

ALTERATION AGREEMENT

To: The Board of Directors
51 Fifth Avenue Owners Corp.
51 Fifth Avenue
New York, New York 10003

Re: Apt. No. _____
51 Fifth Avenue
New York, New York 10003 - Type ____ Alteration

Dear Sir/Madam:

Pursuant to the Proprietary Lease and By-laws of 51 Fifth Avenue Owners Corp. (the "Corporation"), I request permission to perform alteration and installation work described in **Schedule A*** attached hereto (the "Work") in the above apartment.

If you are required or deem it appropriate to seek legal, engineering or architectural advice prior to granting permission, I agree to reimburse you, on demand, for the fees incurred by you, including any fees charged for preparing this agreement.

To secure this obligation and my other obligations set forth in Section III, I agree to pay a refundable Alteration Deposit (the "Alteration Deposit") as applicable as set forth in Section 3.2 herein. I understand that if my alteration is determined to be Type II, Type III, or Type IV, additional fees will be required (refer to page C-1 for specific amounts), as set forth in Section 3.1, including but not limited to monthly fees payable to the Co-op and the cost for any additional staff person. If additional staff is required due to the number of hours and days required for an extra elevator, as determined by the Corporation, in its sole discretion, I will be charged the actual cost. I am also simultaneously delivering my checks to the Corporation, c/o The Lovett Company, LLC, 1270 Broadway, Suite 408, New York, NY 10001, for the Alteration Deposit and a check for advance payment of the \$1,200.00 per month for building fees (the "Building Fee") to the Managing Agent and professional review fees applicable to the Type of alteration, as set forth in Sections 3.1 and 3.3, that are applicable to my Work. I understand that if the Board determines that my alteration is a different Type, other than Type III or IV, then I may be required to pay additional fees. In addition, I understand that I will be required to pay the Alteration Fees applicable to my Type of alteration (unless my alteration is Type I) as set forth in Section 3.1.

If permission is granted, the following will apply:

I. Requirements to be satisfied before Commencement of Work.

I agree, before any work is begun:

- 1.1 I will submit a clear description of the Work to the Board of Directors (the "Board"), including a realistic estimate of the time required for performance of the

* Shareholder to furnish Schedule A.

Work. Upon request, my architect and I will conduct a presentation of the proposed Work before the Board.

- 1.2 I will provide you with a complete and conformed copy of every agreement made with contractors and suppliers, together with evidence demonstrating the scope of experience of the contractor in Cooperative apartment renovations, including a list of apartments/buildings where they have recently performed alteration work. At your request, you may require my contractor to be interviewed and approved by the building's architects/engineers.
- 1.3 I will procure from my contractor or contractors and deliver to you insurance policies or certificates evidencing:
 - (a) Comprehensive personal liability and property damage insurance policies, each in the amount of \$1,000,000 per occurrence, \$2,000,000 aggregate with an umbrella policy of \$5,000,000, naming you and your Managing Agent, the Board of Directors, as well as myself, as insured parties. Such policies shall provide that they may not be terminated unless at least ten (10) days prior written notice is given to you; I also agree to maintain during the Work my own homeowners property damage and general liability insurance in the same amounts and naming the same additional insureds.
 - (b) Workmen's compensation and employees liability insurance policies, covering all employees of the contractor, contractors or subcontractors, materials delivery personnel, etc. and automobile liability insurance of at least \$1,000,000.
- 1.4
 - (a) I will submit for your approval three sets of plans (one full size, one half size, and one digital copy) and specifications related to the renovation and conforming with the constraints spelled out herein ("plans") regardless of the nature of the proposed Work.
 - (b) You will have the right to obtain any additional professional advice (e.g., engineer, architect or counsel) as you may deem necessary or appropriate, in your sole discretion, in order to review any proposed plans. I will pay all of the charges of those professionals in connection with such review, which shall be deemed to be collectible by you in the same manner as items of rent or additional rent otherwise due under my Proprietary Lease.
 - (c) If you approve the plans, I will file them with and procure the approval of all governmental agencies having jurisdiction over the work as required by law. Not more than ten (10) days after receipt of such approval, I will also deliver to you a copy of every permit or certificate issued. If there is any doubt as to the need for such approval, you shall be the sole arbiter in resolving the doubt. I will not modify the plans and specifications approved by you without your written consent, and will deliver to you copies of the approved plans.

