



ALTERATION AGREEMENT

This Agreement, made as of this ____ day of _____, ____ between 159 Madison Owners Corp. (the "Corporation") with an address at **c/o Century Management Services, Inc. 7 Penn Plaza, Suite 1400, New York, NY 10001** and _____ (the "Shareholder") having an address at _____.

WITNESSETH:

WHEREAS, Shareholder hereby requests permission to make/install the equipment and/or make the alterations in Apartment # ____ (the "Apartment") at 159 Madison Avenue, New York, NY 10016 (the "Building") as described in the accompanying plans and specifications and including all reconstruction, installation and rubbish and rubble removal (the "Work");

WHEREAS, Shareholder wishes to obtain the Corporation's consent to perform the Work, as required under Article ____ Paragraph ____ of the proprietary lease between Shareholder and the Corporation (the "Lease");

NOW, THEREFORE, in consideration of the covenants contained herein and other good and valuable consideration the receipt and legal sufficiency of which are hereby acknowledged, the parties agree as follows:

I) CORPORATION'S CONSENT

A) Compliance with Lease Terms and Corporation Policy. At all times, Shareholder shall comply with the terms of the Lease and the obligations and policies of the Corporation, including but not limited to, applicable House Rules.

B) Shareholder's Submissions Prior to Consent.

i) Plans. Prior to the Corporation's consent, Shareholder shall provide the Corporation with an overall project summary identifying the proposed scope of the Work accompanied by detailed plans, specifications and drawings of the Work, including a room-by-room list of all alterations to be undertaken, and if required by the extent of work to be undertaken or by the Corporation, detailed plans and specifications (the "Plans") prepared, signed and sealed by an architect or engineer licensed in the State of New York, which shall not be modified by Shareholder after they are approved by the Corporation and their Designated Engineer or Architect (the "Corporation's Designated Engineer or Architect") without the subsequent approval of the Corporation.

(a) Should the scope of work so require, Shareholder shall provide the Corporation with a statement from an electrical engineer or architect certifying that the electrical loads required as a result of the Work will not be in excess of the present electrical capacity of the Apartment.

- ii) Security Deposit. Upon submission of this of this Agreement, Shareholder shall submit to the Corporation a check in the amount of \$1,000.00, payable to the Corporation as security for the faithful performance and observation by Shareholder of the terms and conditions of this Agreement (the "Security Deposit"). Shareholder's liability hereunder shall not, however, be limited to the amount of the Security Deposit. If at any time the Security Deposit is diminished by one-half of this original amount, Shareholder shall replenish the Security Deposit to the full amount within three (3) days after written demand. Shareholder's failure to so replenish the Security Deposit shall be a material breach of this Agreement and shall entitle the Corporation to cease reviewing the Plans if such breach occurs prior to approval, or to stop the Work if such breach occurs after approval, and/or exercise any remedies it has hereunder or at law or in equity. If Shareholder complies with all of the terms and conditions of this Agreement, the Security Deposit or the remaining balance thereof, if any, shall be returned to Shareholder. The Corporation shall not be required to hold the Security Deposit in an interest bearing account.
 - iii) Processing Fee. Upon submission of this Agreement, Shareholder shall submit a check in the amount of \$450.00 as a processing fee, payable to Century Management Services, the Corporation's managing agent of the building as a processing fee in connection with this request and the Work, if applicable, along with a nonrefundable fee of \$450.00 made payable to 159 Madison Owners Corp. for the inspection of work by the building superintendent.
 - iv) Project Schedule. Prior to consent by the Corporation, Shareholder shall submit to the Corporation a proposed project schedule in sufficient detail to separately identify the major portions of the Work, their duration and their completion dates.
 - v) Names of Proposed Contractors. The Corporation shall have the right to approve Contractors to be used in performance of the work. Shareholder shall replace any contractor with whom the Corporations has reasonable objection to.
- C) Corporation's Review of Work as Proposed. The Corporation shall either approve or deny Shareholder's request to perform the Work, and may approve or require the proposed project schedule to be modified, including the duration of the Work. Based on the extent of the proposed scope of work, the Corporation may seek legal, engineering or architectural advice as part of the review process. Shareholder shall reimburse the Corporation, on demand, for any fees (including attorney's fees) incurred, including, but not limited to, any fee arising from review of the Plans for the Work by the Corporation's Designated Engineer or Architect.
- D) Work is of Shareholder's Sole Design. Shareholder recognizes that by granting consent to the Work, the Corporation does not express any opinion as to the design, feasibility or efficiency of the Work.
- E) Indemnification by Shareholder. Shareholder hereby indemnifies and holds harmless the Corporation, the Corporation's Designated Engineer or Architect, employees, agents, including without limitation the Managing Agent, and other shareholders and residents of the Building against any damages suffered to persons or property, whether or not caused by negligence, as a result of the Work. Shareholder shall reimburse the Corporation, the Corporation's Designated Engineer or Architect, employees, agents, including without

