

KYROUS REALTY GROUP, INC.

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Red Hook Homes Apartment Corp. – Alteration Policy

The following documents must be submitted via e-mail to carine@kyrousrealty.com.

1. Completed & Signed Alteration Agreement. A fully executed Agreement will be returned to you upon Board approval.
2. Five full sets of architectural plans plus PDF drawings.
3. Processing Fee: \$300.00 – Please make check payable to Kyrous Realty Group, Inc. (non-refundable)
4. Alteration Deposit: The deposit must be equal to 3% of the construction cost with a minimum of \$5,000.00. Please make check payable to Red Hook Homes Apartment Corp. The deposit is refundable provided no damage is caused in the building.

Upon approval and prior to commencement of work, the following documents must be submitted.

1. Contractor's Certificate of Insurance: See Alteration Agreement–Exhibit A for insurance requirements.
2. Completed Indemnification Agreement signed by contractor(s).
3. Copy of contractor(s) license.

Additional Terms and Conditions

Alterations must be completed within 120 days. Requests for additional time for completion must be submitted with your application and requires Board approval. There is a \$500.00 per week penalty for late completion.

Contractors are required to install protective floor covering in the vestibule and lobby area at the beginning of each work day and to protect all lobby wall surfaces while transporting materials in and out of the building (Masonite will be provided by the superintendent). Protection must be removed and all common areas must be cleaned at the end of each work day. Please note that the shareholder performing alterations will be responsible for any cleanup costs incurred by the building if the contractor fails to adhere to the building's construction clean-up rules.

All work must end by 4:00 pm in order to allow sufficient time for your contractors to clear out any and all debris from the apartment and clean common areas. If contractors are not done by 4:30 p.m. the shareholder will be billed back for the superintendent's overtime.

All minor alterations, including routine painting, cabinetry, and floor sanding and refinishing require Board approval.

BUILDING KEYS ARE NOT TO BE GIVEN TO CONTRACTORS. All contractors are required to arrange for access into the building each day through the building's superintendent.

ALTERATION AGREEMENT
FOR COOPERATIVE APARTMENT

This Agreement, made as of this ____ day of _____, 20__ between Red Hook Homes Apt. Corp. (the "Corporation") with an address _____, New York 11231, and _____ (the "Shareholder") having a mailing address of _____ Apt. _____

WITNESSETH:

WHEREAS, the Shareholder desires to install equipment and or make alterations in apartment _____ (the "Apartment") at (_____ Brooklyn), New York (the "Building");

b. a check in the sum of \$ 0.00 payable to the Corporation for the security deposit

WHEREAS, the proprietary lease (the "Lease") between the Shareholder and the Corporation provides in substance that no equipment shall be installed and no alterations shall be made in the Apartment without the consent of the Corporation; and

WHEREAS, the Shareholder desires to obtain such consent;

NOW, THEREFORE, to induce the Corporation to give its consent to the "Work" (defined below) and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Shareholder's Submissions. Together with this Agreement, Shareholder is delivering to the Corporation:
 - a. Detailed plans, drawings and specifications for the equipment proposed to be installed and/or the alterations proposed to be made which, if so required by the Corporation, have been prepared by a licensed architect or engineer. Such plans, drawings and specifications include a room-by-room list of the equipment to be installed and the alterations to be made. A detailed list of all such plans, drawings and specifications are annexed hereto as Exhibit "A."
required to be posted by the Shareholder as provided for in Paragraph 14 of this Agreement (the "Security Deposit"), if required by the Corporation;
 - c. a check in the sum of \$ 400.00 payable to Kyrus Realty Group, Inc (Managing Agent), the managing agent for the Building (the "Managing Agent"), as a processing fee in connection with this Agreement, if required by the Corporation; and
 - d. a check in the sum of \$ 100.00 payable to the order of the Corporation, as payment "on account" of the fees, disbursements, charges and costs (including but not limited to attorney and engineering fees) to be incurred by the Corporation in connection with the preparation of this Agreement, review of the plans, inspection and monitor of the Work (hereinafter defined), enforcement

of this Agreement, and such other expenses incurred by the Corporation (the "Review Deposit").

2. Review of Plans, Drawings and Specifications. The plans, drawings and specifications of the alterations submitted by the Shareholder shall be subject to review by the Corporation and approval of the Corporation's architect and/or engineer (the "Corporation's Designated Engineer"), and the Shareholder shall make such changes in and to such plans, drawings and specifications as the Corporation or the Corporation's Designated Engineer shall require in order to obtain such approval. The term "Plans" as used in this Agreement shall refer to the plans, drawings and specifications showing the Work (defined below) as approved in writing by the Corporation's Designated Engineer and consented to by the Corporation, and any subsequent amendments or changes to the plans, drawings and specifications originally submitted that have been approved in writing by the Corporation's Designated Engineer and consented to by the Corporation. The term "Work" shall refer to all physical changes and alterations in or about the Apartment, and the equipment to be installed therein, called for by the Plans. After approval by the Corporation's Designated Engineer and consent by the Corporation of the Plans, the Work shall not be modified without the written approval of the Corporation's Designated Engineer and written consent of the Corporation.

