

KYROUS REALTY GROUP, INC.
Real Estate Management

LANCASTER LEXINGTON APARTMENT CORP.
Alteration Requirements

Please be advised all apartment alterations must have prior Board approval and no apartment alterations can take place without said approval. Please submit a set of the items listed below to carine@kyrousrealtygroup.com:

1. Signed Alteration Agreement (enclosed with the application).
2. Signed Indemnification Agreement (enclosed with the application).
3. A Certificate of Insurance from each contractor performing work in your apartment, specifying the following:
 1. The Certificate must name the Shareholder as Insured and Lancaster Lexington Apartment Corp. and Kyrous Realty Group, Inc., as Additional Insured.
 2. The Certificate must specify the location, including the apartment number and must show current dates.
 3. Certificate must specify limits of \$5,000,000.00 Liability Coverage.
 4. Certificate must include Workers Compensation Insurance.
4. Plans and/or specifications for the proposed work must be submitted for approval.
The Board, on occasion, may require additional information. The building's engineer reviews plans and/or specifications prior to commencing with work.

Additional inspections may be required while work is in progress and upon completion of work. The building's engineer will conduct a final inspection, and the cost of the engineer's review/inspection will be the responsibility of the shareholder.

5. A fully executed copy of the work contract between shareholder and contractor must be submitted prior to commencing with work.
6. An alteration deposit in the amount of \$ 1,000.00. Please make check payable to Lancaster Madison Apartment Corp. Deposits are refunded after the work has been inspected and deemed to be in compliance with requirements.
7. An application processing fee in the amount of \$ 300.00 (non-refundable). Please make check payable to Kyrous Realty Group, Inc.
8. A non refundable fee in the amount of \$300.00, made payable to Lancaster Madison Apartment Corp.

Please allow 30 days for processing your application.

ALTERATION AGREEMENT

Lancaster Lexington Apartment Corporation
1885 Lexington Avenue
New York, New York 10035

RE: Apartments No(s). _____

Gentlemen:

Pursuant to the terms of our Proprietary Lease, we hereby request permission to install the fixtures, equipment and appliances, and make the alterations described in the plans and list of fixtures and appliances annexed hereto (hereinafter collectively referred to as the "Work") in the above apartment.

If such permission be granted:

1. We agree, before any work is begun:

a. To provide you with a complete and conformed copy of every agreement or order made by us or our representative with the contractors, subcontractors, designers, architects, and suppliers relating to the Work. Any substitute or amendment to said agreement(s) shall be submitted to you for approval prior to execution by us.

b. If required by law or Governmental regulations, to file plans with and procure the approval of all Governmental Agencies having jurisdiction over the work, including but not limited to, the New York Housing Development Corporation as required by the Cooperative's Bylaws, and, not more than ten (10) days after receipt of such approval, to deliver to you a copy of every permit or certificate issued. If there be any doubt as to the need for such approval, you shall be the sole arbiter in resolving the doubt.

c. To procure from our contractor, or contractors:

(1) Comprehensive personal liability and property damage insurance policies, each in the minimum amount of \$5,000,000, which policies shall name you, the Board of Directors individually and collectively, any architect, or engineer engaged by you, and your Managing Agent, as well as ourselves, as parties insured. Such policies shall provide that they may not be terminated except on at least ten (10) days' prior written notice to you; and

(2) Worker's compensation and employee's liability insurance policies, covering all employees of the contractor, contractors or subcontractors.

All such policies or certificates evidencing their insurance shall be delivered to you prior to the commencement of the Work. Further, all such policies shall cover all employees of the contractor or subcontractor.

d. To furnish you with a letter from a licensed engineer or architect, which letter shall certify that the electrical loads required as a result of the work if any, (1) will not be in excess of the present electrical capacity of our apartment, and (2) will not adversely affect the Building's electrical service.

e. That the Work will be performed by licensed contractors and subcontractors only. We shall furnish to you, in writing, the names, addresses, telephone numbers and license numbers of all contractors and subcontractors involved in the Work.

2. If you are required or shall deem it necessary in your sole discretion to seek legal, engineering or architectural advice or services prior to, during or subsequent to granting permission for the Work, We agree to make payment directly or to reimburse you for fees incurred by you on demand. We acknowledge that you have advised us that We shall be responsible for the direct payment of the fees of (X) any architect or engineer engaged by you to review the plans and specifications for the Work, to observe the Work as it is performed, and to inspect the Work in order to insure that the Work conforms to the plans and specifications and is otherwise in conformity with this agreement, and (y) the fees of any other professional you, in your sole discretion, deem necessary. All such fees are due and payable on demand and shall be deemed additional rent obligations under our proprietary lease.