limitation the Managing Agent, and other shareholders and residents of the Building for any losses, costs, fines, fees and expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred as a result of the Work and/or Shareholder's or any contractor's, subcontractor(s) or consultant's failure to conform with this Agreement or any law or ordinance and which may be incurred by the Corporation in the defense of any suit, action, claim or violation in connection with the Work or the abatement thereof.

- F) All Costs Associated with Work Done at Shareholder's Expense. Shareholder accepts sole responsibility for the Work and for all costs in connection with the Work. If the Corporation obtains legal, engineering or architectural advice subsequent to granting permission for the Work, Shareholder agrees to reimburse the Corporation, on demand, for any fees (including attorney's fees) incurred. Shareholder understands and agrees that all costs of labor, equipment and materials incurred by the Corporation, shall be paid by Shareholder as additional rent under the Lease.
- G) Shareholder's Responsibility for Consequences of Work. Shareholder and any successors-in-interest assume(s) all risks of damage to the Building and its mechanical or electrical systems, and to persons and property in the Building which may result from, or be attributable to, the performance or existence of the Work and the maintenance and repair of any alterations and installations in the Apartment after completion. This responsibility covers all aspects of the Work, whether or not structural, including without limitation, weather-tightness of windows, exterior walls or roofs, waterproofing of every part of the Building directly or indirectly affected by the Work, and maintenance of all heating, plumbing, air-conditioning and other equipment installed or altered pursuant hereto. If the operation of the Building, or any of its equipment, is adversely affected by the Work, Shareholder, when so advised, shall promptly remove or correct the cause of the problem as determined by the Corporation. Shareholder agrees that any air conditioning units, terrace plantings and/or structures installed by Shareholder, wherever located in the Building, may be removed, stored and reinstalled by the Corporation for the purpose of repairs, upkeep or maintenance of the Building, at the sole expense of Shareholder. If Shareholder does not promptly remove or correct the problem, the Corporation may have the problem corrected and Shareholder shall be liable for all costs and expenses incurred in connection therewith.

II) PRECONSTRUCTION REQUIREMENTS

A) Shareholder Submissions Prior to Commencing Work.

- i) Shareholder Agreements with Contractors. Prior to beginning the Work, Shareholder shall provide the Corporation with complete and conformed copies of every agreement made with contractors, subcontractors and suppliers.
- ii) Permits. After the Corporation's approval of the proposed work and if required by laws, rules, orders or governmental regulations or the Corporation's Designated Engineer or Architect, Shareholder shall file plans, forms or applications (including without limitation any asbestos-related forms filed in support of any applications) with, and procure the approval, permits, licenses and consents of, all governmental agencies having jurisdiction over the Work including, but not limited to, the New York City Department of Buildings, the Board of Fire Underwriters and the Landmarks Preservation Commission, and, not more than ten (10) business days after receipt of such approvals and prior to the commencement of work, Shareholder shall deliver to the Corporation a copy of every permit or certificate issued. The determination of the Corporation's Designated Engineer or Architect as to the need for any such approval shall be conclusive. Should the Work require welding or burning, permission to commence Work shall be contingent upon the submission to the Corporation of the appropriate permits issued by the Fire Department of the City of New York and the certification issued by same of the individual to perform that portion of the Work. Specific notice shall be given to the Corporation twenty-four (24) hours in advance of the performance of such work.
- iii) Lead-Based Paint Acknowledgments. No more than sixty (60) days prior to beginning renovation activities in the Apartment, Shareholder shall obtain from Shareholder's contractor the Environmental Protection Agency (the "EPA") pamphlet entitled Protecting Your Family from Lead in the Home (the "Pamphlet"). If the Apartment is occupied by persons other than Shareholder, Shareholder shall provide an adult occupant with the Pamphlet. Shareholder shall deliver to the Corporation and the Managing Agent a written acknowledgment of receipt of the Pamphlet and, if applicable, an adult occupant's written acknowledgment of receipt of the Pamphlet or a certificate of mailing evidencing same. Shareholder shall deliver copies of such acknowledgments of receipt to both the Corporation and the Managing Agent at least five (5) days prior to the scheduled commencement of the Work. Shareholder acknowledges that the Corporation has no liability or obligation in connection with this notification requirement of the EPA. If the Corporation and/or the Managing Agent is not in receipt of any acknowledgment required under this paragraph five (5) days before the scheduled commencement of the Work, the Corporation may refuse to allow the Work to commence until any such acknowledgment is received. In the event that the Corporation determines that the Work will extend beyond the Apartment into the hallway or any other common area, the Managing Agent shall supply notice of such Work to the other shareholders and residents of the Building as required by law, at the expense of Shareholder.

