurred.

(b) Deferred finance costs

Deferred finance costs represent costs paid to refinance the mortgage and line of credit on the Corporation's real property. These costs are amortized over the term of the related mortgage loan using the straight-line method. Amortization and accumulated amortization of deferred finance costs were \$17,448 and \$66,527, respectively, for the year ended February 29, 2000 and \$15,297 and \$49,078, respectively, for the year ended February 28, 1999.

(c) Income Taxes

The Corporation generally is taxed only on non-member related net income, such as interest income and income from commercial operations. If there had been earnings from member related services, these earnings would be taxed at the standard corporate tax rates. The provision for income taxes included in these financial statements is based on non-member income reduced by an allocation of expenses attributable to non-member income.

For income tax purposes, the Corporation has federal and state net operating loss carryforwards of approximately \$4,810,000 and \$4,480,000 respectively, expiring between the years 2000 and 2014.

(d) Statement of Cash Flows

The Corporation considers all short-term investments purchased with an original maturity of three months or less to be classified as cash equivalents. For the years ended February 29, 2000 and February 28, 1999, cash equivalents consisted principally of money market funds.

(e) Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SADORE LANE GARDENS, INC.
Notes to Financial Statements
Years Ended February 29, 2000 and February 28, 1999

Note 3 - Cash and Cash Equivalents

The Corporation maintains several interest-bearing accounts at a commercial bank. From time to time, the Corporation may have deposits in excess of the federal depository insurance coverage. The Corporation has never experienced any losses.

Note 4 - Investments in Marketable Securities

The Corporation maintains an investment portfolio consisting primarily of high-grade corporate and municipal bonds, certificates of deposit, and certain government security income funds. At February 29, 2000 and February 28, 1999 these securities had an aggregate amortized cost of \$252,474 and \$978,095, respectively, which approximates market. The Corporation has designated its investment portfolio as its reserve fund for future repairs and replacements. For the years ended February 29, 2000 and February 28, 1999, the Corporation earned interest income of \$47,633 and \$61,007, respectively, in connection with its investment portfolio.

Note 5 - Reserve Fund Receivable

Pursuant to an amendment to the offering plan, the Corporation is to receive \$1,000,000 in specified installments from the Sponsor out of proceeds from the sale of shares. As of February 29, 2000, the Corporation has received a total of \$618,708, of which \$17,143 and \$28,691 were received during the years ended February 29, 2000 and February 28, 1999, respectively. The remaining balance of \$381,292 is due in installments based on future sales of shares by the Sponsor.

Note 6 - Land, Property and Equipment

The estimated useful lives of depreciable property and equipment for the purpose of computing depreciation for financial accounting and reporting purposes are as follows:

	<u>Years</u>
Buildings	27.5
Building improvements	5 - 39
Equipment	5
Vehicles	5

SADORE LANE GARDENS, INC.
Notes to Financial Statements
Years Ended February 29, 2000 and February 28, 1999

Note 6 - Land, Property and Equipment (continued)

Land, property and equipment consists of the following:

	<u>2000</u>	<u>1999</u>
Land	\$1,568,638	1,568,638
Building	8,888,950	8,888,950
Building improvements	3,687,482	2,787,725
Equipment	21,502	21,502
Vehicles	<u>14,911</u>	<u>14,911</u>
Total land, property and equipment	14,181,483	13,281,726
Less accumulated depreciation	<u>(6,449,605)</u>	<u>(5,982,183)</u>
Net fixed assets	<u><u>\$7,731,878</u></u>	<u><u>\$7,299,543</u></u>

Note 7 - Mortgage Notes Payable

In December 15, 1995 the Corporation refinanced its previous mortgage with their current mortgage of \$11,850,000. The mortgage note bears interest at 7.94% per annum and requires monthly payments of principal and interest of \$86,456. The mortgage note is collateralized by the land and building owned by the Corporation which has a net book value of \$4,768,660. Pursuant to the mortgage note, a final balloon payment of approximately \$10,382,000 is due on January 1, 2006; however, the Corporation intends to seek refinancing prior to such date.

The Corporation incurred interest expense related to this mortgage obligation for the years ended February 29, 2000 and February 28, 1999 of \$909,612 and \$919,341, respectively.

The maturities of the mortgage note for each of the next 5 years ending February 28 (or 29) and in the aggregate thereafter are as follows:

<u>Years</u>	<u>Amount</u>
2001	\$ 138,389
2002	149,785
2003	162,121
2004	175,473
2005	185,924
Thereafter	<u>10,570,290</u>
	<u><u>\$ 11,385,982</u></u>

SADORE LANE GARDENS, INC.
Notes to Financial Statements
Years Ended February 29, 2000 and February 28, 1999

Note 8 – Building Loan Agreement

On December 16, 1999, the Corporation entered into a building loan agreement with a bank in the amount of \$2,500,000 which replaced its prior credit agreement in the amount of \$700,000. The new agreement expires January 1, 2006 and is secured by a second mortgage on the property. Interest only is payable monthly at LIBOR plus 1.75 percent per annum, on any outstanding balance. At February 29, 2000, there were no outstanding borrowings on the credit facility. Prior to this agreement, the Corporation had a revolving credit agreement with a bank in the amount of \$700,000 with interest payable monthly at ½ percent per annum over the bank's referenced rate. At February 28, 1999, there were no outstanding borrowings on the credit facility.

Note 9 - Future Major Repairs and Replacements

The Corporation's governing documents do not require the accumulation of funds to finance estimated future major repairs and replacements. The Corporation has not conducted a study to determine the useful lives of the components of common property or estimates of the costs of major repairs and replacements that may be required in the future. In addition, the Corporation has not developed a plan to fund repair and replacement needs. As discussed in Note 4 - Investments in Marketable Securities, the Corporation has designated its investment portfolio as a reserve fund for future major repairs and replacements. However, should future major repairs and replacements requirements exceed the balances maintained in the investment portfolio, then the Corporation plans to either borrow, increase maintenance assessments, or delay repairs and replacements until funds are available. The effect on future assessments has not been determined.

Note 10 - Commitments

(a) - Agreement for Management Services

Effective January 1, 1998 the managing agent agreement with Prime Locations, Inc. ("Prime") was extended for three years. Pursuant to the agreement, Prime is responsible for processing all day-to-day bookkeeping transactions, and contracting for goods and services (including labor) required in the normal operations of the properties, subject to Board approval in certain instances. Pursuant to the agreement, in the fiscal years ended February 29, 2000 and February 28, 1999, Prime was compensated at the rate of \$160,000 per annum.

(b) - Agreement for Parking Garage Services

Effective December 1, 1995 the Corporation exercised a five year renewal of their current agreement with a managing agent to manage the garages and outside parking. The agreement provides that the Corporation shall retain \$259,200 annually, plus any excess remaining after the agent's contractual fee has been satisfied. In the fiscal years ended February 29, 2000 and February 28, 1999, parking income was \$262,461 and \$240,459, respectively. During the year ending February 28, 1999, parking spaces were lost to the fire department and for snow removal, causing the income to be less than the contractual amount.

SADORE LANE GARDENS, INC.
Notes to Financial Statements
Years Ended February 29, 2000 and February 28, 1999

Note 10 – Commitments (continued)

(c) - Agreement for Maintenance of Laundry Facilities

Effective October 1, 1999 the Corporation exercised a ten year renewal of their current agreement with a maintenance contractor to assume operation and maintenance of the laundry machines. The agreement provides that the Corporation shall receive \$50,400 per year.

(d) - Agreement for Maintenance of Elevators

Effective January 1, 1998 the Corporation engaged an elevator contractor to assume maintenance of the elevators for three years. Under this agreement, the elevator contractor is entitled to receive from the Corporation \$34,200 per year, subject to annual adjustments as defined in the agreement.

EXHIBIT "C"

PERCENTAGE INTEREST IN OTHER CO-OPS
BY HOLDERS OF UNSOLD SHARES

Individual's Name	Percentage Interest	Building Address
PHILIP ROSEN	27.50%	2035 Central Park Ave. Yonkers, New York
	71.25%	480 Riverdale Ave. Yonkers, New York
MILDRED ROLLER	21.25%	480 Riverdale Ave. Yonkers, New York
MICHELLE ROSEN	15%	2035 Central Park Ave. Yonkers, New York
WENDY LANDIS	15%	2035 Central Park Ave. Yonkers, New York
PHYLLIS RASKIN	15%	2035 Central Park Ave. Yonkers, New York
RITA ROSEN	27.50%	2035 Central Park Ave. Yonkers, New York

SYNDICATE AND CARRIERS, INC.
GENERAL INVESTMENT
MARCH 11, 2001 - 11:30 AM - 2:00 PM

PREPARED BY: BOB LINDENBAUM
PRIME LOCATIONS, INC.
733 YONKERS AVENUE
YONKERS, NY 10704
MARCH 1, 2001

Database: PRIME
Entity: 020

Budget Report
Prime
SADORE LANE GARDENS INC

Page: 1
Date: 3/28/01
Time: 03:14 PM

Cash

Actual amounts from 03/01 to 02/02

Total
Budgeted

	Mar 2001	Apr 2001	May 2001	Jun 2001	Jul 2001	Aug 2001	Sep 2001	Oct 2001	Nov 2001	Dec 2001	Jan 2002	Feb 2002	
REVENUES													30,100
RENT	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	16,000
STORAGE	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	201,340
PARKING	23,445	23,445	23,445	23,445	23,445	23,445	23,445	23,445	23,445	23,445	23,445	23,445	1,800
FEES APPLICATION	150	150	150	150	150	150	150	150	150	150	150	150	7,200
FEES LEGAL RECOVERED	600	600	600	600	600	600	600	600	600	600	600	600	7,200
MAINTENANCE	300,401	300,401	300,401	300,401	300,401	300,401	300,401	300,401	300,401	300,401	300,401	300,401	3,604,812
LAUNDRY	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	50,400
LATE CHARGES & NSF	750	750	750	750	750	750	750	750	750	750	750	750	9,000
INTEREST INCOME	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
TOTAL REVENUES	334,296	334,296	334,296	334,296	334,296	334,296	334,296	334,296	334,296	334,296	334,296	334,296	4,011,652
EXPENSES													396,473
FUEL OIL	48,550	48,550	16,526	16,526	16,526	16,526	16,526	16,526	48,550	48,550	48,550	48,550	181,645
UTILITIES - ELECTRIC	16,137	16,137	16,137	16,137	15,138	15,137	15,137	15,137	15,137	15,137	15,137	15,137	31,815
UTILITIES - GAS	2,652	2,652	2,652	2,651	2,651	2,651	2,651	2,651	2,651	2,651	2,651	2,651	100,000
SUPPLIES	8,334	8,334	8,334	8,334	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	120,000
REPAIRS & MAINTENANCE	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	4,330
CONTRACT SNOW REMOVAL	1,083	0	0	0	0	0	0	0	0	1,083	1,082	201	18,000
CONTRACT LANDSCAPING	1,933	1,933	1,933	1,933	1,933	1,933	1,933	1,933	1,933	3,400	3,400	201	40,800
CONTRACT ELEVATOR	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	7,500
CONTRACT EXTERMINATING	625	625	625	625	625	625	625	625	625	625	625	625	7,500
CONTRACT SANITATION	625	625	625	625	625	625	625	625	625	625	625	625	675
CONTRACT WATER TREATMENT	0	0	0	675	0	0	0	0	0	0	0	0	800
AUTO GASOLINE	60	50	50	50	50	50	50	50	50	50	50	50	1,200
AUTO REPAIR & MAINTENANCE	100	100	100	100	100	100	100	100	100	100	100	100	1,200
INSURANCE	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	2,300
INSURANCE AUTO	230	230	230	230	230	230	230	230	230	230	230	230	175,000
MANAGEMENT	14,584	14,584	14,584	14,584	14,583	14,583	14,583	14,583	14,583	14,583	14,583	14,583	12,000
LEGAL	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	7,200
LEGAL DEFAULTS	600	600	600	600	600	600	600	600	600	600	600	600	22,500
ACCOUNTING	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	550,000
PAYROLL/SALARIES	45,833	45,833	45,833	45,833	45,833	45,833	45,833	45,833	45,833	45,833	45,833	45,833	41,544
EMPLOYER FICA	3,462	3,462	3,462	3,462	3,462	3,462	3,462	3,462	3,462	3,462	3,462	3,462	754
EMPLOYER FUTA	784	0	0	0	0	0	0	0	0	0	0	0	8,082
EMPLOYER SUI	0	0	0	0	0	0	0	0	0	0	0	0	4,000
UNION WELFARE	4,410	4,410	4,410	4,410	4,410	4,410	4,410	4,830	4,830	4,830	4,830	4,830	65,020