3. It is understood that:

a. In no event shall you be liable for any injury, theft, damage or loss of property from any cause whatsoever or for any injury to any person in or entering the Building or the apartment during the performance of the work.

b. We assume all risks of damage to the Building and its mechanical and electrical systems, and to persons and property in the Building which may result from or be attributable to the work being performed hereunder and all responsibility for the maintenance and repair of any alterations after completion. This risk of damage covers without limitation all work, whether or not structural, weather tightness or 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, electrical and other equipment installed or altered pursuant thereto. If the structure or operation of the Building, or any of its equipment, is adversely affected by the work, we shall, when so advised, promptly remove the cause of the problem or, if there is any damage in any way whatsoever to the Building, its machinery or equipment, We shall

reimburse you for the cost of restoration and repairs. We hereby acknowledge that in the event any portion of our Work impedes your access to the building's equipment or structures (including, without limitation, tiling of the bathroom walls which impedes access to plumbing apparatus or radiator enclosures or wall units which impede access to the heating apparatus), you may dismantle such Work to procure such access and shall not be liable for the cost of restoration or repair of same; we shall bear sole responsibility for the cost of such restoration and/or repair.

c. There will be no temporary or permanent change in the Building's heating or air conditioning systems, electrical or plumbing to facilitate or accommodate the Work, unless you have given written permission for same.

d. We shall not in any case install any pipes, wires, or appliances which overload the existing Building facilities or equipment or cause an increase in the rate of fire insurance. Such determination shall be in the sole discretion of the Board.

e. We hereby indemnify and hold you, your engineers, architects, employees, individual directors and managing agent, and the other shareholders and residents of the Building, harmless against any loss or damages suffered to persons or property as a result of or in any way related to: (i) the Work in our Apartment and/or its adverse impact upon the common areas of the Building or the comfortable occupancy of other apartments in the Building; (ii) our failure to comply with our obligations hereunder (including, without limitation, any obligation to maintain and repair the Work in accordance with this Agreement; and (iii) our failure to perform the Work in accordance with the approved Plans and specifications and the terms and conditions contained herein. We shall reimburse you, your engineers, architects, employees, individual directors, and managing agent, and other shareholders and residents of the Building for any losses, costs, fines, fees and expenses (including without limitation attorney's fees and expenses on a dollar-for-dollar basis) incurred as a result of the Work; and/or our or our contractors'/consultants' failure to conform with this Agreement or any law or ordinance and which may be incurred by you in the defense of any suit, action, claim or violation in connection with the Work or the abatement thereof. This indemnification and promise of reimbursement includes loss in the nature of attorney's fees incurred by you in the course of defending any action commenced by any shareholder or resident of the Building against you, any of your directors, or your managing agent by reason of any aspect of the Work or any condition arising therefrom. It is intended that our obligation hereunder shall be unconditional and absolute, regardless of fault or negligence on our part or the part of our contractors or subcontractors.

f. We hereby release you, your agents, employees, individual directors and managing agent 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 proprietary lease, We accept 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 acknowledge that such responsibility shall pass to our successor-in-interest in the stock and proprietary lease appurtenant to the Apartment.

g. We or our successor-in-interest shall (i) advise each subsequent purchaser of our interest in the shares of stock and lease appurtenant to our apartment (a "Purchaser") of the Work undertaken by us and the Purchaser's obligations under this agreement; (ii) provide copies of the plans relating to the Work and this agreement to the Purchaser; (iii) waive any claim or cause of action against you, your individual directors or your managing agent for advising a potential Purchaser of the obligations of the owner of the apartment under this agreement; and (iv) have an Assumption of Alteration Agreement in substantially the same form as Exhibit "A" executed by any successor-in-interest prior to closing of the sale of the stock appurtenant to the apartment to him/her.

h. We recognize, acknowledge and agree that the performance of the Work may result in inconvenience to the operation of the Building and to the other tenants of the Building, and that such Work may, among other things, cause unusual and additional use of the service elevator, cause noises which will interfere with the proper and quiet enjoyment by the other occupants of their use of their apartments, create dust and dirt to permeate from the apartment, require additional cleaning of hallways and corridors, create damage to floors, walls and ceilings in hallways and corridors, etc. We therefore agree as follows:

(i) No work may actually begin until We complete a notice, in the form attached hereto as Exhibit "B", acknowledging the date work is to commence, and the notice referred to Paragraph 13 hereof.