- C) Shareholder's Contractor to Cooperate with Corporation and Building Labor. All of Shareholder's contractors and subcontractors shall employ only such laborers as shall not conflict with any of the trade unions employed in the Building or otherwise cause disharmony with any Building service union. All contractors shall acknowledge this Agreement and shall agree to, and shall cause all subcontractors to abide by, all of the rules and regulations of the Corporation. Shareholder and any contractor or subcontractor shall abide by all building work rules which are hereby made a part of this document.
- D) Deliveries. All deliveries shall be made through the _____ entrance. No deliveries shall be made before 9:00am or after 4:00pm or on Saturdays, Sunday or Holidays. Deliveries shall only be made using the service elevator in the South Building and the elevator designated by the building superintendent for freight in the North Building. A fine of \$50 for the first offense and doubling for each successive offense shall be imposed on any contractor failing to adhere to this requirement. Such fine shall be deducted from the shareholders security deposit.
- E) Use of Public and Common Areas During Work. Shareholder will not allow the lobby, halls, sidewalks, courtyards and other public and common areas to be used for the storage of building materials, tools or debris. Shareholder agrees that at intervals appropriate to the nature of work being performed and at any time when deliveries are being made or debris being removed, the floor of the halls to be used in connection with the Work (except for the basement and lobby) will be covered with masonite boards at the beginning of each work day that demolition work is taking place and will be covered each day there after with construction paper at the beginning of each work day and that the construction paper will be removed at the end of each work day. Shareholder will take or cause their contractors to take all precautions necessary to prevent damage to the carpeting and wallpaper in the Building's hallways, elevators (including the doors and appurtenances) and to other common areas during the progress of the Work. If the Work mars or damages the lobby, halls, stairs, elevators or other public or common areas the Shareholder shall promptly perform any repair required. If Shareholder shall fail to promptly perform any repair required by the Corporation, the Corporation may repair them at Shareholder's expense. Shareholder shall promptly pay all reasonable bills incurred by the Corporation for such repairs.
- F) Work Hours and Noise. The Work shall be performed only between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday; provided, however, that work which will produce unusual noise which may disturb other residents shall not be performed before 9:00 a.m. nor after 4:00 p.m., Monday through Friday. The Work shall not be performed on Saturdays, Sundays and holidays. The Corporation shall be the sole arbiter should there be any doubt as to unusual noise or noise levels which may be disturbing.
- G) Supervision of the Work by the Contractor. Shareholder shall require the contractor to have one (1) designated foreman who speaks English fluently and with whom the Superintendent or Managing Agent of the Building can discuss any work problem must be present in the apartment at all times during performance of the Work. Shareholder shall provide the Superintendent of the Building with a beeper number or cell phone for the general contractor so that the superintendent may reach the general contractor in the event of an emergency or in any situation that the superintendent deems urgent.
- H) Shareholder to Maintain Certain Safety Precautions. Shareholder shall cause functioning fire extinguishers and smoke alarms to be maintained in the Apartment during the Work.

Shareholder agrees that the Work shall not block access to any fire exits in the Building. Work shall not compromise any federal, state or local law or ordinance. In addition, such other safety measures as may be required by governing authorities, such as OSHA shall be maintained.