Cash

Actual amounts from 03/01 to 02/02

	Mar 2001	Apr 2001	May 2001	Jun 2001	Jul 2001	Aug 2001	Sep 2001	Oct 2001	Nov 2001	Dec 2001	Jan 2002	Feb 2002	Total
UNION PENSION	2,240	2,240	2,240	2,240	2,240	2,240	2,240	2,240	2,240	2,240	2,240	2,240	26,880
UNION LEGAL SERVICES	126	126	126	126	126	126	126	126	126	126	126	126	1,512
UNION TRAINING	168	168	168	168	168	168	168	168	168	168	168	168	2,016
WORKERS COMPENSATION	1,919	1,919	1,919	1,919	1,919	1,919	1,919	1,919	1,919	1,919	1,919	1,919	23,028
DISABILITY INSURANCE	100	100	100	100	100	100	100	100	100	100	100	100	1,200
PAYROLL PREPARATION	100	100	100	100	100	100	100	100	100	100	100	100	1,200
WATER & SEWER	0	0	0	40,000	0	0	0	0	0	40,000	0	0	80,000
MORTGAGE HSBC BANK USA	66,456	66,460	66,456	66,456	66,456	66,456	66,456	66,456	66,456	66,466	66,456	66,456	1,037,472
MORTGAGE HSBC CREDIT LINE	6,198	6,198	6,198	6,198	6,198	6,198	6,198	6,198	6,198	6,198	6,198	6,198	74,376
MORTGAGE ESCROW	73,854	73,854	73,854	73,854	73,854	73,854	73,855	73,855	73,855	73,855	73,855	73,855	886,254
LEASE POSTAGE METER	0	0	100	0	0	75	0	0	0	75	0	0	250
PHONE	500	600	500	500	600	500	600	500	500	500	600	500	6,000
PHONE CELLULAR	50	50	50	50	50	50	50	50	50	50	50	50	600
PHONE ANSWERING SERVICE	200	200	200	200	200	200	200	200	200	200	200	200	2,400
PHONE PAGERS	100	100	100	100	100	100	100	100	100	100	100	100	1,200
POSTAGE REGULAR	50	50	50	50	50	50	50	50	50	50	50	50	600
LICENSE/PERMITS/FEES	300	300	300	300	300	300	300	300	300	300	300	300	3,600
MEMBERSHIP DUES	84	84	84	84	84	84	84	84	84	84	84	84	1,008
MISCELLANEOUS	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
TOTAL EXPENSES	359,612	349,745	315,021	359,295	315,718	315,792	316,716	316,139	316,164	386,590	341,486	341,394	4,055,474
NET INCOME (LOSS)	-16,316	-14,449	18,475	-21,999	18,578	18,504	18,679	18,157	-14,866	-54,204	-7,190	-8,998	-43,822

Cash	Current Period		Variance	Year-To-Date		Variance
	Actual Feb 2001	Budget Feb 2001		Actual Feb 2001	Budget Feb 2001	

REVENUES						
RENT	3,744.30	3,025.00	(80.70)	30,383.34	20,000.00	9,483.34
PARKING	20,855.00	23,445.00	(2,490.00)	251,460.00	253,950.00	(2,490.00)
FEES COLLECTED	825.00	1,150.00	(225.00)	10,530.00	13,800.00	(3,170.00)
MAINTENANCE	274,373.48	300,401.00	(26,027.52)	3,455,744.58	3,604,812.00	(149,067.42)
SUBLET FEES	0.00	0.00	0.00	1,104.00	0.00	1,104.00
STAR CREDITS	(2,857.51)	0.00	(2,857.51)	(20,724.68)	0.00	(20,724.68)
SPONSOR CONTRIBUTION	8,085.00	0.00	8,085.00	27,494.00	0.00	27,494.00
LAUNDRY	8,400.00	4,200.00	4,200.00	6,735.00	8,000.00	(1,265.00)
LATE CHARGES & NSF	0.00	0.00	0.00	95,858.09	7,500.00	88,358.09
REFUND	4.33	1,000.00	(995.67)	735.74	12,000.00	(11,264.26)
INTEREST INCOME	434.14	0.00	434.14	434.14	0.00	434.14
PREPAID CHARGES						

TOTAL REVENUES	315,083.74	334,771.00	(19,707.26)	3,901,344.30	3,872,362.00	(71,817.70)
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EXPENSES						
FUEL OIL	0.00	54,053.00	54,053.00	262,397.65	352,065.00	89,407.35
UTILITIES	21,882.23	14,847.00	(6,836.23)	203,456.35	180,110.00	(13,346.35)
SUPPLIES	4,891.71	10,000.00	5,008.29	101,376.11	120,000.00	18,624.89
REPAIRS & MAINTENANCE	16,041.44	10,000.00	(6,041.44)	197,305.33	120,000.00	(77,305.33)
SERVICE CONTRACTS	2,003.55	6,482.00	4,398.45	84,107.11	87,635.00	3,527.89
AUTO	0.00	150.00	150.00	501.20	1,800.00	1,298.80
AUTO FUEL	0.00	0.00	0.00	28.00	0.00	(28.00)
INSURANCE	8,883.99	9,981.00	1,097.01	90,848.18	101,846.00	10,997.82
MANAGEMENT	14,683.33	14,583.00	(100.33)	162,498.98	102,500.00	60,000.00
COMMISSIONS	0.00	0.00	0.00	6,374.46	0.00	6,374.46
LEGAL	3,493.83	1,500.00	(1,993.83)	34,622.22	18,000.00	(16,622.22)
ACCOUNTING	0.00	1,587.00	1,587.00	21,742.00	18,334.00	(3,408.00)
OTHER PROFESSIONAL FEES	0.00	0.00	0.00	16,512.50	0.00	16,512.50
PAYROLL/SALARIES	44,930.38	41,208.00	(3,722.38)	676,479.01	840,750.00	(164,270.99)
EMPLOYER FICA	3,010.80	3,153.00	142.20	43,522.71	41,369.00	(2,153.71)
EMPLOYER FUTA	236.08	0.00	(236.08)	930.99	1,680.00	749.01
EMPLOYER SUI	2,284.52	0.00	(2,284.52)	9,701.32	15,708.00	6,006.68

Cash

TYR:	Current Period		Variance	Year-To-Date		Variance
	Actual Feb 2001	Budget Feb 2001		Actual Feb 2001	Budget Feb 2001	

UNION	6,460.00	6,944.00	484.00	7.11%	81,280.00	70,880.00	(4,411.00)	-5.74%
WORKERS COMPENSATION	2,563.87	2,292.00	(271.87)	-11.86%	21,197.28	27,500.00	6,362.72	23.14%
HEALTH INSURANCE	0.00	0.00	0.00	0.00%	442.04	0.00	(442.04)	0.00%
DISABILITY INSURANCE	(41.86)	100.00	141.86	141.86%	1,033.14	1,200.00	166.86	13.81%
PAYROLL PREPARATION	80.30	83.00	2.70	3.25%	1,210.24	1,000.00	(210.24)	-21.02%
1089 COMMISSIONS	0.00	0.00	0.00	0.00%	284.00	0.00	(284.00)	0.00%
MCIS & CONTINGENCY	65,000.00	0.00	(65,000.00)	0.00%	820,168.93	117,694.00	(802,474.93)	-681.83%
DISCOUNTS	0.00	0.00	0.00	0.00%	(28.70)	0.00	28.70	0.00%
REAL ESTATE TAXES	0.00	0.00	0.00	0.00%	30,120.28	0.00	(30,120.28)	0.00%
WATER & SEWER	0.00	0.00	0.00	0.00%	74,293.72	80,090.00	5,796.28	7.13%
VOLATIONS	0.00	0.00	0.00	0.00%	70.00	0.00	(70.00)	0.00%
NY STATE CORP TAX	0.00	0.00	0.00	0.00%	9,998.58	3,800.00	(6,398.58)	-177.64%
NY STATE ESTIMATED TAX	2,125.00	0.00	(2,125.00)	0.00%	3,063.00	6,600.00	1,737.00	31.02%
MORTGAGE HSBC BANK USA	86,458.96	0.00	(86,458.96)	0.00%	1,037,471.52	1,037,472.00	0.48	0.00%
MORTGAGE HSBC CREDIT LINE	3,636.42	2,083.00	(1,553.42)	-74.53%	30,685.76	26,000.00	(4,685.76)	-22.78%
LEASE	51,085.34	67,708.00	16,222.66	23.86%	710,641.54	812,500.00	88,658.46	12.14%
EQUIPMENT	02.54	75.00	(72.46)	-10.05%	310.34	326.00	15.66	17.74%
ADVERTISING & PROMOTION	0.00	0.00	0.00	0.00%	7,672.72	0.00	(7,672.72)	0.00%
PHONE	0.00	0.00	0.00	0.00%	462.67	0.00	(462.67)	0.00%
POSTAGE	484.01	650.00	165.99	24.00%	7,568.08	9,050.00	1,480.94	10.36%
LICENSE/PERMITS/FEES	0.00	50.00	50.00	100.00%	638.38	650.00	(20.62)	-3.18%
MEMBERSHIP DUES	0.00	300.00	300.00	100.00%	3,289.00	2,684.00	(605.00)	-22.54%
GRATUITIES & GIFTS	78.00	80.00	2.00	2.50%	812.00	1,000.00	188.00	18.80%
BANK CHARGES	0.00	0.00	0.00	0.00%	3,028.13	0.00	(3,028.13)	0.00%
MISCELLANEOUS	0.00	0.00	0.00	0.00%	492.71	0.00	(492.71)	0.00%
	700.00	1,000.00	300.00	30.00%	14,781.54	7,060.00	(7,781.54)	-11.18%

TOTAL EXPENSES	342,240.34	335,465.00	(6,775.34)	-2.02%	4,779,246.88	3,982,610.00	(796,835.88)	-20.01%
NET INCOME (LOSS)	(27,176.60)	(604.00)	(26,492.60)	3873.18%	(87,820.50)	(10,148.00)	(867,863.50)	-8571.97%

OTHER DIBURSEMENTS								
LOAN RECEIVABLE	(1,000.00)	0.00	1,000.00	0.00%	1,809.70	0.00	(1,809.70)	0.00%
TRANSFER FUNDS OUT	36,000.00	0.00	(36,000.00)	0.00%	337,433.00	0.00	(337,433.00)	0.00%

SADORE LANE GARDENS INC

	Actual Feb 2001	Current Period Budget Feb 2001	Variance	Actual Feb 2001	Year-To-Date Budget Feb 2001	Variance
Cash						

OTHER RECEIPTS

SECURITY DEPOSIT RECEIVED	0.00	0.00	0.00	47,500.00	0.00	47,500.00
TRANSFER FUNDS IN	30,000.00	0.00	30,000.00	337,433.00	0.00	337,433.00

Cash	Current Period				Year-To-Date			
	Actual Feb 2001	Budget Feb 2001	Variance		Actual Feb 2001	Budget Feb 2001	Variance	