(ii) No work shall be done, except between the hours of 8:00 a.m. and 5:00 p.m., Saturdays, Sundays and Holidays excluded, and no work which can produce unusual noises, which might be disturbing to Building occupants shall be done before 9:00 a.m. The term "holiday" shall be defined by you in your sole discretion. The Corporation shall be the sole arbiter should there be any doubt as to noise levels which may be disturbing.

(iii) We will take all precautions to prevent dirt and dust from permeating other parts of the building during the progress of the Work and to insure that other portions of the Building, its equipment and systems and the property of all shareholders or residents are not damaged. The full cost of any necessary cleanup or repairs shall be our responsibility. We understand and agree that all openings of any sort, including but not limited to doors, windows and exhaust grills, must be thoroughly sealed to prevent dust and dirt from permeating the public hallways or other apartments. During the progress of the Work we will take all precautions necessary to prevent damage to the carpeting and wallpaper in the Building's hallways and to other common areas. We agree that all portions of the public areas from the entrance to the Building to the service elevator and from the service elevator to our apartment must be at all times adequately protected from the movement of materials and equipment or the removal of materials, equipment or debris. We agree that, should any damage be caused to such areas or should such areas be required to be cleaned, We shall do so promptly at our sole cost and expense. 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 our expense. We recognize that only the service elevator may be used for such removal and only at such times as the superintendent of the Building may direct. In the event you are obligated to pay Building staff overtime as a result of any aspect of the Work, We shall reimburse you the cost so incurred. All costs which may become due to you under this provision shall be deemed additional rent under the terms of our proprietary lease.

(iv) The use of electrical hammers, electric saws or other electrical power tools which cause or may cause undue disturbance to other tenants of the Building are not permitted at any time unless specifically approved by you in writing.

(v) All work shall be done only by contractors or subcontractors approved by you or your Managing Agent in writing.

(vi) The alterations and materials used shall be of the quality and style in keeping with the general character of the Building and shall conform to any standard building requirements for alteration and any corporate resolutions and guidelines now or hereinafter in effect.

(vii) If, in the sole judgment of the Apartment Corporation, any of the fixtures, equipment, alterations or structures We erect shall cause damage to the Building interrupt or impair the quality of service to other portions of the Building, or if any such fixtures, equipment, alterations or structures visible from the outside of the building shall become unsightly, We will promptly, on notice from the Apartment Corporation, remedy the condition and, pending such remedy, shall cease using the fixture, equipment, alteration or structure which causes the objectionable condition, as determined by the Apartment Corporation.

(viii) The facade of the Building or the window configurations may not be changed; the intercom or door buzzers may not be moved or rewired without your prior approval; no electric oven, whirlpool, sauna, kiln or similar device may be installed without your prior approval; no cutting into the floor or ceiling slab of the apartment for electrical or plumbing work or for any other purpose shall be permitted; no appliance or fixture shall be installed unless same has been labeled on the plans and specifications submitted herewith and approved by the Board.

(ix) If we shall have removed from the Apartment any articles or materials owned by the Apartment Corporation or any fixtures or equipment necessary for the use of the Apartment, We shall either restore or replace such materials, fixtures or equipment and repair any damage resulting from their removal and restoration. If We replace such materials, fixtures or equipment the replacement items will be of a kind and quality then customary in comparable buildings and satisfactory to the Apartment Corporation.

(x) No penetrations will be made through any existing shafts for the installation of pipes, conduits or other utilities.

(xi) No more than sixty (60) days prior to beginning renovation activities

in our apartment, the contractor shall provide us with the Environmental Protection Agency (the "EPA") pamphlet entitled, Protecting Your Family from Lead in the Home, (the "Pamphlet"). If our apartment is occupied by other than us, the contractor shall provide the occupant with the Pamphlet. The contractor shall be responsible for obtaining our written acknowledgment of receipt of the Pamphlet or a certificate of mailing evidencing same. We hereby acknowledges that the Corporation has no liability or obligation in connection with this notification requirement of the EPA.

i. We will 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 us or for our benefit. We will 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 any abatement work.

j. We agree that functioning fire extinguishers and smoke alarms will be maintained in our apartment during the Work. We agree that the Work shall not block access to any fire exits in the Building. We shall have smoke and carbon monoxide detectors installed within 15 feet of every sleeping area on the ceiling or wall pursuant to Local Law 62 of 1981 and Local Law 7 of 2004 of the City of New York, and We shall install window guards if a child or children 10 years old or under lives or resides in our apartment pursuant to Section 131.15 of the New York City Health Code.

k. We agree to immediately notify the Building's superintendent whenever any branch or plumbing risers may be exposed so that the superintendent may be present to inspect the same.