- I) Quality and Type of Work. The Work and all materials used in connection therewith shall be of the quality and style in keeping with the general character of the Building.
- J) Accessibility. Shareholder agrees that all water, steam, and gas valves will be reasonably accessible. No portion of the Work shall conceal such valves, without reasonable provisions for access required by ordinary maintenance or as may otherwise be required by the Corporation's Designated Engineer or Architect, or by the Building's Superintendent.
- K) Required Construction Methods. Notwithstanding the requirements of the building code and other authorities having jurisdiction, The following shall be required:
 - i) All electrical work shall be performed by licensed electricians and in accordance with the N.Y.C. Building Code and regulations.
 - ii) All plumbing work shall be performed by licensed plumbers and in accordance with the N.Y.C. Building Code and regulations.
 - iii) Shut-off valves shall be installed for all fixtures and appliances.
 - iv) All existing construction adjacent to public areas or other apartments affected by the proposed work is to be patched back to its original condition using suitable materials in order to maintain existing fire ratings and separations
- L) Prohibited Construction Methods. Shareholder recognizes and agrees that:
 - i) Alterations to the Building's heating system, ventilation system or air-conditioning system are not permitted.
 - ii) No work or worker will interfere, or permit interference, with the Building's intercom system, gas, electric, plumbing or any other service except as permitted under Section (III.N)
 - iii) That exterior masonry walls or roofs shall not be penetrated.
 - iv) Removal, modification or channeling of concrete floors, ceilings or other structural elements of the building is not permitted.
 - v) Jackhammering or the use of pneumatic tools are not permitted.
- M) Shareholder to Control Refuse, Dirt, Dust, Lead Based Paint, etc.
 - i) All precautions will be taken by Shareholder to prevent dirt and dust from permeating other parts of the Building during the progress of the Work. Shareholder shall require the Contractor to use tape, polyethylene or other materials suitable to protect the building ventilation system, building corridors, adjacent apartments, or other areas which may be adversely affected by the migration of construction dust. Shareholder shall require their contractor to clean immediately any areas outside of the work area which may have become contaminated by dust or debris. Failure to do so may result in a fine levied against the security deposit in an amount not less than _____.
 - ii) Materials and rubbish will be placed in barrels or bags before being taken out of the Apartment. All such barrels or bags, rubbish, rubble, discarded equipment, empty packing cartons and other materials will be taken out of the Building and removed from the Apartment at intervals appropriate to the progress of work, and

- iv) Insurance. Shareholder shall procure from Shareholder's contractor or contractors the certificates of insurance for the insurance policies described on "Exhibit A" attached hereto, which policies shall name the Corporation, the Corporation's officers, directors, shareholders and Designated Engineer or Architect, the Managing Agent and Shareholder as parties insured. Such policies shall provide that they may not be terminated until at least ten (10) days after written notice to the Corporation. All such policies or certificates evidencing the issuance of the same shall be (i) with companies that are reasonably acceptable to the Corporation, and (ii) delivered to the Corporation before the Work commences.
- v) Notice of Actual Commencement of Work. Prior to commencing the Work, Shareholder shall give at least five (5) days' written notice to the Corporation, the superintendent of the Building and the Managing Agent of the date the Work shall commence. If actual start date varies substantially from the schedule submitted under Section (I.B.iv.), Shareholder shall submit a revised schedule for review and approval by the corporation. Shareholder shall also notify neighbors above, below and on either side of the Apartment of the nature and duration of the Work planned.
- vi) Contractor Information. The contractor will be required to provide the name and phone number of the designated representative that will be supervising the project.

III) PERFORMANCE OF THE WORK

- A) Work Done at Shareholder's Risk. Any damage to the Apartment or other areas of the Building, including, but not limited to the common structure, infrastructure, mechanical systems, equipment, elevators, doors and finishes of the Building, caused by or resulting from the Work, shall be covered by the insurance coverage required of Shareholder, or Shareholder's contractor(s) or subcontractor(s), as the case may be. However, the existence of such insurance shall not relieve Shareholder of liability therefor. Shareholder shall be responsible for such damage whether or not such damage is covered by insurance and irrespective of whether or when payment for such damage is made by Shareholder's or any other insurance company. If the Managing Agent advises Shareholder of any damage, which in the Managing Agent's opinion, was caused by the Work, Shareholder shall promptly submit such claim to Shareholder's insurance carrier and to Shareholder's contractor(s) or subcontractor(s) for submission to their insurance carriers, as appropriate. Shareholder agrees to use all reasonable efforts, and to cause the contractor(s) and subcontractor(s) likewise to use all reasonable efforts, to cause any insurance carrier insuring Shareholder or Shareholder's contractors or subcontractors to expeditiously review and settle damage claims for which they are responsible. Shareholder shall be responsible for document and bring to the attention of the Managing Agent and Superintendent, any preexisting damage which may be misconstrued as been caused by their contractor.
- B) Shareholder to Comply with Laws, etc. Shareholder shall not do or permit any act or thing to be done contrary to law, or which will invalidate or be in conflict with any provision of any liability, multi-peril casualty or other insurance policies carried by Shareholder or for Shareholder's benefit. Shareholder shall comply with all federal, state and local laws, rules and regulations pertaining to asbestos and other hazardous material, as the same have been or may be promulgated, supplemented or amended from time to time prior to and during the Work.