REVENUES								
RENT	2,500.00	2,500.00	0.00	0.00%	14,959.81	5,000.00	9,959.81	199.20%
STORAGE	1,244.30	1,325.00	(80.70)	-6.09%	16,198.53	15,900.00	(701.47)	-4.41%
COMMUNITY ROOM RENTAL	0.00	0.00	0.00	0.00%	225.00	0.00	225.00	0.00%
PARKING	20,955.00	23,445.00	(2,490.00)	-10.62%	251,460.00	263,950.00	(12,490.00)	-4.73%
FEES COLLECTED	0.00	0.00	0.00	0.00%	150.00	0.00	150.00	0.00%
FEES APPLICATED	375.00	150.00	225.00	150.00%	1,876.00	1,800.00	76.00	4.22%
FEES LEGAL RECOVERED	650.00	1,000.00	(350.00)	-35.00%	8,505.00	12,000.00	(3,495.00)	-29.13%
MAINTENANCE	274,373.48	300,401.00	(26,027.52)	-8.66%	3,453,744.68	3,604,812.00	(150,067.32)	-4.16%
SUBLET FEES	0.00	0.00	0.00	0.00%	1,104.00	0.00	1,104.00	0.00%
STAR CREDITS	(2,957.51)	0.00	(2,957.51)	0.00%	(24,724.69)	0.00	(24,724.69)	0.00%
SPONSOR CONTRIBUTION	9,085.00	0.00	9,085.00	0.00%	27,484.00	0.00	27,484.00	0.00%
LAUNDRY	8,400.00	4,200.00	4,200.00	100.00%	50,400.00	60,400.00	(10,000.00)	-16.54%
LATE CHARGES & NSF	0.00	750.00	(750.00)	-100.00%	6,735.00	9,000.00	(2,265.00)	-25.17%
REFUND INSURANCE	0.00	0.00	0.00	0.00%	2,638.24	0.00	2,638.24	0.00%
REFUND REPAIRS	0.00	0.00	0.00	0.00%	183.02	0.00	183.02	0.00%
REFUND MORTGAGE ESCROW	0.00	0.00	0.00	0.00%	92,838.03	0.00	92,838.03	0.00%
REFUND WORKERS COMP	0.00	0.00	0.00	0.00%	7,500.00	0.00	7,500.00	0.00%
INTEREST INCOME	4.33	1,000.00	(995.67)	-99.57%	735.74	12,000.00	(11,264.26)	-93.87%
PREPAID CHARGES	434.14	0.00	434.14	0.00%	434.14	0.00	434.14	0.00%
TOTAL REVENUES	310,063.74	334,771.00	(18,707.26)	-5.59%	3,801,344.30	3,972,202.00	(171,017.70)	-4.30%

EXPENSES								
FUEL OIL	0.00	54,053.00	54,053.00	100.00%	262,397.86	352,865.00	90,467.14	25.94%
UTILITIES - ELECTRIC	18,471.36	12,568.00	(5,903.36)	-46.99%	174,533.12	165,832.00	(8,701.12)	-5.23%
UTILITIES - GAS	3,210.87	2,281.00	(929.87)	-40.77%	28,823.23	27,478.00	(1,345.23)	-4.89%
SUPPLIES	4,913.75	10,000.00	(5,086.25)	-50.86%	80,091.40	120,000.00	(39,908.60)	-33.25%
SUPPLIES POOL	0.00	0.00	0.00	0.00%	4,706.07	0.00	4,706.07	0.00%
SUPPLIES PLUMBING	0.00	0.00	0.00	0.00%	3,032.46	0.00	3,032.46	0.00%
SUPPLIES UNIFORMS	77.96	0.00	(77.96)	-100.00%	2,043.67	0.00	2,043.67	0.00%
SUPPLIES LANDSCAPING	0.00	0.00	0.00	0.00%	1,488.52	0.00	1,488.52	0.00%
REPAIRS & MAINTENANCE	0.00	10,000.00	(10,000.00)	-100.00%	621.38	120,000.00	(119,378.62)	-99.68%
RAM BOILER/VAC	12,131.97	0.00	12,131.97	0.00%	40,766.68	0.00	40,766.68	0.00%
TOTAL EXPENSES	310,063.74	334,771.00	(18,707.26)	-5.59%	3,801,344.30	3,972,202.00	(171,017.70)	-4.30%

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Comparative Income Statement
Standard Income Statement
P/line
SADORE LANE GARDENS INC

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	Current Period			Year-To-Date		
	Actual Feb 2001	Budget Feb 2001	Variance	Actual Feb 2001	Budget Feb 2001	Variance
Cash						
R&M CLEANING	619.18	0.00	(519.18)	2,354.49	0.00	(2,354.49)
R&M PLASTER & TILE	0.00	0.00	0.00	5,485.62	0.00	(5,485.62)
R&M ENVIRONMENTAL	541.25	0.00	(541.25)	541.25	0.00	(541.25)
R&M ELEVATOR	764.04	0.00	(764.04)	11,607.27	0.00	(11,607.27)
R&M PLUMBING	0.00	0.00	0.00	40,563.64	0.00	(40,563.64)
R&M ELECTRIC	75.00	0.00	(75.00)	2,832.48	0.00	(2,832.48)
R&M PAINTING	1,700.00	0.00	(1,700.00)	17,081.86	0.00	(17,081.86)
R&M SANITATION	0.00	0.00	0.00	7,847.14	0.00	(7,847.14)
R&M COMPACTOR/GENERATOR	0.00	0.00	0.00	4,489.63	0.00	(4,489.63)
R&M INTERCOM	367.23	0.00	(367.23)	4,734.30	0.00	(4,734.30)
R&M GLASS	0.00	0.00	0.00	3,343.31	0.00	(3,343.31)
R&M ROOF & WATERPROOFING	0.00	0.00	0.00	2,800.00	0.00	(2,800.00)
R&M LANDSCAPING	0.00	0.00	0.00	8,035.95	0.00	(8,035.95)
R&M EXTERMINATING	0.00	0.00	0.00	1,027.02	0.00	(1,027.02)
R&M LOCKSMITH	629.88	0.00	(629.88)	8,015.21	0.00	(8,015.21)
R&M PARKING LOT	0.00	0.00	0.00	60.00	0.00	(60.00)
R&M GARAGE	0.00	0.00	0.00	008.48	0.00	(008.48)
R&M BUILDING SECURITY	0.00	0.00	0.00	7,561.60	0.00	(7,561.60)
R&M APPLIANCES/PARTS	0.00	0.00	0.00	170.39	0.00	(170.39)
R&M FLOORING	0.00	0.00	0.00	310.00	0.00	(310.00)
R&M FIRE EXTINGUISHER	0.00	0.00	0.00	1,271.45	0.00	(1,271.45)
R&M EQUIPMENT	0.00	0.00	0.00	330.17	0.00	(330.17)
R&M ANTENNA	70.30	0.00	(70.30)	4,844.18	0.00	(4,844.18)
R&M MASONRY	0.00	0.00	0.00	1,000.00	0.00	(1,000.00)
R&M COPPER	161.55	0.00	(161.55)	151.55	0.00	(151.55)
R&M PHONE	0.00	0.00	0.00	173.20	0.00	(173.20)
R&M POOL	0.00	0.00	0.00	1,342.14	0.00	(1,342.14)
R&M WINDOW	0.00	0.00	0.00	575.00	0.00	(575.00)
SERVICE CONTRACTS	1,082.50	0.00	(1,082.50)	1,825.00	0.00	(1,825.00)
CONTRACT SNOW REMOVAL	0.00	0.00	0.00	4,330.00	0.00	(4,330.00)
CONTRACT CLEANING	243.50	1,887.00	1,643.50	240.00	20,000.00	19,760.00
CONTRACT LANDSCAPING	0.00	3,400.00	3,400.00	18,777.13	40,800.00	22,022.87
CONTRACT ELEVATOR	486.04	625.00	138.96	40,852.38	7,500.00	33,352.38
CONTRACT EXTERMINATING	0.00	800.00	800.00	7,114.19	9,800.00	2,685.81
CONTRACT SANITATION	0.00	0.00	0.00	7,463.58	500.00	6,963.58
CONTRACT SPRINKLER	281.45	0.00	(281.45)	1,837.37	575.00	1,262.37
CONTRACT WATER TREATMENT				662.90		662.90

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Comparative Income Statement
Standard Income Statement
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SADORE LANE GARDENS INC

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Cash

	Current Period			Year-To-Date		
	Actual Feb 2001	Budget Feb 2001	Variance	Actual Feb 2001	Budget Feb 2001	Variance
CONTRACT SECURITY	0.00	0.00	0.00%	928.60	0.00	(928.60) 0.00%
CONTRACT FIRE SAFETY	0.00	0.00	0.00%	274.96	0.00	(274.96) 0.00%
AUTO GASOLINE	0.00	60.00	100.00%	0.00	600.00	600.00 100.00%
AUTO REPAIR & MAINTENANCE	0.00	100.00	100.00%	601.20	1,200.00	598.80 58.23%
AUTO FUEL	0.00	0.00	0.00%	28.00	0.00	(28.00) 0.00%
INSURANCE	8,760.97	8,981.00	0.00%	88,630.54	87,040.00	8,215.40 8.47%
INSURANCE AUTO	0.00	0.00	0.00%	1,595.62	4,600.00	2,704.38 2.70%
INSURANCE OFFICE	223.02	0.00	0.00%	223.02	0.00	(223.02) 0.00%
MANAGEMENT	14,583.33	14,583.00	0.00%	162,499.85	162,500.00	0.04 0.00%
COMMISSIONS LEASING	0.00	0.00	0.00%	8,374.48	0.00	(8,374.48) 0.00%
LEGAL	368.83	500.00	131.17 26.23%	20,262.40	6,000.00	(14,262.40) -237.71%
LEGAL DEFAULTS	2,475.00	1,000.00	(1,475.00) 0.00%	8,088.00	12,000.00	3,904.00 32.53%
LEGAL UNION LABOR	650.00	0.00	(650.00) 0.00%	6,163.82	0.00	(6,163.82) 0.00%
ACCOUNTING	0.00	1,667.00	1,667.00 100.00%	21,742.00	19,334.00	(2,408.00) -12.45%
ARCHITECT	0.00	0.00	0.00%	407.50	0.00	(407.50) 0.00%
ENGINEERING	0.00	0.00	0.00%	16,025.00	0.00	(16,025.00) 0.00%
PAYROLL/SALARIES	44,830.38	41,208.00	(3,722.38) -8.03%	876,478.01	540,750.00	(335,728.01) -48.61%
EMPLOYER FICA	3,010.80	3,163.00	142.20 4.61%	43,522.71	41,369.00	(2,153.71) -5.21%
EMPLOYER SUI	2,284.62	0.00	(2,284.62) 0.00%	9,701.32	15,708.00	6,006.68 38.24%
UNION WELFARE	4,085.00	4,410.00	315.00 7.14%	40,349.00	46,780.00	6,430.00 13.76%
UNION PENSION	2,080.00	2,240.00	160.00 7.14%	27,360.00	28,980.00	1,620.00 5.59%
UNION LEGAL SERVICES	117.00	126.00	9.00 7.14%	1,388.00	1,372.00	16.00 1.17%
UNION TRAINING	155.00	168.00	12.00 7.14%	1,689.00	1,676.00	13.00 0.78%
UNION DUES	2.00	0.00	(2.00) 0.00%	1,554.00	0.00	(1,554.00) 0.00%
UNION ANNUITY	0.00	0.00	0.00%	27.00	0.00	(27.00) 0.00%
WORKERS COMPENSATION	2,553.87	2,292.00	(271.87) -11.83%	21,137.26	27,500.00	6,362.72 23.14%
HEALTH INSURANCE	0.00	0.00	0.00%	443.04	0.00	(443.04) 0.00%
DISABILITY INSURANCE	(41.96)	100.00	141.96 141.96%	1,033.14	1,200.00	166.86 13.91%
PAYROLL PREPARATION	80.30	83.00	2.70 3.25%	1,210.24	1,000.00	(210.24) -21.02%
1089 PHILIP RANIERI	0.00	0.00	0.00%	264.00	0.00	(264.00) 0.00%
MCIS & CONTINGENCY	30,000.00	0.00	(30,000.00) 0.00%	15,560.54	117,694.00	102,133.06 86.76%
MC1 BUILDING	0.00	0.00	0.00%	189,134.86	0.00	(189,134.86) 0.00%
MC1 APARTMENT	0.00	0.00	0.00%	159,822.64	0.00	(159,822.64) 0.00%
MC1 WINDOW	0.00	0.00	0.00%	134,000.00	0.00	(134,000.00) 0.00%
MC1 ROOF/WATERPROOFING	0.00	0.00	0.00%			