4. We will bear the entire cost of alterations and installations and pay all bills incurred in connection therewith, not later than thirty (30) days after the completion of the work. If any mechanic's liens be filed for work claimed to have been done or materials alleged to have been supplied, We shall cause such liens to be discharged within ten (10) days after such filing. If We fail to do so, you may exercise any or all your rights and remedies under the Proprietary Lease or this Agreement.

5. At the completion of the work, We will deliver to you 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 all work has been done in accordance with all applicable laws, ordinances and Government regulations.

6. We recognize that, by granting consent to the work, you do not profess to express any opinion as to the design, feasibility or efficiency of the work.

7. Our failure to comply with any of the provisions hereof shall be deemed a breach of the provisions of the Proprietary Lease, and, in addition to all other rights, you may also suspend all

work and prevent workmen from entering our apartment for any purpose other than to remove their tools or equipment. In such event, you may also revoke your permission for us to undertake the work.

8. This Agreement may not be changed orally. This Agreement shall be binding on you, us and our personal representatives and authorized assigns.

9. We agree to provide access to your architects and engineers as well as your agents to observe the work from time to time and undertake to make all corrections specified as a result thereof. Observation visits will be scheduled on not less than two (2) days' notice by you to us on the following occasions:

a. Prior to inspections, testing or approvals as required by any public authority having jurisdiction over any portion of the work.

b. Prior to the enclosure or obstruction of any concealed or inaccessible portion of the work.

10. If any portion of the work should be covered contrary to the request of the architect for the Building or to requirements specifically expressed in this Agreement, it must, if required in writing by the architect for the Building, be uncovered for its observation and shall be replaced at our expense.

11. In the event that any changes in the plans and specifications shall be desired by me, amended plans and specifications in detail shall be furnished to you for your approval covering every change. No work shall be commenced with respect to such changes until they shall have been approved by you. We shall promptly correct all work rejected by you as defective or as failing to conform to this Agreement whether or not fabricated, installed or completed. We shall bear all costs of correcting such rejected work, including compensation for the architect's and engineer's additional services made necessary thereby.

12. A complete set of the plans and specifications and any amendments and changed orders thereto shall be kept in our apartment and shall be available for your examination.

13. Supplementing the indemnification set forth in paragraph 3(e) hereof, at least two weeks prior to commencing Work, we will notify in writing the owners of apartments adjacent to, above, and below us that the alterations will be performed, the duration thereof, and that we will indemnify them from any damage whatsoever (in the form annexed as Exhibit "C"), provided that the owners of said apartment will permit our designated representative to inspect the premises prior to the commencement of the Work. Sufficient copies of Exhibit "C" shall be signed by us and delivered to such other shareholders by the managing agent. Our liability hereunder shall be absolute, and shall not be dependent on the existence of insurance coverage. All payments hereunder shall be made within ten (10) days of any damage.

14. The work shall not interfere with the normal daily operation of the Building or violate the terms and conditions of our Proprietary Lease, including the House Rules. Our contractors and subcontractors shall abide by the instructions of the Building's superintendent or his designated representative. Prior to entering the Building each day, our workers will be required to sign the daily log maintained by the Building's maintenance staff. Our architect or contractor will notify the building's superintendent, in writing, at least 48 hours in advance when excessive noise, riser shutdown, or any approved interruption of service is planned.

15. We understand that all fees, payments and expenses incurred by us and required pursuant to this Agreement, shall be considered as additional rent pursuant to the terms of our Proprietary Lease with this Corporation, and collectible as such. Upon any failure on our part to take any action as required hereunder, the Corporation may do so and we shall reimburse the Corporation therefore.

16. We shall promptly correct all work rejected by you as defective or as failing to conform to this Agreement whether or not fabricated, installed or completed. We shall bear the costs of correcting such rejected work, including compensation for the additional services of any architect or engineer engaged by you pursuant to the terms hereof made necessary thereby.