at Shareholder's expense. Accumulation of rubbish and debris in the apartment shall not be permitted. Shareholder recognizes that only the service elevator may be used for such removal and only at such times as the superintendent of the Building may direct. Shareholder shall not permit any dumpster or garbage container to be left overnight in front of the Building and shall not permit any dumpster or garbage container to be left for more than five (5) consecutive days at an area designated by the superintendent or Managing Agent. Notwithstanding the foregoing, the placement of any dumpsters must comply with all governmental regulations, including without limitation, obtaining any necessary permits.

- iii) The Federal Task Force on Lead-Based Paint Hazard Reduction has recommended certain maintenance practices, including:
 - (a) limiting access to the work area to only workers,
 - (b) isolating the work area with polyethylene plastic or equivalent,
 - (c) protecting the workers,
 - (d) protecting Shareholder's belongings by covering or removing them from the work area,
 - (e) wetting the painted surfaces before disturbing the paint and
 - (f) wetting the debris before sweeping.
- iv) The Task Force has indicated that certain removal practices are unsafe, including:
 - (a) open flame burning,
 - (b) power sanding or sandblasting (unless a special vacuum attachment is used to contain dust), and
 - (c) dry scraping more than a de minimis surface area (de minimis means an area of less than one square foot per room).
- v) Shareholder shall cause Shareholder's contractors and/or workers to perform their work consistently with the recommendations of the Task Force and shall upon completion of the Work perform specialized cleaning of the Work area using methods designed to safely remove dust and debris which may contain lead.

N) Interruptions of Building Utilities. Shut downs of building utilities required for the relocation or tie in of the work shall only be permitted by specific authorization from the Building's Superintendent. Shareholder shall submit a request for a shutdown no less than Seven (7) days prior to the requested day. The Building Superintendent may at his sole discretion assign the day on which the work must be performed. Shutdowns can only occur after 10:00 a.m. and must be completed by 3:00 p.m. Penalties for work not completed in this time frame shall be assessed at \$1,000 per hour or portion thereof.

O) Corporation's Continued Approval of the Work. The Corporation may require access at any time during the performance of the work without notice. Execution of this document on behalf of the shareholder shall constitute permission for the Corporation or their agent to enter the apartment at any time during the workday. Shareholder shall provide access to the Apartment, from time to time, to permit the Corporation's Designated Engineer or Architect, the Managing Agent, the superintendent of the Building, or any other person the Corporation may authorize, to observe and inspect the Work to ensure that the Work conforms to the approved Plans and is otherwise in conformity with the requirements of this Agreement. Shareholder shall make all corrections specified by the Corporation as a result of such inspections, necessary to bring the Work into conformity with the Plans. The Corporation's failure to inspect shall not be considered a waiver of Shareholder's obligation to comply with

this Agreement and the approved Plans. Shareholder shall promptly correct all parts of the Work (whether or not such work is fabricated, installed or completed) rejected by the Corporation because of its failure to conform to the Plans and specifications previously approved by the Corporation or with the requirements of this Agreement or the laws, rules, orders or regulations of any governmental authority having jurisdiction over the Building or which violates any policy of insurance maintained by the Corporation. Shareholder shall bear all costs of correcting such rejected parts of the Work, including the compensation for additional services to the Corporation of any architect or engineer made necessary thereby. Failure to immediately correct any nonconforming work shall cause the Corporation to stop further progress of the work until such time that the nonconforming work is corrected.

