
SECOND AMENDMENT

TO

OFFERING PLAN OF

COOPERATIVE CONVERSION OF

PREMISES KNOWN AS

121-123 East 88th Street
New York, New York

Dated: March 26, 1987

File No. C850134

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN ACCEPTED MARCH 19, 1986, ADDENDUM DATED MARCH 21, 1986 AND THE ONE PRIOR AMENDMENT THERETO, AND SHOULD BE READ IN CONJUNCTION WITH SAID PLAN, ADDENDUM AND PRIOR AMENDMENT.

121-123 East 88th Street
New York, New York

Apartment Corporation:
121-123 East 88th Street Apartments, Inc.

Sponsor:
Aval Company

Selling Agent:
B. J. Gottesman Company Inc.

SECOND AMENDMENT TO OFFERING PLAN
OF COOPERATIVE OWNERSHIP

This Amendment modifies and supplements the terms of the Offering Plan accepted March 19, 1986, addendum dated March 21, 1986 and the one prior amendment thereto and should be read in conjunction with said Plan, Addendum and prior amendment. The Plan, Addendum and prior amendment are hereinafter collectively called the "Plan".

The terms of this Second Amendment are as follows:

1. \$10,000 Relocation Allowance for Non-Purchasing Tenants

Sponsor will pay each non-purchasing Existing Tenant whose apartment has not yet been sold and who vacates his apartment and complies with the "Relocation Conditions" set forth below, a "Relocation Allowance" equal to \$10,000 to reimburse him for the cost and expenses in connection with his removal from the apartment.

All of the following "Relocation Conditions" must be met and satisfied in order to be entitled to the Relocation Allowance:

(i) By not later than thirty (30) days from the presentation date of this amendment (the "30-Day Period"), the non-purchasing Existing Tenant, provided his apartment has not been sold to another, (hereinafter referred as the "Eligible Tenant") must send to the Selling Agent at 9 West 57th Street, Room 2B, Lower Level, New York, New York 10019, by personal delivery or registered or certified mail, return receipt requested, the Tenancy Cancellation Agreement (in the form set forth as Exhibit A to this Amendment), properly completed, dated and signed by him. Assuming the condition in subparagraphs (ii) and (iii) below are satisfied, promptly after Selling Agent receives said Tenancy Cancellation Agreement, the Sponsor shall advance to the non-purchasing tenant a portion of the Relocation Allowance in the amount of \$1,000;

(ii) At the time the tenant submits the Tenancy Cancellation Agreement, his apartment is not the subject of an outstanding Subscription Agreement from either the tenant or a non-occupant Subscriber.

(iii) At the time the tenant submits the Tenancy Cancellation Agreement, there shall be no legal or administrative proceeding pending against the tenant arising under his lease or tenancy obligation and such tenant shall be in good standing and shall be in compliance with all obligations under his lease.

- "6. Right for Existing Tenants to Purchase Their Apartments at a New Reduced Purchase Price of \$155 Per Share During the 30 Day Period"
- "7. Rights of Existing Tenants to Purchase a Vacant Apartment in Substitution of Their Own Apartment"
- "8. \$270,000 Reserve Fund"
- "9. Expenditures from the Reserve Fund"
- "10. Approval of Resales and Subletting"
- "11. Reimbursement of Tenant's Association's Expense"
- "12. Sponsor's Limited Two Year Maintenance Guarantee To Existing Tenant-Purchasers"

3. \$245 Purchase Price to Existing Tenants

Each Existing Tenant will have the exclusive right to purchase his apartment at a reduced Purchase Price of \$245 per share for 30 days following the presentation of this Amendment. Thereafter each Existing Tenant will have the non-exclusive right to purchase his apartment at a Purchase Price of \$245 per share until further amendment to the Plan.