17. The Work shall be completed within _____ () days after governmental approval has been granted, or, if no such approval is required by law or regulation, then from the date of this Agreement ("Projected Completion Date"). Except for unavoidable delays beyond our control, which do not include delays in performance by our contractor, if the Work shall not have been completed by the Projected Completion Date, you shall be entitled to collect from us the following sums as liquidated damages, and not as a penalty, to compensate you and your shareholders for the costs and inconvenience of the continuation of the Work beyond the period specified herein:

(a) \$50.00 per day for each additional calendar day (or portion thereof) through and including the fifth calendar day following the Projected Completion Date until the Work is completed;

(b) Commencing with the sixth calendar day following the Projected Completion Date, through and including the tenth calendar day following the Projected Completion Date, \$75.00 per day (or any portion thereof) until the Work is completed;

(c) Commencing with the eleventh calendar day following the Projected Completion Date, through and including the twentieth calendar day following the Projected Completion Date, \$100.00 per day (or any portion thereof) until the Work is completed;

(d) Commencing with the twenty-first calendar day following the Projected Completion Date, through and including the forty-fifth calendar day following the Projected Completion Date, \$150.00 per day (or any portion thereof) until the Work is completed; and

(e) Commencing with the forty-sixth calendar day following the Projected Completion Date, \$250.00 per day (or any portion thereof) until the Work is completed.

Any sums so imposed shall be deemed additional rent obligations under the proprietary lease.

18. We agree to place with the Apartment Corporation an escrow deposit of \$_____ as security for my faithful performance and observation of the terms and conditions of this Agreement and to be held for the purpose of defraying any damages suffered by you or by any other tenant shareholder or resident of the Building during the progress of the Work. Upon certification by the resident manager and the managing agent and approval by the Board that there is no damage, the escrow deposit will be returned to us in full. If there is damage, the escrow deposit shall be applied against the cost of any repairs. If the repairs exceed the amount of the escrow deposit, we agree to pay any balance remaining as additional rent under the proprietary lease. Additionally, you may hold this sum as security for our delivery of any amended Certificate of Occupancy, governmental signoffs, testing certificates and other approvals and proof that the Work has been completed as required by law and this Agreement, and as security against our payment on demand of any fees incurred by you pursuant to paragraph 2 or the liquidated damages set forth in paragraph 17 above. In the event the escrow is depleted as a result of the provisions of paragraph 18, we agree to replenish the escrow on demand. In the event we fail to obtain any such approvals, proofs or an Amended Certificate of Occupancy, you may apply the escrow deposit against the cost of obtaining such approvals, etc. If the cost to obtain such approvals, etc. exceeds the sum held in escrow, then we agree to pay such costs as additional rent under the terms of the proprietary lease.

19. All fixtures and appliances proposed to be installed in the apartment must be labeled on plans and specifications therefor submitted herewith.

20. We acknowledge that you grant us permission to install only those appliances and perform only those alterations described in the Work set forth in the plans and list of fixtures and appliances annexed hereto, and that you do not permit the installation of any other appliances or alterations. We further acknowledge, agree and understand that you do not permit (a) the installation of a spa, inset speakers, sauna, whirlpool, jacuzzi, hot tub, steam room, electric stove, or kiln or similar oven not for kitchen purposes, (b) the enlargement of existing bathrooms or the installation of additional bathing facilities or plumbing fixtures, or (c) any alterations which would entail cutting into the floor or ceiling slab of the apartment for electrical or plumbing work or for any other purpose, without your express separate consent, and we expressly agree not to cause or permit any such installation or alterations. We further expressly agree not to cause or permit the installation of any other appliance or fixture whatsoever unless the same shall have been labeled on the plans and specifications submitted to you herewith and approved by you in writing.

We recognize that there will be no change in 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 we may be installing. We will not interfere or permit interference with the

Building's intercom system, gas, electric, plumbing, or any other service. We agree that exterior masonry walls shall not be penetrated.

21. We acknowledge that the Board of Directors retains the right to impose any requirements on the Work to be performed hereunder as it may deem proper and necessary to protect the health, safety and welfare of the Corporation and its shareholders, including but not limited to performance bonds, capital contributions, supervision by building staff and payment of increases in real estate taxes, insurance premiums, or utilities caused by the Work.

22. Our 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.

23. This agreement may not be changed orally. This agreement shall be binding on you, us, and our personal representatives and authorized assigns. This agreement is entered into and governed by the laws of the State of New York.

24. The terms "I", "me" and "my" shall be read as "we", "us" and "our" if more than one (1) shareholder shall execute this agreement, in which case the obligations hereunder shall be deemed joint and several.

25. Wherever herein the term "contractor" is used, it shall also mean any "subcontractor" and vice versa.

26. If any provision of this agreement shall be determined to be invalid, illegal, or unenforceable, the remainder of this agreement shall not be affected thereby, but shall continue in force and effect as though such invalid, illegal, or unenforceable provisions(s) were not originally a part thereof.