- P) Completion Date and Liquidated Damages for Delay. All permitted work shall be completed within 120 days from approved commencement of work. This work shall start on _____. Shareholder shall use Shareholder's best efforts to ensure that the Work is completed expeditiously, but in any event all Work shall be in accordance with the approved construction schedule submitted under Section (I.B.iv.), or such other period as the Corporation, in writing, designates (the "Completion Date"). No Work other than decorative work, such as painting, wallpapering or carpeting, may be continued beyond the Completion Date without the Corporation's specific written consent. If the Work shall not have been completed by the Completion Date, Shareholder shall pay the sum of \$100 per day for each calendar day that the Work remains incomplete, and the Corporation shall be entitled to apply the Security Deposit to such sum payable and Shareholder shall pay any deficiency after the Security Deposit has been depleted. These amounts are acknowledged to be liquidated damages, and not a penalty, to compensate the Corporation and the Corporation's shareholders for the costs and inconvenience of the continuation of the Work, it being understood that the damages caused by continuation of the Work would be difficult to determine. The determination of whether the Work is completed shall be made by the Corporation, and the Corporation's determination shall be conclusive. Shareholder agrees that any consent by the Corporation to perform Work after the Completion Date may be revoked by the Corporation immediately if Shareholder fails to comply with any requirement of this Agreement or extension of the Completion Date.

IV) POST-CONSTRUCTION

- A) Full Payment of Work by Shareholder. The entire cost of the Work, including the cost of the Plans and the procurement of all required approvals, licenses, permits and certificates shall be paid in full by Shareholder within thirty (30) days after the completion of the Work.
- i) Shareholder shall submit within thirty (30) days after the completion of the work, a full and final release of lien from the contractor in the standard form of Exhibit E attached hereto.
 - ii) If, for any reason whatsoever, one or more mechanic's liens are filed for work done or material furnished in connection with the Work, Shareholder shall cause such mechanic's lien(s) to be discharged. If Shareholder fails to discharge or bond-over said mechanic's lien(s) within ten (10) days after the filing thereof, the Corporation may pay or, in its sole discretion, bond said liens and recover the amount of any such payment and all costs (including, without limitation, attorneys fees and disbursements and bond premiums and charges) from Shareholder on demand, together with interest on the amount calculated at the highest rate permitted by law.

- B) Required Certifications. At the completion of the Work, Shareholder will deliver to the Corporation an amended Certificate of Occupancy and a Certificate of the Board of Fire Underwriters, if either be required, and such other proof as may be necessary to indicate that all Work has been done in accordance with all applicable laws, ordinances and government regulations, together with a statement from the architect or engineer who signed Shareholder's Plans that the Work has been executed in accordance with those Plans. If an amended Certificate of Occupancy or Certificate of the Board of Fire Underwriters is not required, the statement by Shareholder's engineer or architect shall include a statement to that effect. The determination of the Corporation's Designated Engineer or Architect as to the need for an amended Certificate of Occupancy shall be conclusive.
- C) Acceptance of Responsibility by Shareholder and Shareholder's Successors-in-Interest.
- i) Shareholder releases the Corporation, the Managing Agent, the Corporation's agents and employees from any liability for damage to the portions of the Apartment affected by the Work which may occur in the performance of building maintenance repairs. Notwithstanding anything to the contrary contained in the Lease, Shareholder accepts sole responsibility for the Work and costs in connection with the maintenance, repair, restoration or replacement of any portions of the Apartment affected by the Work, and acknowledges that such responsibility shall pass to Shareholder's successors-in-interest in the Apartment.
 - ii) Shareholder and Shareholder's successors-in-interest shall:
 - (a) advise each subsequent purchaser of Shareholder's interest in the Corporation's shares appurtenant to the Apartment (the "Purchaser") of the Work undertaken by Shareholder and of the Purchaser's obligations under this Agreement;
 - (b) provide copies of the Plans and this Agreement to the Purchaser;
 - (c) waive any claim or cause of action against the Corporation, the Board of Directors or the Managing Agent, for advising a potential purchaser or Purchaser of the obligations of the owner of the Apartment under this Agreement; and
 - (d) have the Assumption of Alteration Agreement, in substantially the same form annexed as "Exhibit B," executed by any successors-in-interest.
- V) Use of Shareholder's Security Deposit. The Corporation's application of the Security Deposit shall be without prejudice and in addition to all other remedies the Corporation may have. In the event that Shareholder or persons engaged by Shareholder to perform the Work cause loss, cost or expense to the Corporation, including without limitation any loss, cost or expense arising from or relating to:
- i) The fees of the Corporation's Designated Engineer or Architect to review the plans and specifications or to review from time to time the progress of the Work;
 - ii) The fees of the Corporation's attorneys engaged in the event of consultation regarding this Alteration Agreement or any matters relating to the Corporation's approval or denial of Shareholder's application for approval of the Plans, or Shareholder's breach or alleged breach of the provisions of this Agreement, or otherwise in connection with the Work;
 - iii) Damage to the carpeting or wallpaper in the Building's hallways or to any common area (including without limitation, the cost of cleaning, shampooing, painting or repairing the same if soiled or otherwise damaged);

