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**SIXTH AMENDMENT**  
**TO**  
**OFFERING PLAN OF**  
**COOPERATIVE CONVERSION OF**

**PREMISES KNOWN AS**

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

**Dated: January 9, 1989**

**File No. C850134**

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**THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED JANUARY 2, 1986 AND THE FIVE PRIOR AMENDMENTS THERETO, AND SHOULD BE READ IN CONJUNCTION WITH SAID PLAN AND PRIOR AMENDMENTS.**

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

Holder of Unsold Shares:  
Aval Company

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

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SIXTH AMENDMENT TO OFFERING PLAN  
OF COOPERATIVE OWNERSHIP

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This Amendment modifies and supplements the terms of the Offering Plan dated January 2, 1986 and the five prior amendments thereto and should be read in conjunction with said Plan and prior amendments. The Plan and said prior amendments are hereinafter collectively called the "Plan".

The terms of this Sixth Amendment are as follows:

1. Repairs to Property

New windows were installed throughout the entire building. These windows were paid for from the Reserve Fund. Also a circuit breaker panel was installed.

2. Board of Directors

The current members of the Board of Directors are:

Michael P. Rieger and Jeffrey R. Grayzel, both elected by the tenant-shareholders; Ed Cohen, Kamran Hakim and Josephine Aiello, all elected by the Holder of Unsold Shares.

3. Certified Financials

Annexed to this Amendment as Exhibit A is a copy of the certified financials for the year ended 1987 prepared by Yohalen Gillman and Company.

4. List of Unsold Apartments

Set forth as Exhibit B annexed hereto is a list of Unsold Apartments. The current purchase price to all unsold apartments is \$325 per share.

5. **Certified Budget**

Annexed to this Amendment as Exhibit C is a copy of the 1989 Budget for the Property. Also attached thereto is a certification as to the adequacy of same.

6. **Effective Period for Using Plan is Extended**

The Plan may be used for twelve (12) months from the date this Amendment is duly accepted for filing and thereafter said period is to be extended by a further amendment to the Plan.

7. **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.

8. **Definitions**

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

9. **No Material Changes**

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

Dated: New York, New York  
January 9, 1989

Holder of Unsold Shares:  
Aval Company

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

(2266G)

EXHIBIT A  
LIST OF UNSOLD APARTMENTS

121 East 88th Street

<u>Apartment</u>	<u>Shares</u>
1A	250
3A*	250
5A	240
1B	310
2B	315
4B	305
1C	230
2C	330
3C	325
4C	320
5C*	315

123 East 88th Street

2A	300
3A	295
4A	290
2B	305
3B	300
5B	290
1C	315
3C	315
4C	310
<u>5C</u>	<u>305</u>
21	6215

\* Under Contract

(2266G)

Exhibit B

121-123 EAST 88TH STREET APARTMENTS, INC.

FINANCIAL REPORT

PERIOD JUNE 9, 1987 (DATE OF INCEPTION) TO DECEMBER 31, 1987

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121-123 EAST 88TH STREET APARTMENTS, INC.

BALANCE SHEET

DECEMBER 31, 1987

ASSETS

Property, at cost	
Land	\$ 277,937
Building and improvements	<u>726,255</u>
	1,004,192
Less accumulated depreciation	<u>197,438</u>
	<u>806,754</u>
Other assets	
Cash and cash equivalents	76,919
Maintenance receivable	861
Escrow deposits	23,916
Prepaid expenses	3,021
Security deposits	<u>3,450</u>
	<u>108,167</u>
	<u>\$ 914,921</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Mortgage note payable	<u>\$ 550,000</u>
Other liabilities	
Notes payable - sponsor	12,996
Accounts payable and accrued expenses	7,493
Deferred maintenance income	<u>2,685</u>
	<u>23,174</u>
Shareholders' equity	
Common stock, \$1 par value, 8,760 shares authorized, issued and outstanding	8,760
Capital contributed in excess of par	339,099
Retained (deficit)	<u>(6,112)</u>
Total shareholders' equity	<u>341,747</u>
	<u>\$ 914,921</u>

The accompanying notes are an integral part of the financial statements.