27. In the event that you incur legal fees and costs in connection with the enforcement of your rights and our obligations under this Agreement and we are actually adjudged by any Court of competent jurisdiction to be in breach thereof, or an injunction (preliminary or permanent) is issued by any Court of competent jurisdiction against us with respect to any aspect of this Agreement, we will reimburse you on a dollar for dollar basis for all such costs and fees, whether or not they have been actually paid. Any such reimbursement shall be deemed an additional rent obligation under our proprietary lease.

28. We hereby acknowledge that we have either had this agreement reviewed by counsel of our choice prior to execution thereof, or we have willingly waived such right of review.

29. The Managing Agent is to be paid \$_____, at our expense for the preparation of this Alteration Agreement and administration of the Work contemplated thereby.

30. Workmen shall not eat, rest or remain on the sidewalk in the vicinity of the building.

There shall be no smoking in or about the common areas of the Building.

We acknowledge that any deviation from the Work approved in this rider shall void in its entirety the permission granted herein, but not the financial and other responsibilities assumed by us.

Annexed hereto are the Work documents and a rider of _____ pages which is made a part of this agreement.

Very truly yours,

SS# _____

SS# _____

PERMISSION GRANTED

LANCASTER LEXINGTON APARTMENT CORPORATION

By: _____

Title: _____

Dated: _____

**ANY DEVIATION FROM THE WORK APPROVED IN
THIS ALTERATION AGREEMENT
SHALL VOID IN ITS ENTIRETY THE PERMISSION GRANTED HEREIN**

EXHIBIT A

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, New York

Dated: -----

_____, Assignee

State of New York)

) ss.:

County of New York)

On this _____ day of _____, _____, before me personally came _____, to us known and known to us to be the individual described in and who executed the foregoing instrument, and duly acknowledged to us 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.

EXHIBIT B

NOTICE THAT WORK WILL COMMENCE

The undersigned hereby acknowledges that the work scheduled in my apartment commenced on the ____ day of _____, 20____.

Superintendent

Shareholder

Apartment No.

EXHIBIT C

(Date)

Dear Shareholder:

In approximately two weeks, we intend to start alterations to our apartment No. _____ which we expect to be completed within _____ days from the date hereof.

Pursuant to our Agreement of even date with Lancaster Lexington Apartment Corporation we agree to indemnify you against any loss or damage to your apartment and its furnishings, furniture and decorations, arising out of or in connection with such alterations, whether caused by me, our contractor or subcontractors (provided that you permit my representative to inspect your apartment, if necessary, prior to the commencement of work upon reasonable advance notice to you).

Very truly yours,

INDEMNIFICATION AGREEMENT
LANCASTER LEXINGTON COOPERATIVE (“COOPERATIVE”)
AND
_____ (“SHAREHOLDER(S)”) _____

Shareholder(s), the owner(s) of shares and holder(s) of a proprietary lease appurtenant to Unit _____ (the “Unit”) at the Cooperative, has hired _____ to perform certain work in the Unit at the premises located at 1885 Lexington Avenue, New York, New York 10035 (the “Premises”). More specifically, _____ shall install an awning on the Unit terrace (the “Work”). Shareholder(s) has agreed to indemnify the Cooperative as follows:

Shareholder(s) shall, to fullest extent permitted by law, indemnify and hold the Cooperative and its officers, directors, agents (including, but not limited to, Kyrous Realty Group and its individual employees), representatives and employees and engineer, harmless from all liability, loss, cost, injury or damage, including, but not limited to, reasonable attorney's fees, from claims of injury, property loss, property damage, or death, occasioned, in whole or in part, by a negligent act or omission of _____, its representatives, employees, subcontractors or suppliers in connection with the Work. Shareholder(s), at his/her/its own cost and expense, shall exercise every possible precaution and means to avoid accidents or injury to persons and property, shall ensure that their contractor exercises every possible precaution and means to avoid accidents, shall supervise _____ when the Work is performed, and shall adopt and carry out any reasonable suggestion of the Cooperative in an effort to assure safety.