Exhibit A

Shareholder's Contractor shall provide insurance of the types and in not less than the limits set forth below with a company or companies satisfactory to the Corporation, licensed to do business in the State of New York, and all such policies shall name the Corporation, the Shareholder and the Corporation's managing agent (the "Managing Agent") as additional named insureds. No diminution of limits of insurance will be permitted.

(i) WORKER'S COMPENSATION as required by all applicable Federal, State, or other laws including Employers Liability in accordance with the statutory requirements of the State of New York, together with Disability Benefits Insurance required by the State of New York.

(ii) COMPREHENSIVE GENERAL LIABILITY including Contractor's Liability and Blanket Contractual Liability (oral or written), all on an occurrence basis with Personal Injury Coverage, which shall include mental anguish as well as standard conditions, and Broad Form Property Damage, without any exclusion relating to Explosion, Collapse and Underground Property Damage.

The policy will contain the "Broad Form Comprehensive General Liability" endorsement in Paragraph 1 in such form; the exclusion pertaining to liability assumed by the Contractor under any contract or agreement (Section II paragraph B(1)) is to be deleted. The Completed Operations Coverage is to extend for a period of one year following termination of the Work and Contractual Indemnity Coverage is also to extend for one year following termination of the Work. The policy is also to include (a) Owners Protective Liability Coverage, (b) Knowledge of Occurrence and Notice of Occurrence endorsements and (c) Unintentional Errors and Omissions clause. The policy shall also include coverage with respect to asbestos exposure if the Work involves any asbestos-containing material, and shall not include a sunset clause without the Corporation's consent.

\$1,000,000 BODILY INJURY & PROPERTY
DAMAGE* (combined single limit)

(iii) COMPREHENSIVE AUTOMOBILE LIABILITY, including non-ownership and hired car coverage, as well as owned vehicles:

\$1,000,000 BODILY INJURY & PROPERTY DAMAGE (combined
single limit)

(iv) \$3,000,000 UMBRELLA LIABILITY, BODILY INJURY, PERSONAL
INJURY AND PROPERTY DAMAGE COMBINED*

If umbrellas are written in more than one company any layers above the first one shall follow the form of the primary umbrella.

Prior to the commencement of any work hereunder, detailed certificates of insurance

* Amounts of insurance required may be higher for major renovations as designated by the Board of Directors

shall be furnished to the Corporation showing that such insurance is in full force and the premiums due thereunder have been paid. Such certificates shall provide that the said insurance may not be canceled, terminated or modified without ten (10) days written advance notice thereof to the Corporation. The Contractor shall promptly furnish the Corporation with copies of any endorsements subsequently issued amending insurance coverage or limits. In the event of the failure of the Contractor to furnish and maintain such insurance, the Corporation shall have the right, at its option, at any time, (a) to revoke permission to perform the work and to deny entry into the Building of all workers, except that if such workers are escorted by a member of the

Building's staff, they shall be permitted to remove their tools and supplies, or (b) to take out and maintain the said insurance for and in the Corporation's name, the Shareholder's name and the name of the Contractor and the Shareholder agrees to pay the cost thereof and to furnish all necessary information and consents to permit the Corporation to take out and maintain such insurance for the Corporation's account, the Shareholder's account and the account of Contractor. Compliance with the foregoing requirements to carry insurance and furnish certificates shall not relieve the Shareholder or the Contractor from liability assumed under any provisions of this Agreement.

The Contractor's insurance policy shall also contain in substance the following endorsement:

"This insurance shall not be invalidated should the insured waive, in writing, prior to a loss, any or all right of recovery against any party for the loss occurring to the property described herein."