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Comparative Income Statement
Standard Income Statement
Prime
SADORE LANE GARDENS INC

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Cash

	Current Period			Year-To-Date		
	Actual Feb 2001	Budget Feb 2001	Variance	Actual Feb 2001	Budget Feb 2001	Variance
TIME:						
MCI BOLEWING	35,000.00	0.00	(35,000.00)	85,036.49	0.00	(85,036.49)
MCI SIDEWALK	0.00	0.00	0.00	0.00	0.00	0.00
DISCOUNTS	0.00	0.00	0.00	(29.79)	0.00	29.79
REAL ESTATE TAXES	0.00	0.00	0.00	2,476.94	0.00	(2,476.94)
REAL ESTATE TAX SCHEB	0.00	0.00	0.00	20,921.89	0.00	(20,921.89)
RTE TAX STAR REFUND	0.00	0.00	0.00	727.43	0.00	(727.43)
WATER & SEWER	0.00	0.00	0.00	74,293.72	80,000.00	5,706.28
VIOLATIONS	0.00	0.00	0.00	70.00	0.00	(70.00)
NY STATE CORP TAX	0.00	0.00	0.00	9,996.58	3,600.00	(6,396.58)
NY STATE ESTIMATED TAX	2,125.00	0.00	(2,125.00)	3,863.08	6,600.00	2,736.92
MORTGAGE HSBC BANK USA	80,456.06	0.00	80,456.06	1,037,471.52	1,037,472.00	0.48
MORTGAGE HSBC CREDIT LINE	3,405.42	2,083.00	(1,322.42)	30,985.75	25,000.00	(5,985.75)
MORTGAGE ESCROW	61,485.34	67,708.00	(6,222.66)	713,641.54	812,500.00	98,858.46
LEASE POSTAGE METER	82.54	75.00	(7.54)	310.34	325.00	14.66
EQUIPMENT	0.00	0.00	0.00	400.00	0.00	(400.00)
EQUIPMENT EXERCISE	0.00	0.00	0.00	1,700.00	0.00	(1,700.00)
EQUIPMENT PHONE	0.00	0.00	0.00	2,588.00	0.00	(2,588.00)
EQUIPMENT COMPUTERS	0.00	0.00	0.00	2,524.72	0.00	(2,524.72)
EQUIPMENT TWO WAY RADIOS	0.00	0.00	0.00	350.00	0.00	(350.00)
ADVERTISING & PROMOTION	0.00	0.00	0.00	75.00	0.00	(75.00)
SIGNAGE	0.00	0.00	0.00	377.67	0.00	(377.67)
PHONE	3,033.58	300.00	(2,733.58)	4,640.76	5,600.00	959.24
PHONE CELLULAR	0.00	50.00	50.00	160.43	600.00	439.57
PHONE ANSWERING SERVICE	27.01	200.00	172.99	2,362.87	1,850.00	(512.87)
PHONE PAGERS	0.00	100.00	100.00	205.00	1,200.00	995.00
PHONE 914-793-1014	(2,560.65)	0.00	2,560.65	0.00	0.00	0.00
POSTAGE	0.00	0.00	0.00	558.75	0.00	(558.75)
POSTAGE REGULAR	0.00	50.00	50.00	30.85	600.00	569.15
POSTAGE OVER NIGHT	0.00	0.00	0.00	48.76	0.00	(48.76)
LICENSE/PERMITS/FEES	0.00	300.00	300.00	3,289.00	2,684.00	(605.00)
MEMBERSHIP DUES	78.00	80.00	2.00	912.60	1,000.00	88.40
GRATUITIES & GIFTS	0.00	0.00	0.00	3,029.13	0.00	(3,029.13)
BANK CHARGES	0.00	0.00	0.00	492.71	0.00	(492.71)
MISCELLANEOUS	700.00	1,000.00	300.00	13,637.70	7,000.00	(6,637.70)
COPIES, POSTAGE & FAX	0.00	0.00	0.00	273.84	0.00	(273.84)
DONATIONS	0.00	0.00	0.00	880.00	0.00	(880.00)

**Comparative Income Statement
Standard Income Statement
Prime
SADORE LANE GARDENS INC**

Cash,

	Current Period		Year-To-Date	
	Actual	Budget	Actual	Budget
Thru:	Feb 2001	Feb 2001	Feb 2001	Feb 2001
		Variance		Variance

TOTAL EXPENSES	342,240.34	335,455.00	(6,785.34)	-2.02%	4,779,345.88	3,982,610.00	(786,835.88)	-20.01%
NET INCOME (LOSS)	(27,176.60)	(984.00)	(26,192.60)	3873.19%	(978,001.56)	(10,146.00)	(867,855.56)	-8551.87%

OTHER DISBURSEMENTS

LOAN RECEIVABLE P FERNANDO	(200.00)	0.00	240.00	0.00%	240.00	0.00%	(1,258.70)	0.00%	0.00%
LOAN RECEIVABLE J MUNIZ	(200.00)	0.00	200.00	0.00%	0.00	0.00%	3,500.00	0.00%	0.00%
LOAN RECEIVABLE M MARTINE	0.00	0.00	0.00	0.00%	(3,600.00)	0.00%	(750.00)	0.00%	0.00%
LOAN RECEIVABLE O LOPEZ	(150.00)	0.00	150.00	0.00%	750.00	0.00%	0.00	0.00%	0.00%
LOAN RECEIVABLE J COLON	(50.00)	0.00	50.00	0.00%	(200.00)	0.00%	200.00	0.00%	0.00%
LOAN RECEIVABLE E CEDENO	(400.00)	0.00	400.00	0.00%	100.00	0.00%	(100.00)	0.00%	0.00%
TRANSFER FUNDS OUT	36,000.00	0.00	(36,000.00)	0.00%	337,433.00	0.00%	(337,433.00)	0.00%	0.00%

OTHER RECEIPTS

SECURITY DEPOSIT RECEIVED	0.00	0.00	0.00%	91,000.00	0.00	0.00%
TRANSFER FUNDS IN	36,000.00	0.00	0.00%	337,433.00	0.00	0.00%

BUDGET NOTES**DEVELOPMENT 029****REVENUES:****Maintenance Charges:**

Based on current maintenance charge of \$2.89 per share, which was temporarily reduced in March 1996 from \$2.93 per share. The Corporation has 103,945 shares outstanding.

\$3,604,812

Rent:

Nextel Antenna license pays rent for rooftop. Contract expires 1/31/06 with two 5 year renewal options and increases 4% per year.

\$ 30,000

Year 1 Ending 1/02	\$2500/month
Year 2 1/03	\$2600/month
Year 3 1/04	\$2704/month
Year 4 1/05	\$2812/month
Year 5 1/06	\$2924/month

Parkings:

Based on contract with DJP Management. \$23,445/month

\$281,340

Laundry:

Based on lease agreement with Idel-O- Matic which expires September 30, 2009; \$4,200.00 per month

\$ 50,400

Storage:

Based on last years rental of storage bins

\$ 15,000

Interest Income:

Interest received from money earning accounts.

\$ 12,000.

EXPENSES:**Fuel Oil:**

Based on last three years consumption of #6 fuel oil at \$0.90 per gallon

1998	1999	2000	average
416,628	440,235	464,715	440,526x\$.90=396,473

The average price of #6 oil purchased in 2000 was \$.90 per gallon including sales tax.

Utilities:

Electric based on last years consumption plus 10% anticipated cost increase.
Gas based on last years consumption plus 10% anticipated cost increase.

Supplies, Repairs & Maintenance:

Based on last 3 years average expenses and comparative supplies, repairs and maintenance expenses.

CONTRACTS:

Snow removal: PML Contracting \$4,330.00 per year, payable in Jan., Feb., March and April

Landscaping: Vincenzo Salubro \$1,732.00 per month for 9 months & Dorothy Cancellieri for indoor plants

Boiler Water Treatment: OCS Chemical \$562 per year

Exterminating: Based on contract with Superior Exterminators, approximately \$625 per month (depends on number of apartments serviced)

Sanitation: A-1 Compaction \$595.00 per pick up

Sprinkler: Rael Sprinkler \$498.00 per year for garage

Elevator: Based on contract with Staley Elevator Co. \$3,400 per month, increasing 2.5% per year on 1/1/02.

INSURANCE:

06/15/00 - 06/14/01

Property	\$ 23,326.00	Royal Insurance Company
General Liability	\$ 54,320.00	Legion Insurance Company
Directors & Officers	\$ 2,700.00	Federal Insurance Company
Crime	\$ 1,135.00	Federal Insurance Company
Boiler & Machinery	\$ 2,839.00	Hartford Steam & Boiler
Umbrella	\$ 10,088.00	American Guarantee Insurance Company
	\$ 94,408.00	
	\$ 5,400.00	Brokers Commission Kornreich Ins. Co.
	\$ 99,808.00	Total
Budget rounded to \$109,000		

Automobile	Merchants Insurance	\$2,282
Budget rounded to \$2,300		

MANAGEMENT:

Budgeted figure based on a contract with Prime Locations, Inc. at an annual rate of \$175,000.

PROFESSIONAL FEES:

Accountant:
BKH&D, C.P.A. \$16,000 per year + miscellaneous expenses.
1098's prepared by Prime Locations, Inc. 2,600.00 per year.

Legal:
Estimated regular legal expenses that may be incurred. Does not include default charges billed to responsible parties

PAYROLL:

The building staff consists of fourteen Union employees who are members of SEIU Local 32 E, plus 1 non union employee.

The weekly regular payroll = \$9,051. The union staff will receive a raise on September 15, 2001, the budgeted figure is based on 60 weeks including overtime, vacation and holidays. In addition, \$6,947 has been added for payroll contingencies.

Employer Payroll Taxes:
FICA 7.65%
FUTA \$56.00 per employee (14 employees)
SUI 6.8% per \$8,500 per employee (14 employees)

Union:
The Corporation is a member of Service Employees International Union, Local 32 E. The Corporation must make contributions as per the contract between the Corporation and the Union, Local 32 E.

Workers Compensation:
The State Insurance Fund Payroll x 4.24%

Payroll Preparation:
The Corporation uses ADP to prepare, process and file all payroll checks and tax returns on behalf of the Corporation. ADP is responsible for the correct filing of these returns and deducts these charges directly from the operating account.

FRANCHISE TAX:

Corporate Franchise Taxes for New York State are estimated and prepared and filed by the Corporation's C.P.A.

MORTGAGE:

\$11,850,000 first mortgage with HSBC at 7.94% interest, Due December 15, 2005.
\$ 2,500,000 credit line mortgage with HSBC at an interest which floats at 1 1/2% over 30 day LIBOR (which on March 1st = 7.4375%). The Corporation anticipates owing a 1,000,000 average balance of principal during this fiscal year.

ESCROW:

Real Estate Taxes:

		2001		2000/01
Block	Lot	Assessment	County	City of Yonkers
4450	100	741,000	57,979.37	263,513.19
4450	130	696,000	54,488.72	248,363.60

4450	140	338,600	26,765.20	118,305.08
4450	150	89,500	7,242.52	31,474.60
4450	176-185	87,800	7110.64	30,711.48
*4451	21 -26	12,500	<u>969.83</u>	<u>4,487.91</u>
Total			154,556.28	696,855.86

County	\$154,556.28
City(estimated)	<u>\$731,698.65</u>
	\$886,254.93

*There is no increase expected for County taxes.