Print Name

Print Name

Addendum to Alteration Agreement

Re: PW1 and 3 Forms

Shareholder, Shareholder's Architect/Engineer ["Licensed Professional"] and the Corporation, hereby acknowledge the following, which is incorporated into the Alteration Agreement executed by the Shareholder and the Corporation:

1. In the event of any inconsistency between the provisions of this Addendum and those contained in the Alteration Agreement to which this Addendum is annexed, the provisions of this Addendum shall govern and be binding.
2. Subject to the following sentence, the Corporation authorizes the Shareholder to file Applications for Work Permits in connection with the planned and approved Alteration pursuant to New York City Department of Buildings ("DOB") Operational Policy and Procedure Notice 17/87, including filing DOB Forms PW1 and PW3, including but not limited to the initial filings and Sign-Offs including actual construction cost of completed work, which forms shall be prepared by the Licensed Professional and submitted for review and approval by the Corporation prior to actual filing. This authorization shall not take effect unless and until the Corporation has signed this Alteration Agreement, following examination by its Managing Agent and/or Board of Directors and/or reviewing architect/engineer of Shareholder's Alteration Application and all required plans, specifications, drawings or other required written description of Shareholder's scope of work.
3. All filings by the Shareholder in connection with the Alteration shall be limited to plans and specifications previously submitted and approved by the Corporation and/or its agent prior to their filings.
4. Shareholder further acknowledges that:
 - a. No other filings nor amended agency filings (and related changes to PW3) shall be made other than those submitted to the Corporation in advance for its approval and copies of all approved amended filings shall be provided to the Corporation as set forth in Paragraph 5 below;
 - b. Any and all comments, changes, etc. proposed by the DOB as part of its review of the Application shall be delivered to the Corporation, as well as all responses thereto by the Licensed Professional; and

- c. No work other than that set forth in the Alteration Agreement and filings and Amended Filings with the DOB shall be permitted in connection with the Alteration;
5. Certified stamped copies of all filings shall be delivered to the Corporation within two (2) business days of their approval by the DOB;
6. Shareholder shall certify in each such case that no other filings were prepared, submitted and/or approved by the DOB other than those submitted in advance and approved by the Corporation, its managing agents and professionals;
7. Shareholder and Licensed Professional shall complete and submit Form PW3 ["Cost Affidavit"] both initially and to obtain Sign-Off for the work to the Board of Directors and its managing agent, which forms shall attest to the accuracy of construction costs including an affidavit from the Licensed Professional to the Shareholder and the Corporation as to the accuracy of such costs and the basis for the cost estimates (own estimates; another party's estimates or actual bids and costs) knowing that the Corporation relies upon such attestation prior to its filing with the DOB and submit a certified copy of such filing within two (2) business days after approval by the DOB;
8. Shareholder and Licensed Professional shall certify to the Corporation that the work, as approved by the Corporation, filed by the Shareholder and as completed does not require a change in the Corporation's Certificate of Occupancy and shall file such similar statement with the DOB;
9. Shareholder shall submit a final inspection report, including a statement from the Licensed Professional that the work is complete and shall have a Certificate of Completion (or an amended Certificate of Occupancy, if required) issued by the DOB, a copy of which shall be provided to the Corporation;
10. Shareholder agrees to indemnify and hold the Corporation and its managing agent harmless from any and all fines and/or criminal liability imposed in connection with the filings and the work and acknowledges that the Corporation is relying upon the Shareholder's representations in connection with the work; Shareholder agrees, further, to indemnify and hold harmless, Corporation and its officers, Directors and agents from all attorney's fees incurred by it by reason of any filings with DOB of P1 and/or P3 Forms; Shareholder hereby acknowledges that it is solely liable for any civil and/or criminal penalties by reason of erroneous filing of said P1 and/or P3 Forms and hereby releases and exculpates the Corporation

and its Directors and employees from any claim or cross claim by reason of such liability.

11. The Alteration Deposit made by the Shareholder in connection with the approval of the work shall not be returned until the Corporation has received:
 - a. Certified copies of all filings in connection with the work including the PW3 submission of final costs in connection with the Sign-Off;
 - b. Amended Certificate of Occupancy, or affidavit that the work does not require a change in the Corporation's Certificate of Occupancy;
 - c. If amended Certificate of Occupancy is not required, a Certificate of Completion that the work is complete.

To the extent that any portion of the Shareholder's Security Deposit be depleted by virtue of the Corporation's payment of any fine or civil penalty on behalf of the Shareholder by reason of Shareholder's Form P1 and P3 Filings, Shareholder will, upon demand, replenish said Security Deposit to the level established under the Alteration Agreement.

12. Failure to comply with the terms and conditions set forth in the Addendum shall be a breach of the Alteration Agreement, the Proprietary Lease and the By-Laws pursuant to which the Corporation shall have the right to terminate approval for work set forth in the Alteration Agreement, revoke the filing Authorization granted hereunder by notification to DOB or otherwise, and commence legal action pursuant to the terms of the Corporation's Proprietary Lease and By-Laws and the Alteration Agreement.