Nothing in this Exhibit B shall constitute a waiver of or limitation of any other rights or remedies the Corporation may have for consequential damages or otherwise.

EXHIBIT B

ASSUMPTION OF ALTERATION AGREEMENT

WHEREAS, by a certain Assignment of Proprietary Lease, dated _____, _____ ("Assignee") will acquire all of the right, title and interest of _____ ("Assignor") in and to a certain lease (the "Lease") dated _____, between (Apartment Corporation), ("Lessor Corporation"), as lessor, and Assignor, or [her][his] predecessor in interest, as lessee, for apartment _____ ("Apartment") in premises known as (address); and

WHEREAS, by instrument dated _____ ("Assumption of Lease") Assignee will assume all of the obligations of Assignor as lessee under the Lease, and is about to become the lessee of the Apartment by virtue of said instrument or the execution of a new lease.

NOW, THEREFORE, in consideration of the premises and the consent of Lessor Corporation or its directors to the assignment of the Lease to Assignee and to the transfer to Assignee of the shares of Lessor Corporation which accompany the Lease, Assignee hereby ASSUMES AND AGREES TO PERFORM AND COMPLY with all the terms, covenants and conditions of that certain Alteration Agreement between Assignor and the Lessor Corporation dated _____ (copy attached hereto), including, without limitation, the obligation to maintain and repair, at Assignee's expense, the alteration work which was the subject of the Alteration Agreement and any structures, fixtures, appliances, or other items installed or built in connection with such alteration work.

Any breach of this Assumption Agreement or the obligations assumed hereby shall be a breach of the Lease.

This Assumption Agreement and all of its provisions shall be binding on Assignee and [her][his] estate, heirs, executors, administrators, personal representatives, successors and assigns.

New York, N.Y.

Date: _____

_____, Assignee

State of New York }
 } ss.:
County of New York }

On this _____ day of _____, _____, before me personally came _____, to me known and known to me to be the individual described in and who executed the foregoing instrument, and duly acknowledged to me that [she][he] executed the same.

Notary Public

* To be executed by a purchaser where the apartment being acquired is the subject of an Alteration Agreement in the managing agent's files.



ALTERATION APPROVAL CHECKLIST

Building Name: _____

- 1. Department of Buildings Approved Plans and Applications _____
- 2. Permits _____
- 3. Specifications _____
- 4. Schedule _____
- 5. Completed Alteration Agreement _____
- 6. Date of Commencement _____
- 7. Date of Completion _____
- 8. Completed Project Summary _____
- 9. Minor Damage Deposit \$ _____
- 10. Application Fee \$ _____
- 11. Major Damage Deposit (bond optional) \$ _____
- 12. Copies of Contracts
 - a) General Contracts _____
 - b) Subcontractors _____
 - c) Consultants _____
 - d) Other Supplies _____
- 13. Certificate of Occupancy (at end of job) _____
- 14. Insurance
 - a) Liability – Contractors and Consultants _____
 - b) Workman’s Compensation/ Disability Benefits _____
 - c) Bonding (optional) _____
- 15. Table of Organization _____
- 16. Pre Construction Asbestos Report _____
- 17. Post Construction Asbestos Report _____
- 18. Electrical Load Letter _____
- 19. Debris Disposal Letter _____
- 20. Credentials of Asbestos Contractor (if required) _____
- 21. Lien Waivers
 - a) Contractors _____
 - b) Consultants _____
 - c) Other Suppliers of Labor, Goods, Materials _____
- 22. Completion Form from Superintendent/Agent _____

ALTERATION PROJECT SUMMARY

Application Date	_____
Building Address	_____
Apartment Number	_____
Owner's Name (Please Print)	_____
Owner's Phone Number During Renovation	_____
EMERGENCY PHONE NUMBER	_____
Owner's E-mail Addresses	_____
Contractor's Company Name	_____
Contractor's E-mail Address	_____
Contractor's Phone Number	_____
Architect Company Name	_____
Individual's Name	_____
Start Date	_____
Completion Date	_____
Project Cost	\$ _____
Indicate Areas Affected Structurally	_____
Mechanical	_____
Electrical	_____
Plumbing	_____
Exterior	_____
Demolition Required (circle one)	YES or NO
OK for Release of Deposit	_____
Comments	_____