*City taxes estimated to increase by 5%. The previous year increased by 9%.

- This tax lot is paid by the Corporation directly and not through the escrow account.

WATER & SEWER:

Based on last two years average at a cost of 80,000

PHONE:

In addition to the management office, the Corporation pays the Superintendents telephone expense, answering service, one cell phone and pagers.

MISCELLANEOUS:

License/Permits/Fees: Charges for various licenses required by law
 Membership dues: Joint Industry Advancement Fund, Builders Institute
 Bank Charges: No charges except for returned deposited checks. The Corporation charges \$25.00 per bounced check back to any shareholder whose check is returned.



PRIME LOCATIONS, INC.

Real Estate Management, Leasing & Sales

MEMORANDUM

TO: ALL SHAREHOLDERS

FROM: BOB LINDENBAUM, PROPERTY MANAGER

RE: SADORE LANE GARDENS, INC.

DATE: JUNE 4, 2001

At the regularly scheduled Board Meeting the Board of Directors approved the Corporation's Budget for the current fiscal year. The budget includes an increase in maintenance charges of approximately 7.5% (exactly \$0.22 per share) effective July 1, 2001.

Sadore Lane is one of the few cooperatives in Westchester County who have not experienced maintenance increases year after year. Actually maintenance has not only remained stable but was reduced in 1996 and remains lower today than in 1993. Unfortunately, our property is aging and the need for replacements such as roofs, windows, boilers, as well as other building systems has depleted our reserve fund. In addition, fixed operating expenses such as fuel oil, utilities, real estate taxes and payroll have increased substantially and are beyond management's and the board's control.

The Board regrets having to increase these charges, however, they are committed to maintaining a balanced budget and healthy reserve fund to protect apartment values and the quality of living at Sadore Lane.

To calculate your new monthly maintenance charge, multiply the number of shares allocated to your apartment by \$3.11.

Sadore Lane still remains as one of the lowest maintenance fees of any cooperative in Westchester County.

Should you have any questions, please feel free to call.

723 YONKERS AVENUE • YONKERS, NEW YORK 10704 • 914-963-7400 • 914-963-2278 FAX
50 WASHINGTON ST. • NORWALK, CONNECTICUT 06854 • 203-838-4400 • 203-833-8251 FAX

TWENTY SEVENTH AMENDMENT

TO

OFFERING PLAN OF

COOPERATIVE OWNERSHIP OF

PREMISES KNOWN AS

1, 2, 3, 4 AND 5 SADORE LANE
YONKERS, NEW YORK 10710

Dated: September 3, 2002

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED SEPTEMBER 28, 1982, AND THE FIRST AMENDMENT DATED NOVEMBER 10, 1982; THE SECOND AMENDMENT DATED AUGUST 17, 1983; THE THIRD AMENDMENT DATED SEPTEMBER 7, 1983; THE FOURTH AMENDMENT DATED NOVEMBER 30, 1983; THE FIFTH AMENDMENT DATED MARCH 2, 1984; THE SIXTH AMENDMENT DATED SEPTEMBER 6, 1984; THE SEVENTH AMENDMENT DATED JULY 9, 1985; THE EIGHTH AMENDMENT DATED MARCH 24, 1987; THE NINTH AMENDMENT DATED APRIL 30, 1987; THE TENTH AMENDMENT DATED JUNE 12, 1987; THE ELEVENTH AMENDMENT DATED SEPTEMBER 8, 1987; THE TWELFTH AMENDMENT DATED JUNE 29, 1988; THE THIRTEENTH AMENDMENT DATED DECEMBER 5, 1989; THE FOURTEENTH AMENDMENT DATED JUNE 27, 1990; THE FIFTEENTH AMENDMENT DATED NOVEMBER 6, 1991; THE SIXTEENTH AMENDMENT DATED APRIL 23, 1992; THE SEVENTEENTH AMENDMENT DATED NOVEMBER 12, 1992; THE EIGHTEENTH AMENDMENT DATED JANUARY 7, 1994; THE NINETEENTH AMENDMENT DATED APRIL 21, 1995; THE TWENTIETH AMENDMENT DATED SEPTEMBER 22, 1995; THE TWENTY FIRST AMENDMENT DATED SEPTEMBER 24, 1996; THE TWENTY SECOND AMENDMENT DATED SEPTEMBER 18, 1997; THE TWENTY THIRD AMENDMENT DATED NOVEMBER 9, 1998; THE TWENTY FOURTH AMENDMENT DATED DECEMBER 22, 1999; THE TWENTY FIFTH AMENDMENT DATED JUNE 6, 2000; AND THE TWENTY SIXTH AMENDMENT DATED JULY 24, 2001 AND SHOULD BE READ IN CONJUNCTION WITH SAID PLAN.

Apartment Corporation:
SADORE LANE GARDENS, INC.

Sponsor:
GARDEN TOWERS LLC

The Cooperative Offering Plan, a Plan to convert to cooperative ownership premises at 1-5 Sadore Lane, Yonkers, New York, dated September 28, 1982, as heretofore amended (the "Plan") is hereby further amended as follows:

(1) The Sponsor currently holds Unsold Shares allocated to 297 of the 775 Apartments at the Premises, representing 38.32% of all Apartments, as set forth in Exhibit A annexed.

(2) The Sponsor has no financial obligations to the Apartment Corporation other than for payment of maintenance charges and the payment of reserve fund contributions at the rate of \$7.3972 per Unsold Share sold. The Sponsor is current in all its financial obligations to the Apartment Corporation, and during the previous twelve months the Sponsor has not been in default with respect to any such obligations beyond any applicable grace period.

(3) The Sponsor, as Holder of Unsold Shares, holds the Shares allocated to those Apartments indicated on Exhibit "A" annexed hereto. The aggregate monthly maintenance charges due in connection with the Unsold Shares are \$126,300.21. The aggregate monthly rents received from tenants of Apartments to which Unsold Shares are allocated are \$166,111.97. The Sponsor owns the Shares allocated to one additional Apartment; that Apartment had been previously sold subject to Sponsor financing which was later

foreclosed by the Sponsor. The monthly maintenance charge due in connection with these Shares is \$211.48. The monthly rent received from the tenant of the Apartment to which these Shares are allocated is \$725.63. The Sponsor shall pay its obligations to the Apartment Corporation from the rent collected.

The Sponsor plans to market the vacant Apartments to which Unsold Shares are allocated immediately. As those Apartments are sold the monthly maintenance charges due to the Apartment Corporation will decrease.

(4) The Apartment Corporation has not yet received its audited financial statements for the fiscal year ended February 28, 2002. The Apartment Corporation's audited financial statements for the fiscal year ended February 28, 2001 were included in the Twenty-sixth Amendment.

(5) Some of the principals of the Sponsor, as individual holders of unsold shares or units or as general partners or principals of the sponsor or holder of unsold shares, own more than 10% of the shares or units in other cooperative or condominium conversion projects. The offering plans for these buildings are on file with the Department of Law and are available for public inspection. The principals of the Sponsor, as individual holders of unsold shares, are current on all financial obligations in respect of these other cooperatives in which they owns shares or units as individuals, general partners or principals.

Annexed hereto as Exhibit "B" is a list of the identity of each principal of the Sponsor who owns more than 10% of the shares

of other buildings, and the address of said building.

(6) Annexed as Exhibit "C" is the Apartment Corporation's budget for January 1, 2002 to December 31, 2002 as adopted by the board of directors of the Apartment Corporation.

(7) The current maintenance charges are \$3.11 per share per month; the maintenance charges were last increased July 1, 2001, and this increase was the first since 1997.

(8) The current board of directors of the Corporation was elected at the annual stockholders' meeting which was held on June 13, 2001 as was disclosed in the Twenty-sixth Amendment. The next annual meeting has not been scheduled yet; the annual meeting is typically held approximately one month after distribution of the annual financial statements. The following are the current officers and directors: Louis Monaco, president, Herbert Goldstein, vice president, Gordon Burrows, secretary, Charles Scheinberg, treasurer, Roy Stillman, Philip Rosen, and Abraham Roller. Of the foregoing, Philip Rosen, Roy Stillman and Abraham Roller are affiliated with the Sponsor or a Holder of Unsold Shares. The Sponsor gave up control of the board of directors as of the meeting held on April 26, 1984.

(9) The Sponsor's attorneys in connection with amendments to this Offering Plan and the sales of Unsold Shares are Gross and Gross LLP, having their office at 9 West Prospect Avenue, Mount Vernon, New York 10550.

(10) The Offering Plan may be used for twelve (12) months from the date of this Amendment.

(11) The Offering Plan, as modified, supplemented and extended

hereby, is incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment, not otherwise defined herein, shall have the same meanings ascribed to them in the Offering Plan.

(12) Except as set forth herein there have been no material changes in the terms of the Offering.

SADORE LANE GARDENS, INC.
Apartment Corporation

GARDEN TOWERS LLC
Sponsor

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

APT. # SHARES APT. # SHARES

BUILDING NO. 1

1A*	96	2A	100
1E	130	2E	134
1F	155	2H	128
1L	162	2J	112
1Y	162	2K	159
3B	205	2M	100
3F	163	2P	100
3G	132	2T	166
3N	102	2U	134
3R*	70	2X	166
3T	168	4B	207
3U	136	4G	134
3V	136	4K	165
3X	168	4L	170
3Z	102	4M	104
5A	106	4T	170
5E	140	4V	138
5G	136	4Y	170
5L	172	6A	108
5N	106	6B	211
5S	140	6E	142
5Y	172	6F	169
7B	213	6J	122
7C	110	6L	174
7D	78	6N	108
7G	140	6V	142
7H	140		

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
---------------	---------------	---------------	---------------

7J	124		
7S	144		
7T	176		
7V	144		
7X	176		
7Z	110		
	4,614.00		3,733.00
			8,347.00

Building Totals:

Apartments: 59

Shares: 8,347

BUILDING NO. 2

1A	96	2C	95
1F	155	2G	134
1O	60	2H	134
1T	151	2M	100
1V	126	2N	100
1W	110	2R	64
3C	97	2S	128
3J	120	2U	130
3L	168	2W	114
3P	97	2Y	166
3T	157	4A	104
3W	116	4D	68
3X	163	4F	163
5B	209	4G	138
5P	101	4H	138
5T	161	4K	170

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

APT. # SHARES APT. # SHARES

5Y	172	4L	170
7E	138	4M	104
7G	144	4O	207
7H	144	4T	159
7J	128	4X	165
7N	110	4Z	104
7P	105	6A	108
7R	74	6E	136
7Z	110	6F	167
		6H	142
		6K	174
		6U	138
		6V	138
		6W	122
		6Y	174
	3,212.00		4,154.00
			7,366.00

Building Totals:

Apartments: 56
Shares: 7,366

BUILDING NO. 3

1B	96	2B	203
1D	64	2E	134
1E	130	2G	134
1F	162	2H	134
1J	114	2J	118
1K	162	2L	166
1L	162	2S	134

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
1M	96	2V	134
1O	64	4A	104
1P*	96	4G	138
1S	130	4K	170
1T	162	4R	72
1U	130	4S	138
1X	162	4U	138
1Y	162	4W	122
1Z	96	4Z	104
3A	102	6B	211
3C	102	6C	108
3D	70	6D	76
3G	136	6E	142
3K	168	6F	174
3M	102	6J	126
3P	102	6K	174
3S	136	6L*	174
3Y	168	6P*	108
5G	140	6R	76
5H	140	6U	142
5K	172	6V	142
5M	106	6Z	108
5N	106		
5R	74		
5S	140		
5T	172		
5V	140		
5W	124		

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
5X	172		
5Z	106		
7C	110		
7D	78		
7G	144		
7L	176		
7O	213		
7X	176		
	5,563.00		3,904.00
			9,467.00

Building Totals:

Apartments: 72

Shares: 9,467

BUILDING NO. 4

1C	91	2B	203
1E	124	2C	95
1J	112	2E	128
1N	96	2G	132
1O	60	2J	116
1P	91	2K	164
1T	157	2O	203
1X	162	2S	128
1Y	162	2U	134
3A	102	2W	118
3C	97	4E	132
3H	136	4F	163
3J	118	4K	168
3K	166	4V	138

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

<u>APT. #</u>	<u>SHARES</u>	<u>APT. #</u>	<u>SHARES</u>
3S	130	4W	122
3U	136	4X	170
3W	120	4Y	170
5A	106	6A*	108
5B	209	6C	103
5D	70	6F	167
5F	165	6G	142
5J	122	6L	174
5K	170	6M	108
5O	209	6P	103
5R	70	6S	136
5T	167	6X	174
5V	140	6Y	174
5X	172		
5Z	106		
7B	213		
7H	144		
7K	174		
7P	105		
7S	138		
7T	171		
7U	144		
7X	176		
7Y	176		
	5,207.00		3,873.00
			9,080.00

Building Totals:

 Apartments: 66
 Shares 9,242

unsoldt.sad
7/25/2

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

APT. # SHARES APT. # SHARES

BUILDING NO. 5

LG	128	2E	203
LL	128	2K	134
LM	94	2N	163
1E	128	2P	132
1H	114	2R	132
1L	132	4A	86
3A	84	4B	138
3B	136	4C	138
3C	136	4F	138
3D	136	4G	138
3E	205	4H	120
3J	118	4L	138
3S	102	4P	138
5M	169	4R	138
5N	169	6C	142
5P	140	6E	211
7B	144	6K	142
7E	213	6L	142
7F	144	6R	142
7G	144		
7K	144		
7M	173		
7N	173		
7P	144		
7R	144		
	3,542.00		2,715.00
			6,257.00

Exhibit A

- 8 -

EXHIBIT "B"

PERCENTAGE INTEREST IN OTHER CO-OPS

BY HOLDERS OF UNSOLD SHARES

Individual's Name	Percentage Interest	Building Address
PHILIP ROSEN	27.50%	2035 Central Park Ave. Yonkers, New York
	71.25%	480 Riverdale Ave. Yonkers, New York
MILDRED ROLLER	21.25%	480 Riverdale Ave. Yonkers, New York
MICHELLE ROSEN	15%	2035 Central Park Ave. Yonkers, New York
WENDY LANDIS	15%	2035 Central Park Ave. Yonkers, New York
PHYLLIS RASKIN	15%	2035 Central Park Ave. Yonkers, New York
RITA ROSEN	27.50%	2035 Central Park Ave. Yonkers, New York

Budget Detail (Cash)
SADORE LANE GARDENS INC. - (029)
01/2002 - 12/2002

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Account Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
INCOME:													
MAINTENANCE	300.401	300.401	323.269	323.269	323.269	323.269	323.269	323.269	323.269	323.269	323.269	323.269	3,833.492
RENT	2,508	2,508	2,500	2,500	2,500	2,500	2,500	2,600	2,600	2,600	2,600	2,600	30,517
STORAGE	1,250	1,250	1,680	1,680	1,680	1,680	1,680	1,680	1,680	1,680	1,680	1,680	19,300
PARKING	23,445	23,445	23,445	23,445	23,445	23,445	23,445	23,445	23,445	23,445	23,445	23,445	281,340
LAUNDRY	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	50,400
LATE CHARGES & NSF	750	750	625	625	625	625	625	625	625	625	625	625	7,750
LEGAL FEE RECOVERY	600	600	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	11,200
INTEREST INCOME	1,000	1,000											2,000
APPLICATION FEES	150	150											300
TOTAL INCOME	334,304	334,304	356,719	356,719	356,719	356,719	356,719	356,819	356,819	356,819	356,819	356,819	4,236,299
EXPENSES:													
FUEL OIL	49,560	49,560	59,407	33,004	16,502	13,202	13,202	6,801	6,601	13,202	16,502	16,502	310,346
UTILITIES - ELECTRIC	15,137	15,137	16,250	16,250	16,250	16,250	16,250	16,250	16,250	16,250	16,250	16,250	192,774
UTILITIES - GAS	2,651	2,651	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	31,969
GASOLINE	50	50											100
SUPPLIES	8,333	8,333	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	116,667
REPAIRS & MAINTENANCE	10,000	10,000	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	145,000
R&M AUTO	100	100											200
CONTRACT SNOW REMOVAL	1,082	1,082	1,083	2,409	2,409	2,409	2,409	2,409	2,409	2,409	2,409	2,409	28,323
CONTRACT LANDSCAPING	201	201	2,409	3,537	3,537	3,537	3,537	3,537	3,537	3,537	3,537	3,537	42,174
CONTRACT ELEVATOR	3,400	3,400	650	650	650	650	650	650	650	650	650	650	7,750
CONTRACT EXTERMINATING	625	625	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	13,750
CONTRACT SANITATION	625	625											1,250
CONTRACT SPRINKLER				407						400			807
CONTRACT WATER TREATME						563							563
LICENSE/PERMITS/FEES													
MANAGEMENT	300	300	300	300	300	300	300	300	300	300	300	300	3,600
LEGAL	14,583	14,583	14,583	14,583	14,583	14,583	14,583	14,583	14,583	14,583	14,583	14,583	175,000
LEGAL DEFULTS	1,000	1,000	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	14,500
ACCOUNTING	1,875	1,875	1,000	1,000	18,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	11,200
PAYROLL & RELATED COSTS	45,833	45,833	47,501	47,501	47,501	47,501	47,501	47,501	47,501	48,901	48,901	61,891	583,865
EMPLOYER FICA	3,462	3,462	3,634	3,634	3,634	3,634	3,634	3,634	3,634	3,741	3,741	4,735	44,577
EMPLOYER NY SUI			840										840
UNION WELFARE	4,092	4,000	4,485	4,485	4,485	4,485	4,485	4,485	4,485	5,200	5,200	5,200	8,092
UNION PENSION	4,830	4,830	2,240	2,240	2,240	2,240	2,240	2,240	2,240	2,240	2,240	2,240	26,880
UNION LEGAL SERVICES	2,240	2,240	126	126	126	126	126	126	126	140	140	140	1,564
UNION TRAINING	168	168	168	168	168	168	168	168	168	182	182	182	2,058
WORKERS COMPENSATION	1,919	1,919	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	23,836
DISABILITY INSURANCE	100	100	25	25	25	25	25	25	25	25	25	25	450
PAYROLL PREPARATION	100	100	100	100	100	100	100	100	100	100	100	100	1,200
WATER & SEWER													
INSURANCE			12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	80,000
INSURANCE AUTO			175	175	175	175	175	175	175	175	175	175	125,000
PHONE	500	500	500	500	500	500	500	500	500	500	500	500	6,000
PHONE CELLULAR	50	50											100
PHONE ANSWERING SERV	200	200	300	300	300	300	300	300	300	300	300	300	3,400
PHONE PAGER	100	100	63	63	63	63	63	63	63	63	63	63	825
POSTAGE REGULAR	50	50	100	100	100	100	100	100	100	100	100	100	1,100
MISCELLANEOUS	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
MEMBERSHIP DUES	84	84											168
MTG HSBC BANK USA	86,456	88,456	86,456	86,456	86,456	86,456	86,456	86,456	86,456	86,456	86,456	86,456	1,037,472
MTG HSBC CREDIT LINE	6,188	6,188	3,334	4,167	4,167	5,312	5,312	5,312	5,312	5,312	5,312	5,312	61,247
MORTGAGE ESCROW	73,855	73,855	75,257	75,257	75,257	75,257	75,257	75,257	75,257	75,257	75,257	75,257	900,279
LEASE POSTAGE METER													250
MCIS & CONTINGENCY			10,841	10,841	10,841	10,841	10,841	10,841	10,841	10,841	10,841	10,841	108,407

EXHIBIT "C"

Budget Detail (sh)
SADORE LANE GARDENS INC. - (029)
01/2002 - 12/2002

Account Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
TOTAL EXPENSES	341,466	341,394	378,530	351,443	350,634	372,942	332,379	325,054	325,779	235,029	337,930	407,409	4,200,810
NET INCOME/(LOSS)	-7,181	-7,090	-21,811	5,276	6,085	-16,223	24,340	30,965	31,040	21,790	18,889	-50,590	35,489

TWENTY EIGHTH AMENDMENT

TO

OFFERING PLAN OF

COOPERATIVE OWNERSHIP OF

PREMISES KNOWN AS

1, 2, 3, 4 AND 5 SADORE LANE
YONKERS, NEW YORK 10710

Dated: June 9, 2003

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED SEPTEMBER 28, 1982, AND THE FIRST AMENDMENT DATED NOVEMBER 10, 1982; THE SECOND AMENDMENT DATED AUGUST 17, 1983; THE THIRD AMENDMENT DATED SEPTEMBER 7, 1983; THE FOURTH AMENDMENT DATED NOVEMBER 30, 1983; THE FIFTH AMENDMENT DATED MARCH 2, 1984; THE SIXTH AMENDMENT DATED SEPTEMBER 6, 1984; THE SEVENTH AMENDMENT DATED JULY 9, 1985; THE EIGHTH AMENDMENT DATED MARCH 24, 1987; THE NINTH AMENDMENT DATED APRIL 30, 1987; THE TENTH AMENDMENT DATED JUNE 12, 1987; THE ELEVENTH AMENDMENT DATED SEPTEMBER 8, 1987; THE TWELFTH AMENDMENT DATED JUNE 29, 1988; THE THIRTEENTH AMENDMENT DATED DECEMBER 5, 1989; THE FOURTEENTH AMENDMENT DATED JUNE 27, 1990; THE FIFTEENTH AMENDMENT DATED NOVEMBER 6, 1991; THE SIXTEENTH AMENDMENT DATED APRIL 23, 1992; THE SEVENTEENTH AMENDMENT DATED NOVEMBER 12, 1992; THE EIGHTEENTH AMENDMENT DATED JANUARY 7, 1994; THE NINETEENTH AMENDMENT DATED APRIL 21, 1995; THE TWENTIETH AMENDMENT DATED SEPTEMBER 22, 1995; THE TWENTY FIRST AMENDMENT DATED SEPTEMBER 24, 1996; THE TWENTY SECOND AMENDMENT DATED SEPTEMBER 18, 1997; THE TWENTY THIRD AMENDMENT DATED NOVEMBER 9, 1998; THE TWENTY FOURTH AMENDMENT DATED DECEMBER 22, 1999; THE TWENTY FIFTH AMENDMENT DATED JUNE 6, 2000; THE TWENTY SIXTH AMENDMENT DATED JULY 24, 2001; THE TWENTY SEVENTH AMENDMENT DATED SEPTEMBER 3, 2002 AND SHOULD BE READ IN CONJUNCTION WITH SAID PLAN.

Apartment Corporation:
SADORE LANE GARDENS, INC.

Sponsor:
GARDEN TOWERS LLC

The Cooperative Offering Plan, a Plan to convert to cooperative ownership premises at 1-5 Sadore Lane, Yonkers, New York, dated September 28, 1982, as heretofore amended (the "Plan") is hereby further amended as follows:

(1) The Sponsor currently holds Unsold Shares allocated to 272 of the 775 Apartments at the Premises, representing 35.11% of all Apartments, as set forth in Exhibit A annexed.

(2) The Sponsor has no financial obligations to the Apartment Corporation other than for payment of maintenance charges and the payment of reserve fund contributions at the rate of \$7.3972 per Unsold Share sold. The Sponsor is current in all its financial obligations to the Apartment Corporation, and during the previous twelve months the Sponsor has not been in default with respect to any such obligations beyond any applicable grace period.

