
EIGHTH AMENDMENT

TO

OFFERING PLAN OF

COOPERATIVE CONVERSION OF

PREMISES KNOWN AS

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

Dated: August 29, 1990

File No. C850134

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

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

Holder of Unsold Shares:
Aval Company

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

EIGHTH AMENDMENT TO OFFERING PLAN
OF COOPERATIVE OWNERSHIP

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

The terms of this Eighth Amendment are as follows:

1. List of Unsold Apartments

A list of Unsold Apartments together with the share allocation of each is set forth as Exhibit A hereto. The current price for all Unsold Apartments is negotiable and subject to change in accordance with the terms of the Plan. The Unsold Apartments are owned by the Holder of Unsold Shares free and clear and are not pledged as collateral to secure any debt.

2. Monthly Maintenance Charges and Monthly Rental Receipts for Unsold Apartments

Set forth as Exhibit B hereto is a chart which lists the aggregate number of occupied Unsold Apartments, vacant Unsold Apartments and total Unsold Apartments, including, for each category, the number Unsold Shares, the monthly maintenance charges payable and approximately monthly rents receivable, all as of June 1, 1990.

3. Other Financial Obligations of the Holder of Unsold Shares Under the Plan

Except for the payment of maintenance charges on the Unsold Apartments, the Holder of Unsold Shares has no remaining financial obligations to the Apartment Corporation under the Plan.

4. Sources of Payment for Financial Obligations by Holder of Unsold Shares

The Holder of Unsold Shares is paying its financial obligations to the Apartment Corporation from a combination of rental receipts, reserves from the sale of Unsold Apartments and its other capital reserves. As of June 1, 1990, the Holder of Unsold Shares was current on all its financial obligations to the Apartment Corporation and has been current for the 12 months preceding the filing of this Amendment.

5. Status of Financial Obligations Under Offering Plans In Which the Holder of Unsold Shares' Principals Own More Than Ten Percent of the Shares or Units

Set forth as Exhibit C hereto is a list of other buildings subject to offering plans in which the Holder of Unsold Shares' respective principals are also principals in a sponsoring entity which owns more than 10% of the shares or units. Copies of the offering plans for these buildings are on file with the Department of Law and are available for public inspection. The respective sponsors of each of the other offerings listed on Exhibit C are current on their financial obligations to the cooperative, condominium or homeowners association, as the case may be.

6. Board of Directors

The current members of the Board of Directors are:

Diane Kelder and Jeffrey R. Grayzel, both elected by the tenant-shareholders; Ed Cohen, Kamran Hakim and Mirtha Aguirre, all elected by the Holder of Unsold Shares. The Holder of Unsold Shares will lose control of the Board of Directors on the earlier of (i) June 9, 1992 or (ii) the date the Holder of Unsold Shares owns less than fifty (50%) percent of the outstanding shares.

7. New Managing Agent

The new managing agent is Aval Trading Corp. located at 425 East 61st Street, New York, New York. Mr. Kamran Hakim, a principal of the Holder of Unsold Shares, is the owner of the new managing agent.

8. 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.

9. 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.

10. Definitions

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

11. No Material Changes

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

Dated: New York, New York
August 29, 1990

Holder of Unsold Shares:
Aval Company

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

(2337C)

EXHIBIT A

AVAL COMPANY
 Unsold Units - 121/123 E. 88th Street Apts., Inc. ,

	<u>Number of Shares</u>	<u>Monthly Maintenance</u>
<u>121 East 88th Street</u>		
1A	250	
1B	310	\$ 347.50
1C	230	430.90
2B	315	319.70
2C	330	437.85
3C	325	458.70
4B	305	451.75
4C	320	423.95
		444.80
<u>123 East 88th Street</u>		
1C	315	
2A	300	437.85
2B	305	417.00
3A	295	423.95
3B	300	410.05
3C V	315	417.00
4A	290	437.85
4C	310	403.10
5B V	290	430.90
5C	305	403.10
		<u>423.95</u>
		<u>\$7,519.90</u>

V - Vacant as of 6/90

(2337C)

EXHIBIT B

Unsold Apartments
Financial Obligation Chart
as of June 1, 1990

	<u>Occupied</u>	<u>Vacant</u>	<u>Total</u>
Unsold Apartments:	16	2	18
Unsold Shares:	4,805	605	5,410
Monthly Maintenance Charges Payable:	\$6,678.95	\$840.95	\$7,519.90
Approximated Rental Income Receivable:	\$5,461.50	0	\$5,461.50
Net Monthly Income (Loss):	(\$1,217.45)	(\$840.95)	(\$2,058.40)

(2337C)

EXHIBIT C

Other Offering Plans in Which the Holder of Unsold Shares'
Principals are Also Principals in a Sponsoring Entity
which Owns More Than 10% of the Units or Shares

Offering Plan of Cooperative or
Condominium Ownership of Premises

6485/6495 Broadway
Bronx, New York

531 East 88th Street
New York, New York

Holder of Unsold Shares' Principals

Edward Cohen

Kamran Hakim,

(2337C)

EXHIBIT D

121-123 EAST 88TH STREET APARTMENTS, INC.