Shareholder

Licensed Professional

Notary Public

Notary Public

Lancaster Lexington Apartment Corporation

By: _____,

RIDER TO ALTERATION AGREEMENT

PAINT/DUST AND DEBRIS CONTAINMENT

The shareholder shall cause the shareholder's contractors, subcontractors and/or workers to use safe work practices during the Work and take precautions to prevent the spread of dust and debris which may contain lead.

The Federal Task Force on Lead Based Paint Hazard Reductions has recommended certain maintenance practices, including the following:

1. Limit access to the Work area to workers only.
2. Cover the Work areas with polyethylene plastic or equivalent.
3. Protect the workers.
4. Protect shareholder's belongings by covering them or removing them from the Work area.
5. Wet the painted surfaces before disturbing the paint.
6. Wet the debris before sweeping.

The Federal Task Force has indicated that certain removal practices are unsafe, including open flame burning, power sanding or sandblasting (unless a special vacuum is used to contain dust), and scraping more than a *de minimis* surface area. (*De minimis* means an area of less than one square foot per room).

The shareholder shall cause the shareholder's contractors, subcontractors and/or workers to perform their work consistently with the recommendations of the Federal 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.

The shareholder shall receive assurances acceptable to the Corporation from the shareholder's contractors, subcontractors and/or workers that they have knowledge of lead based paint hazards, if any, and they will perform the Work and clean up the Work in a manner which will avoid creating lead based paint hazards.

Dated: _____

_____ Owners, Inc.

By: _____

_____ Shareholder

_____ Shareholder

Contractor Checklist

Follow list before contractors start work

1- Obtain signed hold harmless/insurance procurement agreement

Manager's initials _____ *date* _____

2-Obtain contractors insurance certificate liability policies
Primary and umbrella

Manager's initials _____ *date* _____

3-Have insurance broker review and approve contractor's
general liability and umbrella policies.

Manager's initials _____ *date* _____

Whereas _____ ("Contractor") is and will be performing certain work for _____ ("Owner") pursuant to an agreement for _____, the Contractor and Owner hereby agree:

INDEMNIFICATION AGREEMENT

To the fullest extent permitted by law, Contractor agrees to indemnify, defend and hold harmless Owner and/or Managing Agent from any and all claims, suits, damages, liabilities, professional fees, including attorneys' fees, costs, court costs, expenses and disbursements related to death, personal injuries or property damage (including loss of use thereof) arising out of or in connection with the performance of the work of the Contractor, its agents, servants, subcontractors or employees, or the use by Contractor, its agents, servants, subcontractors or employees, of facilities owned by Owner. This agreement to indemnify specifically contemplates full indemnity in the event of liability imposed against the Owner and/or Managing Agent without negligence and solely by reason of statute, operation of law or otherwise, and partial indemnity in the event of any actual negligence on the part of Owner and/or Managing Agent either causing or contributing to the underlying claim. In that event, indemnification will be limited to any liability imposed over and above that percentage attributable to actual fault, whether by statute, by operation of law or otherwise.

INSURANCE PROCUREMENT

Contractor shall obtain and maintain at all times during the term of this agreement, at its sole cost and expense, the following insurance (a) workers compensation insurance with statutory limits and employer's liability coverage of not less than \$500,000; (b) commercial general liability insurance with a minimum limit of \$1,000,000 per occurrence and \$2,000,000 in the aggregate, which insurance shall cover the following: premises and operations liability, products/completed operations, broad form property damage, broad form contractual liability, personal injury and independent contractor's liability; (c) automobile liability insurance covering owned, hired and non-owned vehicles, with a minimum limit of liability of \$1,000,000; and (d) umbrella liability insurance with a limit of \$5,000,000 per occurrence and a general aggregate of \$5,000,000. Contractor shall, by specific endorsements to its primary and umbrella/excess liability policy, cause Owner and Managing Agent to be named as Additional Insureds. Contractor shall, by specific endorsement to its primary liability policy, cause the coverage afforded to the additional insureds thereunder to be primary to and not concurrent with other valid and collectible insurance available to Owner and Managing Agent. Contractor shall, by specific endorsement to its umbrella/excess liability policy, cause the coverage afforded to the Owner and Managing Agent thereunder to be first tier umbrella/excess coverage above the primary coverage afforded to Owner and Managing Agent and not concurrent with or excess to other valid and collectible insurance available to Owner and Managing Agent.

Dated: _____

Contractor

By: _____

Owner/Manager

By: _____