(3) The Sponsor, as Holder of Unsold Shares, holds the Shares allocated to those Apartments indicated on Exhibit "A" annexed hereto. The aggregate monthly maintenance charges due in connection with the Unsold Shares are \$118,092.97 as of April 1, 2003 which will increase seven (7) percent effective May 1, 2003 as explained in paragraph 7 below; the monthly maintenance due for May

2003 shall be approximately \$125,588.00. The aggregate monthly rents received from tenants of Apartments to which Unsold Shares are allocated are \$158,453.29. The Sponsor owns the Shares allocated to one additional Apartment which has been previously sold. The monthly maintenance charge due in connection with these Shares is \$211.48 (\$226.44 as of May 2003). The monthly rent received from the tenant of the Apartment to which these Shares are allocated is \$750.00. The Sponsor shall pay its obligations to the Apartment Corporation from the rent collected.

The Sponsor plans to market the vacant Apartments to which Unsold Shares are allocated immediately. As those Apartments are sold the monthly maintenance charges due to the Apartment Corporation will decrease.

(4) Annexed hereto as Exhibit "B" are the Apartment Corporation's audited financial statements for the year ended February 28, 2002, and February 28, 2001.

(5) Some of the principals of the Sponsor, as individual holders of unsold shares or units or as general partners or principals of the sponsor or holder of unsold shares, own more than 10% of the shares or units in other cooperative or condominium conversion projects. The offering plans for these buildings are on file with the Department of Law and are available for public inspection. The principals of the Sponsor, as individual holders of unsold shares, are current on all financial obligations in respect of these other cooperatives in which they owns shares or units as individuals, general partners or principals.

Annexed hereto as Exhibit "C" is a list of the identity of each principal of the Sponsor who owns more than 10% of the shares of other buildings, and the address of said building.

(6) Annexed as Exhibit "D" is the Apartment Corporation's budget for March 1, 2003 to February 31, 2004 as adopted by the board of directors of the Apartment Corporation.

(7) The current maintenance charges are \$3.11 per share per month which will increase to \$3.33 per share per month as of May 1, 2003, an increase of 7%; the maintenance charges were last increased July 1, 2001.

(8) The current board of directors of the Corporation was elected at the annual stockholders' meeting which was held on August 29, 2002. The following are the current officers and directors: Louis Monaco, president, Herbert Goldstein, vice president, Gordon Burrows, secretary, Charles Scheinberg, treasurer, Roy Stillman, Philip Rosen, and Abraham Roller. Of the foregoing, Philip Rosen, Roy Stillman and Abraham Roller are affiliated with the Sponsor or a Holder of Unsold Shares. The Sponsor gave up control of the board of directors as of the meeting held on April 26, 1984.

(9) The Offering Plan may be used for twelve (12) months from the date of this Amendment.

(11) The Offering Plan, as modified, supplemented and extended hereby, is incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment, not otherwise defined herein, shall have the same meanings ascribed to them in the Offering Plan.

(12) Except as set forth herein there have been no material

changes in the terms of the Offering.

SADORE LANE GARDENS, INC.
Apartment Corporation

GARDEN TOWERS LLC
Sponsor

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

BUILDING NO. 1

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
1E	130	3B	205	5A	106	7B	213
1F	155	3F	163	5E	140	7C	110
1L	162	3G	132	5G	136	7D	78
1Y	162	3N	102	5L	172	7G	140
2A	100	3T	168	5N	106	7H	140
2E	134	3U	136	5S	140	7J	124
2H	128	3V	136	5Y	172	7S	144
2K	159	3X	168	6B	211	7T	176
2M	100	3Z	102	6E	142	7V	144
2P	100	4B	207	6F	169	7X	176
2T	166	4G	134	6J	122		
2U	134	4K	165	6L	174		
2X	166	4L	170	6V	142		
		4M	104				
		4V	138				
		4Y	170				
							7,573

Building Totals:

Apartments: 52

Shares: 7,573

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

BUILDING NO. 2

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
1A	96	3C	97	5B	209	7E	138
1F	155	3J	120	5P	101	7G	144
1O	60	3L	168	5T	161	7H	144
1T	151	3P	97	5Y	172	7J	128
1V	126	3T	157	6A	108	7N	110
1W	110	3W	116	6E	136	7P	105
2C	95	3X	163	6F	167	7R	74
2G	134	4D	68	6H	142	7Z	110
2H	134	4F	163	6K	174		
2M	100	4G	138	6U	138		
2R	64	4H	138	6V	138		
2S	128	4K	170	6W	122		
2U	130	4L	170	6Y	174		
2W	114	4M	104				
2Y	166	4O	207				
		4T	159				
		4X	165				
		4Z	104				
							7,162

Building Totals:

Apartments: 54
Shares: 7,162

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

BUILDING NO. 3

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
1B	96	3C	102	5G	140	7C	110
1D	64	3D	70	5H	140	7D	78
1E	130	3G	136	5K	172	7G	144
1F	162	3K	168	5N	106	7L	176
1J	114	3M	102	5R	74	7O	213
1K	162	3P	102	5S	140	7X	176
1L	162	3S	136	5T	172		
1M	96	3Y	168	5V	140		
1O	64	4A	104	5W	124		
1S	130	4K	170	5X	172		
1T	162	4R	72	6B	211		
1U	130	4S	138	6C	108		
1X	162	4U	138	6E	142		
1Y	162	4W	122	6F	174		
1Z	96	4Z	104	6J	126		
2B	203			6K	174		
2E	134			6R	76		
2G	134			6U	142		
2H	134			6V	142		
2J	118			6Z	108		
2L	166						
2S	134						
2V	134						
							8,561

Building Totals:

 Apartments: 64

 Shares: 8,561

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

BUILDING NO. 4

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
1C	91	3C	97	5A	106	7B	213
1E	124	3H	136	5B	209	7H	144
1J	112	3J	118	5D	70	7K	174
1N	96	3K	166	5F	165	7P	105
1O	60	3S	130	5J	122	7S	138
1P	91	3U	136	5K	170	7T	171
1T	157	3W	120	5O	209	7U	144
1X	162	4E	132	5R	70	7X	176
1Y	162	4F	163	5T	167	7Y	176
2B	203	4K	168	5V	140		
2C	95	4V	138	5X	172		
2E	128	4X	170	5Z	106		
2G	132			6C	103		
2K	164			6F	167		
2O	203			6G	142		
2S	128			6L	174		
2U	134			6M	108		
2W	118			6P	103		
				6S	136		
				6X	174		
				6Y	174		
							8,462

Building Totals:

Apartments: 60
Shares 8,462

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

BUILDING NO. 5

APT.#	SHARES	APT.#	SHARES	APT.#	SHARES	APT.#	SHARES
LG	128	3A	84	5M	169	7B	144
LL	128	3B	136	5N	169	7E	213
LM	94	3C	136	5P	140	7F	144
1E	128	3D	136	6C	142	7G	144
1H	114	3E	205	6E	211	7K	144
1L	132	3J	118	6K	142	7M	173
2E	203	3S	102	6L	142	7N	173
2K	134	4A	86	6R	142	7P	144
2P	132	4B	138			7R	144
2R	132	4C	138				
		4G	138				
		4H	120				
		4L	138				
		4P	138				
		4R	138				
							5,956

Building Totals:

Apartments: 43
Shares: 5,956

Project Unsold Share Totals:

Apartments: 272
Shares: 37,714

Building 1 2R 68** Toribio (foreclosed - stock certificate
& proprietary lease- in file no. 93-355)

**NOT AN UNSOLD SHARE UNIT
BUT OWNED BY SPONSOR

272 apartments unsold out of 775 =
35.0968%
38,191 shares out of 103,945 =
36.2826%

unsoldt.sad
5/2/3

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS

Exhibit A

Total for project:	
Shares:	37,782
Apartments	273

SADORE LANE GARDENS, INC.

FINANCIAL STATEMENTS

**YEARS ENDED
FEBRUARY 28, 2002 AND 2001**

SADORE LANE GARDENS, INC.
FOR THE YEARS ENDED FEBRUARY 28, 2002 AND 2001

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Citrin Cooperman & Company, LLP

Including PARTNERS OF THE FORMER PRACTICE OF BERNHARDT KARLITZ, HAYDEN & DECRUZE LLP
CERTIFIED PUBLIC ACCOUNTANTS



INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
Sadore Lane Gardens, Inc.

We have audited the accompanying balance sheets of Sadore Lane Gardens, Inc. as of February 28, 2002 and 2001 and the related statements of operations and accumulated deficit and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 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 Sadore Lane Gardens, Inc. as of February 28, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Sadore Lane Gardens, Inc. has not presented the supplementary information on future major repairs and replacements that the American Institute of Certified Public Accountants has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Citrin Cooperman & Company, LLP
CERTIFIED PUBLIC ACCOUNTANTS

May 20, 2002



SADORE LANE GARDENS, INC.
BALANCE SHEETS
FEBRUARY 28, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 234,785	\$ 264,567
Marketable securities	34,782	59,072
Real estate tax escrow deposits	224,659	246,292
Reserve fund receivable	310,815	352,621
Assessments and other receivables	50,677	104,228
Prepaid real estate taxes and other prepaid expenses	173,276	176,956
Deferred finance costs, net	123,256	155,764
Land, property and equipment, net	<u>8,164,944</u>	<u>8,178,199</u>
TOTAL ASSETS	<u>\$ 9,317,194</u>	<u>\$ 9,537,699</u>

LIABILITIES AND SHAREHOLDERS' DEFICIT

Liabilities:

Accounts payable and accrued expenses	\$ 356,038	\$ 366,468
Line of credit	1,000,000	750,000
Mortgage note payable	<u>11,097,808</u>	<u>11,247,593</u>
Total liabilities	<u>12,453,846</u>	<u>12,364,061</u>

Commitments (Note 10)

Shareholders' deficit:

Common stock, par value \$1; 103,945 shares authorized, issued and outstanding	103,945	103,945
Additional paid-in capital	2,690,082	2,690,082
Accumulated deficit	<u>(5,930,679)</u>	<u>(5,620,389)</u>
Total shareholders' deficit	<u>(3,136,652)</u>	<u>(2,826,362)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	<u>\$ 9,317,194</u>	<u>\$ 9,537,699</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
STATEMENTS OF OPERATIONS AND ACCUMULATED DEFICIT
FOR THE YEARS ENDED FEBRUARY 28, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
Revenues:		
Maintenance assessments	\$ 3,746,787	\$ 3,438,898
Parking	281,460	253,960
Investment income, net	7,712	12,723
Laundry	50,400	50,400
Storage	14,576	15,199
License fee	30,000	12,500
Other	18,984	21,150
Total revenues	<u>4,149,919</u>	<u>3,804,830</u>
Expenses:		
Administrative	396,856	375,190
Utilities	567,426	666,763
Building operations	90,276	84,065
Payroll and related costs	762,399	726,500
Interest	935,806	932,643
Real estate taxes	884,788	941,476
Major repairs and replacements	281,340	321,738
Total expenses	<u>3,918,891</u>	<u>4,048,375</u>
Excess (deficit) of revenues over expenses before depreciation and amortization	<u>231,028</u>	<u>(243,545)</u>
Depreciation	508,811	500,495
Amortization	32,507	33,941
	<u>541,318</u>	<u>534,436</u>
DEFICIT OF REVENUES OVER EXPENSES	(310,290)	(777,981)
Accumulated deficit - beginning	<u>(5,620,389)</u>	<u>(4,842,408)</u>
ACCUMULATED DEFICIT - ENDING	<u>\$ (5,930,679)</u>	<u>\$ (5,620,389)</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED FEBRUARY 28, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
Cash flows from operating activities:		
Deficit of revenues over expenses	\$ (310,290)	\$ (777,981)
Adjustments to reconcile deficit of revenues over expenses to net cash provided by operating activities:		
Allocated to financing activities	(149,785)	-
Depreciation and amortization	541,318	534,436
Loss on sale of marketable securities	44	4,000
Decrease in assets:		
Real estate tax escrow deposits	21,633	20,379
Assessments and other receivables	53,551	47,765
Prepaid real estate taxes and other prepaid expenses	3,680	33,506
(Decrease) increase in liabilities:		
Accounts payable and accrued expenses	(10,429)	265,619
Net cash provided by operating activities	<u>149,722</u>	<u>127,724</u>
Cash flows from investing activities:		
Purchases of marketable securities	-	(75,831)
Proceeds from sales of marketable securities	24,246	265,234
Purchases of property and equipment	(495,556)	(946,816)
Net cash used in investing activities	<u>(471,310)</u>	<u>(757,413)</u>
Cash flows from financing activities:		
Proceeds from line of credit	250,000	750,000
Repayment of mortgage	(149,785)	(138,389)
Maintenance charges allocated to mortgage repayment	149,785	-
Increase in additional paid in capital	-	138,389
Decrease in reserve fund receivable	41,806	28,671
Net cash provided by financing activities	<u>291,806</u>	<u>778,671</u>
Net (decrease) increase in cash and cash equivalents	(29,782)	148,982
Cash and cash equivalents - beginning	<u>264,567</u>	<u>115,585</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 234,785</u>	<u>\$ 264,567</u>
Supplemental disclosures:		
Interest paid	<u>\$ 935,806</u>	<u>\$ 932,643</u>
Income taxes paid	<u>\$ 8,164</u>	<u>\$ 13,860</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2002 AND 2001

NOTE 1 – ORGANIZATION

Sadore Lane Gardens, Inc. (the "Corporation") is a co-operative housing corporation incorporated in the State of New York on March 1, 1984. The Corporation owns five buildings known as Sadore Lane Gardens located in Yonkers, New York. The buildings consist of 778 units, and as of February 28, 2002, there were 475 units that were owned by tenant-shareholders and 303 units owned by Garden Towers, Inc. (the "Sponsor").