Notwithstanding any approval of the Plans by the Corporation's Designated Engineer or any consent by the Corporation, the Shareholder shall be solely responsible for the Plans, for insuring compatibility with the systems and facilities of the Building and for compliance with applicable laws and codes. Any such approval or consent shall not constitute an assumption by the Corporation, its Board or the Corporation's Designated Engineer of any responsibility or liability for the Work or the Plans, nor an approval, acknowledgment or admission of the accuracy, suitability or soundness of such Plans, or their conformity with applicable laws, as well as codes, regulations, rules and requirements of any governmental authority having jurisdiction thereof (all of the foregoing are referred to herein as "legal requirements").

The Corporation's execution of this Agreement does not constitute consent to the proposed plans, and the Corporation retains all of its rights under the Lease to withhold consent. Only written approval of the Plans as provided for above shall constitute the Corporation's consent, and any such consent shall be subject to the terms of this Agreement, and any rules established by the Corporation for such Work.

3. Pre-Conditions to Commencement of Work by Shareholder. The Shareholder shall not commence the Work unless and until all of the following have occurred:
 - a. The Corporation's Designated Engineer has approved in writing the Plans submitted by the Shareholder, the Corporation has consented in writing to such Plans, and the Shareholder shall have received a copy of such approval and consent. The Corporation's consent shall be in writing and in the form annexed hereto as Exhibit "B" (the "Consent Letter").
 - b. The Shareholder has submitted to the Corporation: (i) a list of all contractors, subcontractors and suppliers who will perform or provide materials for the Work, and (ii) complete executed copies of all agreements entered into with such contractors, subcontractors and suppliers pertaining to the Work (the

"Contractor's Agreement"). Each Contractor's Agreement shall include a provision pursuant to which the contractor or subcontractor (as applicable) agrees to defend (with attorneys chosen by the indemnifying party and "reasonably acceptable" to the Corporation), indemnify and hold harmless the "Indemnified Persons" from and against any and all "Claims, Liabilities and Expenses" for personal injury or property damage arising *out of*, or in connection with the performance of the Work to the extent undertaken by such contractor or subcontractor (all quoted terms are defined below).

- c. The Shareholder has made all required filings with, and received all required permits, approvals, licenses and consents for the Work from, all governmental authorities having jurisdiction over the Work, including (but not limited to), if and to the extent applicable, the New York City Buildings Department, the New York City Fire Department and the Landmarks Preservation Commission, and the Shareholder shall have furnished copies of all such filings, permits, approvals, licenses and consents to the Corporation. The determination of the Corporation's Designated Engineer as to the need for any such filings, permits, approvals, licenses, or consents shall be conclusive. The Shareholder shall be solely responsible for the content of, and any obligations or liabilities arising from, any and all such filings, permits, approvals, licenses and consents.
- d. The Shareholder shall deliver to the Corporation a copy of Shareholder's insurance policies as required hereunder or, at the Corporation's option, a certificate evidencing such insurance; and the Shareholder shall deliver or shall cause each of Shareholder's contractors and subcontractors to deliver to the Corporation the insurance policies for Contractor Required Insurance or, at the Corporation's option, certificates thereof.

The term "Claims, Liabilities and Expenses" means all claims, suits, actions, proceedings, disputes, controversies or litigation (collectively, "Litigation") brought before any court or governmental authority having jurisdiction, or any arbitration or mediation association or alternative dispute resolution body; all liabilities, judgments, awards, losses, damages, penalties, fines, costs and expenses (including, without limitation, reasonable legal fees and disbursements, court costs and associated Litigation expenses) in connection with, or resulting from, such Litigation; any other loss, cost, expense, fine, penalties, fees, etc., which may be incurred by or charged to the Corporation arising out of, or in connection with the Work and any act or omission of Shareholder, or any contractor or subcontractor or agent or Shareholder; together with the per diem interest thereon at the rate equal to the lower of twelve percent (12%) a year or the maximum legal rate, computed from the date each item of cost or expense is paid or incurred to the date reimbursement thereof is received.

The term "Indemnified Persons" means the Corporation, the Corporation's officers, directors and shareholders, the Corporation's Designated Engineer, the Managing Agent, and the occupants of the Building.

The term "reasonably acceptable" or words of similar import means the acceptance of the attorneys, insurer or other matter or item at issue shall not be unreasonably withheld, denied, delayed, or conditioned.

4. Shareholder to Give Notice Prior to Commencement of Work. Prior to commencing the Work, the Shareholder shall give at least five (5) days' prior written notice to the Corporation's Designated Engineer, the superintendent of the Building and the Managing Agent of the date on which the Work will commence and the estimated duration of the Work.