FINANCIAL STATEMENTS

AND

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

DECEMBER 31, 1989 AND 1988

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YOHALEM GILLMAN & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

477 MADISON AVENUE, NEW YORK, NY 10022
(212) 371-2100

Report of Independent Certified Public Accountants

To the Shareholders
121-123 East 88th Street Apartments, Inc.

We have audited the accompanying balance sheets of 121-123 East 88th Street Apartments, Inc. as of December 31, 1989 and 1988, and the related statements of loss 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 121-123 East 88th Street Apartments, Inc. as of December 31, 1989 and 1988, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

Yohalem Gillman & Company

New York, New York
February 14, 1990

121-123 EAST 88TH STREET APARTMENTS, INC.

BALANCE SHEETS

DECEMBER 31, 1989 AND 1988

	<u>1989</u>	<u>1988</u>
<u>ASSETS</u>		
Property, at cost		
Land	\$277,937	\$277,937
Building and improvements	<u>618,206</u>	<u>609,866</u>
	896,143	887,803
Less accumulated depreciation	<u>96,330</u>	<u>58,690</u>
	<u>799,813</u>	<u>829,113</u>
Other assets		
Cash and cash equivalents	23,937	27,895
Maintenance receivable	7,505	-
Escrow deposits	18,937	13,360
Prepaid expenses	5,461	11,816
Security deposits and other assets	<u>3,529</u>	<u>3,529</u>
	<u>59,369</u>	<u>56,600</u>
	<u>\$859,182</u>	<u>\$885,713</u>
 <u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Mortgage note payable	<u>\$550,000</u>	<u>\$550,000</u>
Other liabilities		
Note payable and other obligations to sponsor	4,038	4,376
Accounts payable and accrued expenses	<u>5,951</u>	<u>7,968</u>
	<u>9,989</u>	<u>12,344</u>
Shareholders' equity		
Common stock, \$1 par value; 8,760 shares authorized, issued and outstanding	8,760	8,760
Additional paid-in capital	344,670	344,670
Accumulated deficit	<u>(54,237)</u>	<u>(30,061)</u>
Total shareholders' equity	<u>299,193</u>	<u>323,369</u>
	<u>\$859,182</u>	<u>\$885,713</u>

The accompanying notes are an integral part of these statements.

121-123 EAST 88TH STREET APARTMENTS, INC.
STATEMENTS OF LOSS AND ACCUMULATED DEFICIT
YEARS ENDED DECEMBER 31, 1989 AND 1988

	<u>1989</u>	<u>1988</u>
Revenue		
Maintenance income from tenant shareholders	<u>\$146,116</u>	<u>\$145,985</u>
Costs and expenses		
Fixed costs and other charges	88,826	91,135
Operating	37,029	29,317
General and administrative	<u>11,637</u>	<u>13,680</u>
	<u>137,492</u>	<u>134,132</u>
Income before depreciation	8,624	11,853
Depreciation	<u>37,640</u>	<u>36,971</u>
Loss from operations before other income	(29,016)	(25,118)
Other income	4,840	--
Interest income	<u>--</u>	<u>1,169</u>
Net loss	(24,176)	(23,949)
Accumulated deficit - beginning balance	<u>(30,061)</u>	<u>(6,112)</u>
Accumulated deficit - ending balance	<u>\$(54,237)</u>	<u>\$(30,061)</u>

The accompanying notes are an integral part of these statements.

121-123 EAST 88TH STREET APARTMENTS, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 1989 AND 1988

	<u>1989</u>	<u>1988</u>
Cash flows from operating activities		
Net loss	\$(24,176)	\$(23,949)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation	37,640	36,971
(Increase) decrease in maintenance receivable	(7,505)	861
(Increase) decrease in escrow deposits	(5,577)	10,556
Decrease (increase) in prepaid expenses	6,355	(8,954)
Decrease in security deposits	--	80
(Decrease) increase in accounts payable and accrued expenses	(2,017)	475
(Decrease) increase in due to sponsor	(338)	4,376
Decrease in deferred maintenance income	--	(2,685)
Net cash provided by operating activities	<u>4,382</u>	<u>17,731</u>
Cash flows from investing activities		
Additions to property	<u>(8,340)</u>	<u>(59,330)</u>
Cash flows from financing activities		
Repayment of note payable to sponsor	--	(12,996)
Contributions to reserve and working capital funds	<u>--</u>	<u>5,571</u>
Net cash used in financing activities	<u>--</u>	<u>(7,425)</u>
Decrease in cash and cash equivalents	(3,958)	(49,024)
Cash and cash equivalents - beginning of year	<u>27,895</u>	<u>76,919</u>
Cash and cash equivalents - end of year	<u>\$ 23,937</u>	<u>\$ 27,895</u>
 <u>Supplemental Disclosure of Cash Flow Information</u>		
Cash paid during the year for		
Interest	\$ 49,500	\$ 49,500
Income taxes	2,112	1,423

The accompanying notes are an integral part of these statements.