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Corporation's financial statements have been prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Corporation considers all short-term investments purchased with an original maturity of three months or less to be classified as cash equivalents. For the years ended February 28, 2002 and 2001, cash equivalents consisted principally of money market funds.

Marketable Securities

The Corporation classifies its marketable debt securities as available for sale. Securities classified as available for sale are carried on the financial statements at fair market value. Realized gains and losses are included in earnings, holding gains and losses, if any, are included as a separate component of shareholders' deficit.

Deferred Finance Costs

Deferred finance costs represent costs paid to refinance the mortgage and line of credit on the Corporation's real property. These costs are amortized over the term of the related mortgage loan using the straight-line method. Amortization expense and accumulated amortization of deferred finance costs were \$32,507 and \$132,975 respectively, for the year ended February 28, 2002 and \$33,941 and \$100,468, respectively, for the year ended February 28, 2001.

Land, Property and Equipment

Land, property and equipment are stated at cost. Buildings, building improvements and equipment are depreciated over the estimated useful lives of the respective assets using various accelerated methods. Building improvements are capitalized while repairs and maintenance are charged to expense when incurred.

SADORE LANE GARDENS, INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2002 AND 2001

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Corporation generally is taxed only on non-member related net income, such as interest income and income from commercial operations. If there had been earnings from member related services, these earnings would be taxed at the standard corporate tax rates. The provision for taxes, which is included in administrative expenses, is based on non-member income reduced by an allocation of expenses attributable to non-member income.

For income tax purposes, the Corporation has federal and state net operating loss carryforwards of approximately \$4,800,000 and \$4,700,000, respectively, for the year ended February 28, 2002 expiring between the years 2002 and 2017. The method used by the Corporation to calculate income taxes is based on a percentage of capital, which does not allow the Corporation to utilize the federal and state net operating losses at this time. The tax benefit of the net operating loss carryforwards of approximately \$1,400,000 is offset by a corresponding amount of a valuation allowance.

Reclassifications

Certain reclassifications have been made to the prior year's financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations or accumulated deficit.

NOTE 3 – CASH AND CASH EQUIVALENTS

The Corporation maintains cash balances at two financial institutions. From time to time, the balances will exceed the federal depository insurance coverage limit.

NOTE 4 – MARKETABLE SECURITIES

The Corporation's investment portfolio, consisting primarily of high-grade corporate and municipal bonds, had an aggregate amortized cost of \$34,782 and \$59,072 at February 28, 2002 and 2001, respectively, which approximates market. The Corporation has designated its investment portfolio as its reserve fund for future repairs and replacements. For the years ended February 28, 2002 and 2001, the Corporation earned interest income of \$2,918 and \$9,085, respectively, in connection with its investment portfolio.

Estimated maturities of marketable debt securities as of February 28, 2002 are as follows:

Due in one year	\$ 11,112
Due after one year through five years	14,067
Due after five through ten years	-
Due after ten years	9,603
	<u>\$ 34,782</u>

Gains and losses on the sale of securities are determined using the specific identification method.

SADORE LANE GARDENS, INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2002 AND 2001

NOTE 5 – RESERVE FUND RECEIVABLE

Pursuant to an amendment to the offering plan, the Corporation is to receive \$1,000,000 in specified installments from the Sponsor out of proceeds from the sale of shares. As of February 28, 2002, the Corporation has received a total of \$689,185, of which \$41,806 and \$28,671 were received during the years ended February 28, 2002 and 2001, respectively. The remaining balance of \$310,815 is due in installments based on future sales of shares by the Sponsor.

NOTE 6 – LAND, PROPERTY AND EQUIPMENT

The estimated useful lives of depreciable property and equipment for the purpose of computing depreciation for financial reporting purposes are as follows:

	<u>Years</u>
Buildings	27.5
Building improvements	5 - 39
Equipment	5
Vehicles	5

Land, property and equipment consists of the following:

	<u>2002</u>	<u>2001</u>
Land	\$ 1,568,638	\$ 1,568,638
Building	8,888,950	8,888,950
Building improvements	5,129,059	4,634,298
Equipment	22,297	21,502
Vehicles	<u>14,911</u>	<u>14,911</u>
Total land, property and equipment	15,623,855	15,128,299
Less: accumulated depreciation	<u>(7,458,911)</u>	<u>(6,950,100)</u>
Net fixed assets	<u>\$ 8,164,944</u>	<u>\$ 8,178,199</u>

Depreciation expense of \$508,811 and \$500,495 was recorded for the years ended February 28, 2002 and 2001, respectively.

NOTE 7 – MORTGAGE PAYABLE

The Corporation has a mortgage with a bank that bears interest at 7.94% per annum and requires monthly payments of principal and interest of \$86,456. The mortgage note is collateralized by the land and building owned by the Corporation which has a net book value of \$4,057,544. Pursuant to the mortgage note, a final balloon payment of approximately \$10,382,000 is due on January 1, 2006; however, the Corporation intends to seek refinancing prior to such date.

The Corporation incurred interest expense related to this mortgage obligation for the years ended February 28, 2002 and 2001 of \$887,686 and \$899,083, respectively.

SADORE LANE GARDENS, INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2002 AND 2001

NOTE 7 - MORTGAGE PAYABLE (CONTINUED)

Future maturities of the mortgage note are as follows:

<u>Years</u>	<u>Amount</u>
2003	\$ 162,121
2004	175,473
2005	189,924
2006	10,570,290
	<u>\$ 11,097,808</u>

NOTE 8 - LINE OF CREDIT

On December 16, 1999, the Corporation entered into a building loan agreement with a bank that allows the Corporation to borrow up to a maximum of \$2,500,000. The agreement expires January 1, 2006 and is secured by a second mortgage on the property. At February 28, 2002 and 2001, the outstanding balances were \$1,000,000 and \$750,000, respectively.

Interest is payable monthly at LIBOR plus 1.75 percent per annum (3.625% and 7.1875% at February 28, 2002 and 2001, respectively), on any outstanding balance. The Corporation incurred interest expense related to this line of credit for the years ended February 28, 2002 and 2001 of \$48,120 and \$33,560, respectively.

NOTE 9 - FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Corporation's governing documents do not require the accumulation of funds to finance estimated future major repairs and replacements. The Corporation has not conducted a study to determine the useful lives of the components of common property or estimates of the costs of major repairs and replacements that may be required in the future. In addition, the Corporation has not developed a plan to fund repair and replacement needs. As discussed in Note 4 - Marketable Securities, the Corporation has designated its investment portfolio as a reserve fund for future major repairs and replacements. However, should future major repairs and replacements requirements exceed the balances maintained in the investment portfolio, then the Corporation plans to either borrow, increase maintenance assessments, or delay repairs and replacements until funds are available. The effect on future assessments has not been determined.

SADORE LANE GARDENS, INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2002 AND 2001

NOTE 10 - COMMITMENTS

Agreement for Management Services

Effective January 1, 2001 the managing agent agreement with Prime Locations, Inc. ("Prime") was extended for five years. Pursuant to the agreement, Prime is responsible for processing all day-to-day bookkeeping transactions and contracting for goods and services (including labor) required in the normal operations of the properties, subject to Board approval in certain instances. The management agreement provides that Prime shall receive \$175,000 annually. Pursuant to the previous agreement, Prime was compensated at the rate of \$160,000 per annum for the year ended February 28, 2001.

Agreement for Parking Garage Services

Effective February 1, 2002, the Corporation exercised a five-year renewal of their current agreement with a managing agent to manage the garages and outside parking. The agreement provides that the Corporation shall retain \$281,460 annually. The prior agreement provided that the Corporation would retain \$251,460 annually, plus any excess remaining after the agent's contractual fee has been satisfied. For the years ended February 28, 2002 and 2001, parking income was \$281,460 and \$253,960, respectively.

Agreement for Maintenance of Laundry Facilities

Effective October 1, 1999 the Corporation exercised a ten year renewal of their current agreement with a maintenance contractor to assume operation and maintenance of the laundry machines. The agreement provides that the Corporation shall receive \$50,400 per year.

License Fee Agreement

In October 2000, the Corporation signed a license fee agreement with a company to provide 225 square feet of floor space upon the rooftop of a designated building. Under the agreement, the company was authorized to operate a rooftop antenna and associated equipment for telecommunications purposes. The agreement provides that the Corporation is to receive a monthly fee income of \$2,500 (increased annually by 4%). The agreement is for an initial term of five years and can be automatically renewed for two additional five-year terms.

Following are the projected license fees for each of the next 4 years:

<u>Years</u>	<u>Amount</u>
2003	\$ 31,616
2004	32,881
2005	34,916
2006	<u>23,397</u>
	<u>\$ 122,810</u>

**SADORE LANE GARDENS, INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2002 AND 2001**

NOTE 10 – COMMITMENTS (CONTINUED)

Agreement for Maintenance of Elevators

Effective November 1, 2001, the Corporation renewed its agreement with an elevator contractor to assume maintenance of the elevators for three years. Under this agreement, the elevator contractor is entitled to receive \$39,200 per year from the Corporation, subject to annual adjustments as defined in the agreement. Under the previous agreement, the elevator contractor was entitled to receive \$37,700 per year from the Corporation, subject to annual adjustments as defined in the agreement.

EXHIBIT "C"

PERCENTAGE INTEREST IN OTHER CO-OPS

BY HOLDERS OF UNSOLD SHARES

Individual's Name	Percentage Interest	Building Address	Dept. of Law File No.
PHILIP ROSEN	27.50%	2035 Central Park Ave. Yonkers, New York	C82-0022
	71.25%	480 Riverdale Ave. Yonkers, New York	C83-0205
MILDRED ROLLER	21.25%	480 Riverdale Ave. Yonkers, New York	C83-0205
MICHELLE ROSEN	15%	2035 Central Park Ave. Yonkers, New York	C82-0022
WENDY LANDIS	15%	2035 Central Park Ave. Yonkers, New York	C82-0022
PHYLLIS RASKIN	15%	2035 Central Park Ave. Yonkers, New York	C82-0022
RITA ROSEN	27.50%	2035 Central Park Ave. Yonkers, New York	C82-0022

SADORE LANE GARDENS, INC.

OPERATING BUDGET

MARCH 1, 2003-FEBRUARY 28, 2004

PREPARED BY: BOB LINDENBAUM
PRIME LOCATIONS, INC.
733 YONKERS AVENUE
YONKERS, NY 10704
January 18, 2003
DRAFT

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