121-123 EAST 88TH STREET APARTMENTS, INC.

STATEMENT OF (LOSS) AND RETAINED (DEFICIT)

PERIOD JUNE 9, 1987 (DATE OF INCEPTION) TO DECEMBER 31, 1987

Revenues	
Maintenance income from tenant shareholders	<u>\$ 82,066</u>
Costs and expenses	
Fixed costs and other charges	49,242
Operating	12,986
General and administrative	<u>6,216</u>
	<u>68,444</u>
Income from operations, before depreciation	13,622
Depreciation	<u>21,719</u>
(Loss) from operations	(8,097)
Interest income	<u>1,985</u>
Net (loss)	(6,112)
Retained (deficit) - beginning of period	<u>-.-</u>
Retained (deficit) - end of period	<u><u>\$ (6,112)</u></u>

The accompanying notes are an integral part of the financial statements.



STATEMENT OF CASH FLOW

PERIOD JUNE 9, 1987 (DATE OF INCEPTION) TO DECEMBER 31, 1987

Increase (decrease) in cash	
Cash flows from operating activities	
Net (loss)	<u>\$ (6,112)</u>
Adjustments to reconcile net loss to net cash provided by operating activities	
Depreciation	21,719
Increase in maintenance receivable	(861)
Increase in escrow deposits	(23,916)
Increase in prepaid expenses	(3,021)
Increase in security deposits	(3,450)
Increase in accounts payable and accrued expenses	7,493
Increase in deferred maintenance income	<u>2,685</u>
	<u>649</u>
Net cash used by operating activities	<u>(5,463)</u>
Cash flows from financing activities	
Proceeds from note payable - sponsor	12,996
Contribution for reserve and working capital funds	<u>69,386</u>
Net cash provided by financing activities	<u>82,382</u>
Net increase in cash	76,919
Cash and cash equivalents - beginning of period	<u>-.-</u>
Cash and cash equivalents - end of period	<u>\$ 76,919</u>
<u>Supplemental Schedule of Noncash Investing and Financing Activities</u>	

The Company received net capital assets of \$828,473 in exchange for 8,760 shares of its capital stock (\$8,760), a mortgage note payable (\$550,000), and a contribution of capital in excess of par (\$269,713)

The accompanying notes are an integral part of the financial statements.

121-123 EAST 88TH STREET APARTMENTS, INC.

SUPPORTING SCHEDULES

PERIOD JUNE 9, 1987 (DATE OF INCEPTION) TO DECEMBER 31, 1987

Fixed costs and other charges	
Interest	\$ 28,471
Real estate taxes	15,817
Water and sewer	1,745
Insurance	3,209
Total	<u>\$ 49,242</u>
Operating expenses	
Fuel and utilities	\$ 5,373
Payroll and fringes	1,430
Supplies	214
Repairs and maintenance	5,969
Total	<u>\$ 12,986</u>
General and administrative expenses	
Professional fees	\$ 2,416
Management fees	1,750
State and local taxes	1,268
Miscellaneous	782
Total	<u>\$ 6,216</u>

The accompanying notes are an integral part of the financial statements.

Exhibit C

121-123 EAST 88TH STREET APARTMENTS

PROPOSED BUDGET

CALENDAR YEAR - 1989

Maintenance Income			
	8760 Shares @	\$16.68 Per Share	\$146117.00

Total Income			----- \$146117.00 =====
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Expenses:

Labor & Related Costs	\$4242.00
Gas	\$17534.00
Electric	\$2926.00
Water & Sewer	\$4250.00
Real Estate Taxes	\$32267.00
Repairs & Service Contracts	\$16500.00
Insurance	\$8200.00
Managment	\$3000.00
Legal & Audit	\$3000.00
Franchise Taxes	\$1400.00
Licenses & Permits	\$250.00
Mortgage Payments	\$49500.00
Contingency	\$3048.00
Total Expenses	----- \$146117.00 =====