121-123 EAST 88TH STREET APARTMENTS, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1989

Note 1 - Summary of Significant Accounting Policies

(a) Property and Depreciation

Property is recorded and carried at cost less an appropriate allowance for depreciation. Property transferred to the Corporation was recorded at the transferor adjusted basis in accordance with Section 351 of the Internal Revenue Code. Expenditures for betterments and renewals are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred. Upon retirement or disposition of depreciable property, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is recognized in income. Depreciation is computed by the straight-line method over the useful life of the property.

(b) Income Taxes

The Corporation is subject to federal income tax on income derived from non-tenant shareholder sources under IRC section 277.

The Internal Revenue Service permits net operating losses, which have not been applied, to be carried forward to future years for the purpose of reducing taxes on those years. The Corporation has net operating loss carryforwards of approximately \$47,000 which expire through the year 2004.

(c) Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

(d) Transfer fees

The Corporation receives an \$8 per share special transfer fee for each apartment resold and such amounts are treated as additional paid-in capital.

Note 2 - Escrow Deposits

Under the terms of the mortgage, the Corporation is required to deposit each month with the mortgagee an amount equal to 1/12th of the annual real estate taxes and water and sewer charges. The Corporation is currently depositing \$3,242 monthly.

121-123 EAST 88TH STREET APARTMENTS, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1989

Note 3 - Mortgage Note Payable

The mortgage note of \$550,000 is payable to the sponsor and provides for monthly payments, interest only, at the rate of nine percent (9%) per annum through June 30, 1992. Commencing July 1, 1992, the annual interest rate shall increase to the greater of nine percent (9%) or two and one-half (2-1/2%) percentage points above the then Federal Home Loan Bank five-year advance rate. The entire unpaid principal is due on June 9, 1997, the date of maturity.

Note 4 - Related Party Transactions

For the periods ended December 31, 1989 and 1988, the sponsor had been retained by the Corporation to manage the building and received fees totalling \$3,000 each year. General and administrative costs include \$49,500 and \$49,632 during 1989 and 1988, respectively, for interest paid to the sponsor.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON SUPPLEMENTAL INFORMATION

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole of 121-123 East 88th Street Apartments, Inc. for the years ended December 31, 1989 and 1988 which are presented in the preceding section of this report. The supplemental information presented hereinafter is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Yohalem Gillman & Company

New York, New York
February 14, 1990

121-123 EAST 88TH STREET APARTMENTS, INC.

SUPPORTING SCHEDULES

YEARS ENDED DECEMBER 31, 1989 AND 1988

	<u>1989</u>	<u>1988</u>
Fixed costs and other charges		
Interest		
Real estate taxes	\$ 49,500	\$ 49,632
Water and sewer	30,972	29,148
Insurance	4,521	3,514
	<u>3,833</u>	<u>8,841</u>
Total	<u>\$ 88,826</u>	<u>\$ 91,135</u>
Operating expenses		
Fuel and utilities		
Payroll and fringes	\$ 19,254	\$ 13,407
Supplies	3,765	2,375
Repairs and maintenance	1,327	2,132
	<u>12,683</u>	<u>11,403</u>
Total	<u>\$ 37,029</u>	<u>\$ 29,317</u>
General and administrative expenses		
Professional fees		
Management fees	\$ 7,144	\$ 8,177
State and local taxes	3,000	3,000
Miscellaneous	495	1,519
	<u>998</u>	<u>984</u>
Total	<u>\$ 11,637</u>	<u>\$ 13,680</u>

SNOW BECKER KRAUSS P.C.

ATTORNEYS AT LAW

605 THIRD AVENUE

NEW YORK, N.Y. 10158

(212) 687-3860

October 16, 1990

Mr. Edward Cohen
Aval Company
344 Main Street
Mount Kisco, New York 10549

Re: 6485 and 6495 Broadway
Seventh Amendment

Dear Ed:

Enclose herewith is a copy of the seventh amendment to the offering plan for the above-captioned property which has been accepted for filing by the Department of Law. Please make sure that each tenant, tenant-shareholder and prospective purchaser receives a copy of same.

Sincerely,


Cindy Birnbaum

CSB/lmm
Encl.