- (d) I understand and agree that any application to any department of the City of New York or to any other governmental authority for a permit to perform any work shall be executed by the Board only; however, neither the Board, the Corporation, the Managing Agent nor any officer, director, employee, agent or tenant/shareholder shall incur any liability to any contractor, subcontractor, materialman, architect, or engineer on account of such work, or to any person having any claim for injury to person or damage to property arising therefrom.
 - (e) I understand that if the Corporation signs papers for the NYC Buildings Department approval in advance of Board approval, such execution is solely to assist the shareholder in expediting governmental approvals and does not constitute approval for the alteration, which can only be granted by the Board. I understand that although certain "expedited forms" may speed the approval process with the NYC Buildings Department and applicable municipal agencies having jurisdiction over the Work, the Board will not sign any forms which impose potential liability or responsibility on the Corporation. For example, the Board will not sign a "Professional and Owner Certification" because it obligates the Corporation to cure any construction deficiencies that may exist following the completion of your work.
 - (f) I understand and agree that I will not commence any work until the Board has notified me that the Board has approved the plans (or notified me that my alteration is Type I and no approval of the Board is required) and that all work done must be in compliance with any conditions or specifications noted in the Board's approval, including conditions and specifications noted by the building's architects or engineers.
- 1.5 If I am not filing plans with applicable governmental authorities, I will submit to you before commencement of any such work and upon your request, a certification from my engineer or architect that the work does not require the filing of any plans with the City.
 - 1.6 If my work affects the electrical system of the building, I shall furnish to you a letter from a licensed engineer or architect and/or master electrician certifying that the electrical loads required as a result of the Alteration will not be in excess of the current electrical capacity of the Apartment, and will not adversely affect the Building's electrical service.
 - 1.7 If the work as approved by you includes any upgrade of electrical service to my unit to the 100 amp, phase 3 meters, I agree to be responsible for all associated costs, as determined by the Board, necessary to effectuate such upgrade.
 - 1.8 I will inform all other shareholders of apartments which may be affected by the work of the nature thereof and the extent to which they may reasonably be expected to be affected thereby.

- 1.9 I will pay the fees and any additional security deposit as specified in Sections 3.1, 3.2 and 3.3 as required.

II. Conduct of Work

- 2.1 (a) All work will be performed in a workmanlike manner using first-class materials and employing licensed electricians, plumbers and other professionals. All work must be conducted in compliance with the Building's Proprietary Lease, House Rules and the terms of this Alteration Agreement, including the rules and regulations described in **Schedule B** attached hereto.
- (b) When work is being performed, an English-speaking foreman shall be on-site on a daily basis and communicate with the Superintendent and/or a designated staff member to schedule elevator use and coordinate any disruptions of building service (water, electricity, etc.).
- (c) All contractors and subcontractors must cooperate fully with the building staff. I will be responsible for any disruption caused by the conduct of my contractors.
- (d) Any special work requiring equipment, including but not limited to cranes or scaffolding, may require permission of the Corporation and additional insurance coverage, as determined in the sole discretion of the Board.
- 2.2 No work shall be done, except between the hours of 8:00 a.m. and 4:00 p.m. No work shall be performed on Saturdays, Sundays or legal or major religious holidays. If not already attached to this Agreement, the current holiday list is available from the Managing Agent. No work that might be disturbing to building occupants (including demolition, use of power tools, hammering and other noise or vibration producing activities) shall be done before 10 a.m. All demolition work shall be commenced only after notice to the Managing Agent and completed within ten work days thereafter, unless otherwise permitted by the Board.
- 2.3 All precautions will be taken to prevent dirt and dust from permeating other parts of the building during the progress of the work. 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 premises at my expense. All debris must be removed from the Apartment directly into the dumpster truck outside the building. Empty containers or debris of any kind may not be stored in the basement or courtyard of the building. No dumpsters shall be stored in the service areas, basement or courtyard of the building. All debris removal must be coordinated with the carting company. Hallways, sidewalks, the courtyard and other public areas shall not be used for storage of equipment, building material or debris. If I fail to comply with any of these obligations, then in addition to any other remedies, you may remove the debris from the premises in a proper manner at my expense.

- 2.4 I recognize that only the service elevator may be used for removal of debris and only at such times as the Superintendent of the building may direct. If the convenience of other tenants requires that the elevator be operated manually or on an "overtime" basis, I shall upon request reimburse you for any wages or related expenses incurred in connection therewith. I will make sure that my contractor completely covers the floor area from the elevator to my Apartment and does not carry equipment or building materials on top of the elevator.
- 2.5 All alterations and materials used shall be of the quality and style in keeping with general character of the building, to be determined in the sole discretion of the Board.
- 2.6 In addition to the Rules and Regulations set forth in Schedule B, all alterations must be conducted in compliance with the following guidelines:
- (a) I will not change the operation of the building's heating system (or air-conditioning system, if any) to facilitate the functioning of any heating or air-conditioning units I may install.
 - (b) All paints, solvents, or any other chemicals planned for use in connection with the work must first be approved by the Board and are subject to the strict control of the City of New York.
 - (c) I will not alter or disturb any of the elevator vestibules, hallways or any common/service areas of the building without Board approval.
 - (d) No construction-related equipment or materials will be stored in the service/common areas of the building.
 - (e) I will use a thick, protective hard covering in all public hallway floors and walls and service elevator, in addition to plastic coverings around all doors of the apartment where work is being performed.
 - (f) I will not block service or fire stairs. There must be access to said stairwells at all times.
 - (g) After completion of work, I will restore all floors and walls in the hallways and service and elevator vestibule areas to their original condition.
 - (h) I will provide bathroom facilities for all workers engaged by me. Staff and building bathrooms are not available to workers.
 - (i) All waterproofing and soundproofing work must be inspected by the building architect or Superintendent prior to concealment.
 - (j) Prior to the completion of work, smoke detectors must be installed within fifteen (15) feet of every sleeping area on ceilings or walls, in compliance with Local Law 62 of 1981.
 - (k) No alterations will be permitted to load-bearing walls.