4. Asbestos

The time in which Sponsor must submit an amendment to the Plan containing an Asbestos Statement and Report (see discussion in Paragraph 20 of the First Amendment) has been extended from February 8, 1987 to May 8, 1987. In addition, an Appellate Division Court has upheld a lower court decision invalidating a portion of the asbestos regulations requiring sponsors to perform remedial work in the event AMC containing material are found in buildings undergoing cooperative conversion. The Department of Law has decided not to make a further appeal. Accordingly, if AMC is present in the Building, the Sponsor is not required under the Department of Law's asbestos regulations to perform any remedial work and it will be at the discretion of the Apartment Corporation, acting through its Board of Directors, to take any remedial action.

5. Incorporation of Plan

The Plan, as modified and supplemented hereby, is incorporated herein by reference with the same effect as if set forth at length.

6. Definitions

All terms used in this Second Amendment not otherwise defined herein shall have the same meanings ascribed to them in the Plan.

7. No Material Changes

Except as set forth in this Second Amendment, there have been no material changes in the Plan.

Dated: New York, New York
March 26, 1987

Apartment Corporation:
121-123 East 88th Street Apartments, Inc.

Sponsor:
Aval Company

the Apartment by the Effective Date, that Owner may commence a lawsuit against tenant seeking to enforce the terms of this Agreement and gain possession of the Apartment.

8. This Agreement shall be governed by and construed and enforced in accordance with the laws of New York State.

9. No provisions of the Agreement shall be deemed to have been abrogated or waived by reason of the failure to enforce same, irrespective of the number of violations or breaches which may occur.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the date written above.

TENANT:

OWNER:

AVAL COMPANY

By: _____

EXHIBIT A

TENANCY CANCELLATION
AGREEMENT

On this ____ day of _____, 1987, Aval Company, a New York partnership having offices at 205 East 85th Street, New York, New York 10028 (the "Owner") and _____ residing at _____ East 88th Street, New York, New York (the "Tenant") hereby agree as follows:

STATEMENT OF FACTS:

A. Owner is the owner of 121-123 East 88th Street, New York, New York (the "Building").

B. Tenant is the current tenant of record of apartment ____ (the "Apartment") in the portion of the Building known as ____ East 88th Street, pursuant to an apartment lease dated _____ (the "Apartment Lease"), under which Owner is Tenant's landlord.

C. Tenant is a "non-purchasing tenant" occupant of the Apartment, as said term is defined in Section 352-eeee of the General Business Law (the "GBL").

D. Pursuant to the GBL, in the event the Building is converted to cooperative ownership, Tenant will have the right to continue in occupancy of the Apartment so long as Tenant continues to pay the rent and otherwise complies with Tenant's lease and tenancy obligations and to continue to remain subject to the provisions of the Rent Stabilization Law or Rent Law (collectively "Rent Laws") as to renewal leases and rent increases, as long as same remains in effect, as more fully explained in the public offering plan and amendments thereto, which Tenant received in connection with the conversion of the Building to cooperative ownership.

WHEREAS, Owner desires the Tenant to cancel the Apartment Lease and to gain occupancy of the Apartment free and clear of any rights of occupancy or possession and Tenant desires to waive Tenant's right to purchase the Apartment under the Plan, vacate the Apartment, cancel the Apartment Lease and terminate Tenant's right to occupy the Apartment pursuant to the provisions of the GBL, Rent Laws and any other applicable law.

NOW, THEREFORE, in consideration of the sum of \$10,000 (the "Relocation Allowance") to be paid by Owner to Tenant and the mutual covenants and promises contained herein, the parties hereto, intending to be legally bound, agree as follows:

1. Tenant agrees to waive present and future rights to purchase the Apartment under the Plan and to the cancellation and termination of the Apartment Lease and to the termination of any rights Tenant may have to remain in possession or occupancy of the Apartment pursuant to the GBL, the Rent Laws and any other applicable law, which cancellation and termination shall be effective on June 1, 1987 (the "Effective Date"). Time shall be "of the essence" for Tenant and any other occupants to vacate the Apartment by the Effective Date.