- 2.7 I will bear the entire cost of the work and pay all bills incurred in connection therewith not later than thirty days after completion of the work and prior to any fees being refunded to me and the Work being deemed complete. I shall defend, indemnify and hold you harmless against any claims (including attorneys' fees) relating to any mechanic's liens filed for work claimed to have been done or materials alleged to have been supplied. In addition to any other remedies the Corporation may have under the Proprietary Lease or this Agreement, if a mechanic's lien is filed against the apartment or the Building due to the work, or if you believe that you may incur any expenses due to a mechanic's lien, you shall have the right to require me to discharge such lien by bonding or otherwise within fifteen (15) days after notice from you; if I fail to do so, you will have the right to cause such lien to be discharged for my account and at my expense, and the cost of discharge shall be deemed additional rent under my Proprietary Lease and payable on demand. I acknowledge that you will be entitled to suspend all work pursuant to Section 2.10 below if I breach any provision of this paragraph 2.7. At completion of the Work, I will obtain and provide the Corporation with partial waivers of mechanic's lien throughout the Work and a final Waiver of Lien from the Contractor, the subcontractors and any major material suppliers.
- 2.8 At the completion of the Work, I will deliver to you an amended Certificate of Occupancy, a certificate of the Board of Fire Underwriters, or such other proof as you deem necessary to indicate all work has been done in accordance with all applicable laws, ordinances and government regulations.
- 2.9 (a) I acknowledge that you have the option to designate an architect or engineer ("Consultant") to review, on your behalf but at my expense, the plans and specifications for the work in regard to how the intended work may affect the common areas of the Building and the use, security, safety and enjoyment of the Building by other owners, and that the Consultant and other agents of the Board will have the right to subsequently observe the work to insure that all work conforms to the approved plans and specifications and is otherwise in conformity with the requirements of this Alteration Agreement and applicable law. I agree to provide access to the Consultant as well as your agents to observe the work from time to time and undertake to make all corrections or changes as specified as a result thereof. Such observation visits will be scheduled on reasonable notice, and in any case prior to inspections, testing or approvals as required by any public authority having jurisdiction over any portion of the work, and prior to the enclosure or obstruction of any concealed or inaccessible portions of the work.
- (b) If any portion of the work should be covered contrary to the request of the Consultant or to requirements specifically expressed in this Agreement, then if required in writing by the Consultant, it must be uncovered for the Consultant's observation and shall be replaced at my expense.
- 2.10 I agree I will not move or disturb any asbestos containing material ("ACM") during the course of the work. If I encounter any ACM during the work, I will promptly inform the Managing Agent. I will indemnify the Corporation and Managing Agent

and hold the Corporation and Managing Agent harmless against any loss or liability arising out of any removal, encapsulation or movement of ACM encountered during the work.

2.11 Lead-Based Paint/Dust and Debris Containment.

I shall cause my contractors and workers to use safe work practices during work and take precautions to prevent the spread of dust and debris that may contain lead.

The Federal Task Force on Lead-Based Paint Hazard Reduction has recommended certain maintenance practices, including (1) limiting access to the work area to workers only, (2) covering the work area with polyethylene plastic or equivalent, (3) protecting the workers, (4) protecting my belongings by covering or removing them from the work area, (5) wetting the painted surfaces before disturbing the paint and (6) wetting the debris before sweeping. The Task Force has indicated that certain removal practices are unsafe, including (1) open flame burning, (2) power standing or sandblasting (unless a special vacuum attachment is used to contain dust), and (3) dry scraping more than a de minimis surface area (de minimis means an area less than one square foot per room).

I shall cause my contractors and/or workers to perform their work consistent 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 that may contain lead.

I shall obtain assurances acceptable to the Corporation from my contractors and/or workers that they have knowledge of lead-based paint hazards and they will perform the work and clean-up the work in a manner that will avoid creating lead-based paint hazards.

2.12 Inspections.

- (a) The Corporation reserves the right to conduct regular unannounced inspections of the work in progress and to conduct audits based on approved plans. My contractor must request an inspection of renovations before sealing off any flooring, walls or ceilings.
- (b) The Corporation authorizes the Superintendent and the Corporation's Architects/Engineers to observe and monitor the activities of the work crews and to report to the Managing Agent and the Board any infractions or practices carried out that are contrary to the agreed plans. Any costs in connection with such monitoring and supervision will be charged to the shareholder carrying out the renovation.
- (c) My failure to comply with any of the provisions of this Agreement shall be deemed a breach of the provisions of the House Rules and Proprietary Lease pursuant to which your consent has been granted, and, in addition to any other rights you may have, if I am in breach you may suspend all work after notice to me and prevent workmen from entering my unit for any purpose

other than to remove their tools or equipment, or you may complete any portion of the work which you may deem appropriate to restore the integrity of the apartment or the Building on my account and at my expense.

- (d) The Corporation, through the building's Superintendent and/or Managing Agent, may suspend any activity that has been deemed to be in violation of this Agreement. Furthermore, in extreme instances, the Board reserves the right to stop all work until the violation is cured. Notwithstanding anything else in this Agreement, I acknowledge that in an emergency, you will have the right to stop work and to enter the apartment without notice in order to take such action as you may deem necessary to curtail the emergency.

2.13 Timely Commencement and Completion.

- (a) I shall start work no later than two (2) months after the date the Corporation or its Managing Agent has given written notice to me that my plans and specifications have been approved and that Work may commence (such two month date, the "Work Commencement Date"). If the work is not started by the Work Commencement Date then, at your option, either (a) I shall be required to pay the Late Commencement fee described in Section 3.6 herein, or (b) you may declare this Agreement and the Corporation's approval null and void. I will have no right to perform any work thereafter unless I obtain the consent of the Corporation.
- (b) I may not perform any work beyond the date set forth in Section 5.2 without the Corporation's specific written consent, which consent may be given or withheld in the Board's sole discretion. If the Corporation consents, then before I continue to perform any work, I will provide the Corporation with a written reaffirmation from myself and my contractor of our continued agreement to all terms and conditions of this Agreement and our certification that we are in compliance with all terms and conditions hereof.
- (c) The Superintendent, Co-op engineers, and the Managing Agent will determine whether I am in compliance with the requirements of this Alteration Agreement to the extent that any phase of the Work will be deemed "completed" hereunder. The determination of the Corporation does not constitute approval of the Work or imply that any work has been properly performed. It indicates that it appears that I have satisfied the appropriate documentary, liability and safety requirements of the Corporation such that they will allow the continuation of the work to the next phase, allow me to stop accruing fees under the applicable portions of Schedule C, as applicable, and subject to Section 3.7, approve release of the Security Deposit. Notwithstanding anything herein to the contrary, the Work will not be deemed complete and no refunds of any fees herein will be given to me until final waivers of lien have been furnished from the Contractor, its subcontractors and major material suppliers.
- (d) My contractors and I are expected to do our best to complete the renovations in a reasonable time frame and within the applicable work period specified

in Schedule C for the applicable Type of alteration and any periods of interruption of the work or work stoppage for contractors' convenience will be considered as part of the work period subject to the prevailing fee structure. For a Type IV alteration, I will have twelve (12) months, at the Corporation's sole discretion, to complete the Work (the "Completion Date"). In the event that the Work is not complete by the Completion Date, I will be required to advise the Corporation of how many additional days will be needed, obtain the Corporation's approval and pay the Corporation in advance for such additional time, based on the per diem rate of \$150.00 and my written agreement to complete the Work in such additional time (the Extension Date"). Any request for an Extension Date may be denied in the sole judgment of the Corporation and the Corporation's determination shall be conclusive. Work will be deemed completed based solely on the determination of the Corporation in accordance with Section 2.13(c).

- 2.14 Obligation to Remain Current in Maintenance Charges. As additional consideration for the consent of the Corporation to this alteration, I agree that if I fail to pay any charges due under my Proprietary Lease within thirty (30) days after their due date, the Corporation, in addition to its other remedies under the Lease, may withdraw its consent to the alteration and may prevent any further work until I have become current.
- 2.15 Delivery of "As-built" Plans. Immediately upon completion of the work, I will provide detailed architectural, structural, mechanical, electrical and plumbing "as-built" plans and drawings to your engineers and Managing Agent in hard copy and electronic format. My failure to submit such as-built plans and drawings will result in the delay of the return of the refundable deposit and continuing charges detailed in this Agreement.
- 2.16 Removal of Obstructions Post-Closing. If at any time after completion of the work, the Corporation requires access to plumbing, pipes or electrical wiring that may be blocked by an obstruction resulting from the alteration, the obstruction will be removed at my cost. Thereafter, the Corporation will be responsible only for a "building-standard" plaster finish on any walls that were required to be penetrated to reach the building systems.

III. Fees and Expenses Related to Alterations.

3.1 Payment of Alteration Fees and Additional Deposit. I understand that the Board may determine whether I am performing a "Type I", "Type II", "Type III", or "Type IV" alteration (as described in Schedule C) in its sole good faith discretion. I agree to pay the applicable alteration fees set out in Schedule C hereto when due. Not later than seven (7) days after the Corporation or the Managing Agent notifies me of the Type classification of my alteration, I will pay the applicable Alteration Fees as set out in Schedule C and, if my alteration is Type III or IV, I will pay the Alteration Deposit set forth in Schedule C hereto, plus any additional Alteration Fees as may be requested by the Corporation once the initial fees have been spent and any additional Alteration Deposit or fees requested from time to time by the Corporation. I understand that the fees and maximum work period specified for each Type of alteration apply and accrue from the date the Corporation or Managing Agent provides notice of Board approval of the plans and have

allowed the Work to commence. If the Fee(s) paid at the time of the execution of this Agreement was incorrect based on the Type classification by the Board, I will promptly pay any additional fee(s) requested by the Corporation under this Section and Sections 3.2, 3.3, 3.4, 3.5, 3.6 and 3.7. Any costs of the Corporation's professionals for review of the plans or subsequent review of the Work, including but not limited to your attorneys for review of this Agreement, shall be paid within thirty (30) days of receipt by me of an invoice from the Managing Agent. Any such unpaid fees will be deemed to be maintenance.

3.2 Alteration Deposit. As security for the faithful performance and observance by me of the terms and conditions of this Agreement, I am concurrently delivering to you a refundable alteration deposit (the "Alteration Deposit") to be held by you upon your acceptance of this Agreement. Without limiting your other remedies under this Agreement, the Alteration Deposit will be held by you as security for the proper performance of the Work. The Alteration Deposit will be returned to me at the completion of the Work, less the following:

- (a) any loss, cost or expense to you or damage to the Building caused by me or persons engaged by me to perform the Work;
- (b) Intentionally Deleted.
- (c) any outstanding fees required to be paid under this Agreement;
- (d) any loss or expense arising out of a breach of the provisions of this Agreement; and
- (e) any costs of repairs, cleanup, painting, or other restoration required in the building in the course of or as a result of the Work, as determined by the building superintendent, managing agent and engineer or architect, as applicable.
- (f) Any charges by professionals and attorneys to review the work.

The remaining balance of the Alteration Deposit will be returned to me only after the Superintendent, the building's engineer and the Managing Agent have certified that there has been no damage to any part of the Corporation property as a result of the renovation, that detailed as-built plans and drawings have been submitted, that the alteration has been carried out in accordance with the terms of the approval by the Board, and that all damages, fees and expenses payable by me under this Agreement have been paid in full.

3.3 Review Fees payable to Managing Agent. The following non-refundable fees are payable with execution of this Agreement:

- (a) Type I – No fee
- (b) Type II - \$600.00
- (c) Type III - \$1,000 **

(d) Type IV – \$ 1,000**

** This includes three (3) site visits. Any additional site visits will be billed at \$150 per visit.

- 3.4 Alteration Fees and Additional Fees. I understand that the monthly Building Fee will be used to defray the costs of the Corporation's resources, extraordinary staff services, elevator services, etc., occasioned by the Work, as per Schedule C hereto. I understand that the Corporation has no obligation to provide and will not provide any accounting of such application to me, and that the Corporation may assess additional costs to me as set forth in Section 2.4. If additional alteration fees ("Additional Alteration Fees") apply to my type of alteration, they are due and payable monthly in arrears as additional maintenance charges and must be paid immediately. Failure to pay Additional Alteration Fees shall be deemed a breach of this Agreement and a breach of the Proprietary Lease.
- 3.5 Professional Fees. You will have the right, in your sole discretion, to engage qualified professionals, such as architects or engineers, to evaluate the Work during the course of the Work and as a condition of final approval of the Work or attorney's in connection with the preparation of this agreement or enforcement of the terms hereof in the event that I/we fail to promptly perform our obligations hereunder. I will pay all of the charges of those professionals in connection therewith which shall be due and payable by me in the same manner and collectible by you as rent or items of additional rent are due under the Proprietary Lease. In the event that such charges have not been paid within sixty (60) days from the billing date, the charges may be withdrawn by the Corporation from the Alteration Deposit. By your execution of this Agreement, I hereby consent and agree to reimburse the Corporation for any engineering and/or architectural and/or legal fee for service performed by engineers, architects and/or attorneys on behalf of the Corporation (i) in reviewing this Agreement, the Plans, Specs, proposed Amendments, and Drawings (whether or not I decide to undertake my proposed Alteration and whether or not the Corporation consents to my proposed Alteration), and (ii) in connection with any action taken by the Corporation to enforce this Agreement to correct any defects or problems created by my Alterations.
- 3.6 Late Commencement Fee; Termination. If I fail to commence the Work by the Work Commencement Date, in addition to the other fees applicable under this Agreement, I will pay a daily fee of \$100 until the Work commences or, at the option of the Corporation, this Agreement is terminated as set forth in Section 5.2.
- 3.7 Payment of Fees. All fees will be payable as specified herein. At the option of the Corporation, ongoing fees and expenses may be billed with my monthly maintenance charges in arrears and will be payable as incurred at the same time as the monthly maintenance bill and will be deemed to be collectible as items of Additional Rent due under the Proprietary Lease. Fees are charges beginning with the month following the signing of the alteration agreement and include partial months.

IV. Indemnity; Risk of Damage; Assumption of My Obligations Under Agreement.

- 4.1 I assume all risk of damage to the building and its mechanical systems, and to persons and property in the building that may result from or be attributable to the Work, and all responsibility for the maintenance and repair of any Work after completion. This responsibility covers all Work (whether or not structural), 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, I shall, when so advised, promptly remove the cause of the problem at my own expense.
- 4.2 (a) To the extent permitted by law, I will defend (with attorneys chosen by me or my insurance carrier and reasonably acceptable to the Corporation), indemnify and hold harmless you, the Board of Directors, the Managing Agent, all your respective agents, officers, directors, employees and all other shareholders, tenants or occupants of the building from and against any and all claims, suits, liens, violations, judgments, damages, liability, losses, fees, court costs, costs and attorney fees, arising in whole or in part in any manner in connection with my Work hereunder, from bodily injury, sickness, disease and/or death, or injury to or destruction of any tangible property, including the loss of use resulting therefrom, including but not limited to fees for violations issued by any governmental agency in connection with the Work, except for claims, suits, damages, judgments, damages, losses, fees and expenses caused by the gross negligence or willful misconduct of the Corporation. The foregoing indemnity shall include injury, death or disability of any employee of mine and/or my Contractor and shall not be limited in any way by an amount or type of damage, compensation or benefits payable under any applicable workers compensation, disability benefits or other similar employee benefit acts.
- (b) If I damage any property of the Building or another apartment, the Corporation will have the option to (i) require me to perform the necessary repair work to restore the damage; or (ii) perform the required restoration at my expense and deduct the cost of such work from the security deposit. If the cost of restoration exceeds the Security Deposit, I will pay for any excess costs upon demand by the Corporation.
- (c) If I damage the property of any other shareholder, the Corporation will have the right, but not the obligation, to repair any damage at my expense and to deduct the cost of such work from the security deposit. If the cost of restoration exceeds the Security Deposit, I will pay for any excess costs upon demand by the Corporation. However, neither I nor anyone else shall be considered a third-party beneficiary of any obligation of the Corporation under this clause.

- 4.3 I certify that I will obtain and comply with all legal and municipal requirements required for the performance of the work and the use of the Apartment, as altered, after work has been completed.
- 4.4 (a) If I assign the Proprietary Lease, the consent of the Board to the transfer shall be deemed contingent on an agreement by the transferee of the shares, which shall be deemed incorporated by reference into the assignment and acceptance of lease, to assume all of my obligations under this Agreement. I represent that I will expressly advise any assignee of the existence of this agreement and furnish a copy to him or her on demand. I will hold you harmless and indemnify you against any loss or liability arising out of any breach of this representation from and after the date I assign the Lease.
- (b) Notwithstanding the foregoing, this agreement shall be deemed binding on myself, my heirs, successors and assigns (including the assigns of my interest in the shares and Proprietary Lease allocated to the Apartment). This assignment shall be self-executing, and no further documentation shall be required for its implementation.
- (c) I appoint the Corporation as my agent and attorney-in-fact to file a UCC-1 or other satisfactory evidence (at the option of the Corporation) of my obligations under this agreement. Nothing herein shall relieve me of my obligation to notify any transferee of my obligations hereunder or obligate the Corporation to make any such filing, nor shall the Corporation have any liability to any third party for failure to make such filing.

V. General.

- 5.1 I acknowledge that by granting consent to the work, you do not profess to express any opinion as to the legality, design, feasibility or efficiency of the work.
- 5.2 This agreement shall be deemed terminated if I do not procure the approval of the Department of Buildings to the proposed plans, or, at the option of the Corporation if I fail to commence the Work by the Work Commencement Date or if I do not complete the Work by the end of the maximum work period specified in Schedule C for my Type of alteration, measured from the date of notification of Board approval of my plans and that Work may commence.
- 5.3 I agree to pay all expenses incurred by the Corporation, including reasonable attorneys' fees and architect's fees, in connection with this Agreement or the enforcement of the Corporation's rights under this Agreement.
- 5.4 I agree that all expenses incurred by the Corporation pursuant to this Agreement, including professional fees and disbursements, shall be deemed liens against the shares allocated to the Apartment to the extent they remain unpaid after notice to me.
- 5.5 This agreement may not be changed orally. This agreement shall be binding on you, me and our personal representatives and authorized assigns.

5.6 As used in this agreement, "I", "me", and "mine" shall include the plural, as required.

Very truly yours,

Shareholder

Shareholder

Dated: _____

Permission Granted:
51 Fifth Avenue Owners Corp.

By: _____

Date: _____

SCHEDULE A

DESCRIPTION OF WORK

[TO BE PROVIDED BY SHAREHOLDER]

SCHEDULE B
RULES AND REGULATIONS

- All hot and cold water branch lines must be replaced back to the risers; waste lines in poor condition must also be replaced by Shareholder.
- Through the wall air conditioners may be installed subject to approval and review by the co-op's professionals.
- The use of electrical sledge hammers, pneumatic or vibratory hammers, jack hammers or electrical hammer equipment in demolition will not be permitted. Only lightweight equipment may be used.
- The use of windows to hoist equipment or building materials in or out of the apartment is strictly prohibited.
- No equipment or building materials may be carried on top of the elevator.
- All necessary precautions must be taken to prevent chunks of broken walls or ceilings from dropping on the floor.
- Penetration to the sub-floors or ceilings is not permitted except in connection with approved waterproofing and soundproofing.
- Channeling of the slab or subfloor is prohibited.
- Penetration of existing shafts is not permitted.
- No pipe re-routing is permitted beyond the existing kitchen/bathroom areas.
- Any new bathroom or kitchen must be waterproofed and soundproofed.
- Gas lines may not be moved within the kitchen.
- No lowering of ceilings or penetration of the walls in either vestibules or service areas is allowed.
- Exterior wall openings or penetrations other than permitted through-wall air conditioning are not permitted. All locations of through-wall a/c sleeves are subject to approval.
- All new wall partitions must be made of non-combustible materials. (Only metal and fire-treated wood framing are permitted by code.) Details must be provided for review by the Managing Agent before installation.
- Moisture resistant material for bathroom and kitchen walls must be used, Shower/bathtub areas must use water-resistant material.
- The finished flooring in the bathroom and powder room must be impervious to water.
- A 40-mil. minimum thickness waterproofing membrane must be installed in all wet areas (flooring in bathrooms, powder rooms, kitchens and laundry areas).
- Reduction of existing fireproofing material at columns and beams is prohibited.
- Fireproofing of exposed beams, as well as all apartment electrical wiring, must meet fire safety codes.
- Sound transmission must be addressed in any floor alteration and to any walls that separate demised apartments.
- Marble, granite, ceramic tile or similar hard-surface flooring may not be installed except in kitchen, bathroom and entry foyer.
- Kitchen/bathroom/clothes dryer vents through existing window (glass) opening only as allowed and as required by NYC codes. Location subject to approval.
- Capacity for range hood exhaust fans must be less than 500 cfm.

- Functioning fire extinguishers and smoke alarms must be in place in the apartment during the entire period of the alteration.
- Changes in the location of main entrance or service doors are permitted only at the discretion of the Board.
- Washing machines and dryers cannot be located above bedrooms/dining rooms/living rooms and require appropriate soundproofing. All washing machines require waterproofing pans and water-detection sensors/alarm/shut off devices.
- Wet/noisy rooms (kitchen, laundry, foyer, bathrooms) may not be relocated over dry/quiet rooms (bedrooms, living rooms, dining rooms).

SCHEDULE C

TYPES OF RENOVATION

- Type I** Painting; minor cosmetic work; includes closet outfitting – No Board approval required, but Alteration Agreement must be signed and conditions satisfied (insurance, etc.)
- Type II** One kitchen or one bath renovation; flooring changes; no interior wall movements or removals; through wall A/C. No DOB permits required (except LAA or electrical permit)
- Type III** One kitchen, two or more bathrooms, and/or relocation of plumbing fixtures, No removal of walls. Department of Buildings permit required.
- Type IV** Combination of two apartments either vertically or horizontally; and/or gut renovation; and/or removal of walls and fixtures; elimination of one kitchen. NYC Department of Buildings permit is required.

NO WET OVER DRY PERMITTED.

FEES

- Type I No fee
 - 1 month maximum work period
- Type II - \$5,000 Refundable Alteration Deposit
 - \$1,200 per month non-refundable fee payable to Corporation (no proration of fee)
 - \$600 Review Fee payable to Managing Agent
 - 4 month maximum work period
- Type III - \$10,000 Refundable Alteration Deposit
 - \$1,200 per month non-refundable fee payable to Corporation (no proration of fee)
 - \$1,000 Review Fee payable to the Managing Agent**
 - 6 month maximum work period
 - Cost for additional staff person will be billed back to the shareholder if needed.
- Type IV - \$50,000 Refundable Alteration Deposit
 - \$1,200 per month non-refundable fee payable to Corporation (no proration of fee)
 - \$1,000 Review Fee payable to the Managing Agent **
 - 12 months maximum work period as determined solely by the Corporation
 - Cost for additional staff person will be billed back to the shareholder if needed.

** This includes three (3) visits. Any additional visits will be billed at \$ 150 per visit.

CONTRACTORS INSURANCE REQUIREMENTS

Contractor and its subcontractors shall not commence work until it has obtained all insurance referred to herein and provided proof as set forth and has been approved by 51 Fifth Avenue Owners Corp. (hereinafter referred to as "Owner").

Contractor and its subcontractors shall secure, pay for and maintain the following insurance policies in full force and effect during the term of the agreement:

- (1) Property Insurance upon all tools, material and equipment (owned, borrowed or leased by the contractor or their employees) to the full replacement value thereof during the full term of this contract. This insurance shall insure against damage or loss caused by fire and all other perils covered by a standard "All Risk" insurance policy. Contractors agree to waive their right of subrogation against Owner. The Property policy shall allow for a Waiver of Subrogation in favor of Owner. Failure of the contractor to secure and maintain adequate coverage shall not obligate the Owner or its agents or employees for any losses.
- (2) Workers Compensation affording coverage under the Workers Compensation laws of the State of New York and Employers Liability coverage subject to a limit of no less than \$1,000,000 each employee, \$1,000,000 each accident, and \$1,000,000 policy limit.
- (3) Commercial General Liability Insurance with limits of \$1,000,000 per occurrence Bodily Injury and Property Damage Combined, \$1,000,000 per occurrence Personal & Advertising Injury, \$1,000,000 aggregate Products and Completed Operations Liability and \$2,000,000 General (per project) Aggregate. The policy shall be written on an occurrence basis with no deductible.

The policy shall not contain exclusions relating to:

- (a) contractual liability
- (b) independent contractors
- (c) gravity related injuries
- (d) injuries sustained by employee of an insured or an insured rather than "the insured"

Policy shall be endorsed to 51 Fifth Avenue Owners Corp., The Lovett Company, LLC and _____ (unit owner) as "additional insured." Definition of Additional Insured shall include all Officers, Directors and Employees of the named entity. Further, coverage for the "additional insured" shall apply on a primary basis irrespective of any other insurance, whether collectible or not.

- (4) Automobile; Liability Insurance for Bodily Injury and Property Damage in the amount of \$1,000,000 combined and covering all owned, non-owned and hired vehicles.
- (5) Umbrella Liability Insurance for the total limit purchased by Contractor but, not less than a \$5,000,000 limit providing excess coverage over all limits and coverages noted in paragraph 2, 3, and 4 above. This policy shall be written on an "occurrence" basis.

All policies noted in above shall be written with insurance companies licensed to do business in the State of New York and rated no lower than A-8 in the most current edition of A.M. Best's Property-Casualty Key Rating Guide.

CONTRACTORS INSURANCE REQUIREMENTS

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(6) EVIDENCE (NOTICES) OF COMPLIANCE

All policies shall be endorsed to provide that in the event of cancellation, non-renewal or material modification, Owner shall receive thirty (30) days written notice thereof.

Contractor shall furnish Owner with Certificates of Insurance no later than (5) days prior to commencement of work and upon Owners request, complete copies of all policies including all endorsements attached thereto evidencing compliance with all insurance provisions noted above.

All Certificates or policy termination notices should be delivered to:

The Lovett Company, LLC
1270 Broadway, Suite 408
New York, NY 10001
Fax # 212-736-3444

FAIURE TO COMPLY WITH ANY OF THE REQUIREMENTS NOTED ABOVE WILL RESULT IN A BREACH OF THIS CONTRACT BY THE CONTRACTOR.

(7) INDEMNIFICATION/HOLD HARMLESS

The contractor shall, to the fullest extent permitted by law and at its own cost and expense, defend, indemnify and hold Owner, its partners, directors, officers, employees, servants, representatives and agents harmless from and against any and all claims, loss, (including attorneys' fees, witnesses' fees and all court costs), damages, expense and liability (including statutory liability), resulting from injury and/or death of any person or damage to or loss of any property arising out of any negligent or wrongful act, error or omission or breach of contract, in connection with the operations of the contractor or its subcontractors. The foregoing indemnity shall include injury or death of any employee of the contractor or subcontractor and shall not be limited in any way by an amount or type of damages, compensation or benefits payable under any applicable Workers Compensation, Disability Benefits or other similar employee benefits acts. The contractor agrees to waive its right of subrogation against the owner, its partners, directors, officers, employees, servants, representatives and agents applicable to any claims brought by the contractor's employees.

Agreed to:

Signature

Contractor Name

Date