5. Insurance Requirements.
 - a. The Shareholder shall maintain during the period that the Work is being undertaken (and during any warranty period given to the Shareholder by the contractor or subcontractor) general liability insurance of not less than \$1,000,000.00, which insurance may be a part of a homeowner's insurance policy and/or a personal liability umbrella. Each of the Shareholder's contractors and subcontractors shall maintain throughout the duration of its portion of the Work (and any warranty period given to the Shareholder by the contractor or the subcontractor) the insurance policies described on Exhibit "C" attached hereto ("Contractor Required Insurance").

 - b. Both the Shareholder's and the Contractor Required Insurance policies (i) shall name the Shareholder and the Indemnified Persons as insured parties, (ii) shall be issued by companies licensed to do business and admitted in the State of New York, and reasonably acceptable to the Corporation and (iii) shall provide that they may not be cancelled or terminated without at least ten (10) days' prior written notice to the Corporation. Each insurance policy or certificate of insurance rejected by the Corporation shall be corrected as necessary and shall be resubmitted until approved. Failure to reject a certificate or a policy shall not relieve the Contractor or the Shareholder of the obligation to provide insurance in accordance with this Agreement. Such insurance shall apply as primary and noncontributing insurance before any other insurance or self-insurance, including any deductible maintained by the Indemnified Persons.

6. Performance of the Work.
 - a. In General. The Shareholder shall cause the Work to be performed strictly in accordance with the Plans and shall not perform any work not called for by the Plans. In performing the Work, the Shareholder shall comply with (i) all applicable laws and legal requirements, (ii) the requirements of all insurance policies covering the Work, the Apartment or the Building, (iii) this Agreement, (iv) the Lease, (v) the House Rules, (vi) the requirements of the Corporation which may be promulgated and revised from time to time (the "Work Rules"), and (vii) any directions given by the Managing Agent, the Corporation's Designated Engineer or the superintendent of the Building. A copy of the Work Rules is annexed hereto as Exhibit "D."

 - b. Work Hours and Noise. The Work shall be undertaken diligently and, in a manner, so as not to disturb other occupants of the Building. The Work shall be performed only on Mondays through Fridays (excluding holidays) between the hours of __ a.m. and __ p.m.; provided however, that any noisy Work which may disturb other occupants shall not be performed before __ a.m. The

Work shall not be performed on weekends or holidays. The Corporation shall be the sole arbiter should there be any doubt as to noise levels which may be disturbing. The use of jackhammers or other pneumatic devices may not be used without the specific written permission of the Corporation, which may be withheld or, if given, may limit the use thereof or set other conditions.

- c. Labor Harmony. The Shareholder shall cause its contractors and subcontractors to undertake the Work, and employ only such laborers, as shall not in any manner interfere or conflict with, or cause any labor disturbances or stoppages with, any of the unions whose members are either employees of the Corporation or employees of any contractor or other third party servicing the Building.
- d. Required Completion Date. The Shareholder shall cause the Work (other than decorative work such as painting, wallpapering, and carpeting) to be completed as expeditiously as possible, but in no event after the date set forth in the Consent Letter (the "Required Completion Date"). The Corporation expresses no opinion regarding the feasibility of completion of the Work within that time period. If the Work (other than decorative work as aforesaid) shall not be completed on or before the Required Completion Date, the Shareholder shall be entitled to not more than additional, consecutive days (excluding weekends and holidays) to complete the Work (the "Extension Period") provided that and conditioned upon the payment by Shareholder to the Corporation, at least five (5) days before the Required Completion Date, the sum of \$ per day (excluding weekends and holidays) as consideration for each additional working day in the Extension Period. The Shareholder acknowledges that this payment is made in consideration for the Corporation's amending its initial consent to the Work; it being agreed by the parties that the initial consent, is granted pursuant to the Lease and reliance upon the Work being completed by the Required Completion Date, and that such timely completion was a material inducement to the Corporation's consent to the proposed Work. After the Extension Period, there will be no further extensions, unless otherwise agreed to in writing by the Corporation. The determination of whether the Work is completed shall be made by the Corporation in its sole judgment, and the Corporation's determination shall be conclusive.
- e. Evidence of Completion. Upon completion of the Work, the Shareholder shall obtain and deliver to the Corporation (i) a certificate from the architect or engineer who prepared the Plans (or a successor) certifying that the Work has been completed in accordance with all applicable laws, codes, legal requirements and the Plans, (ii) all required final governmental signoffs and approvals, including if the Corporation shall require, an amended certificate of occupancy and a certificate from the Board of Fire Underwriters, and (iii) "as built" drawings certified to by the architect or engineer who prepared the Plans originally submitted (or a successor). Such "as built" drawings will include any modifications, revisions or amendments to the original Plans submitted. The determination of the Corporation as to the need for an amended certificate of occupancy shall be conclusive.

f. Consents. Whenever consents are required or may be given by the Corporation under this Agreement, such consents must be in writing, and the granting or denying of such consents may be in the sole judgment of the Corporation. Notwithstanding anything to the contrary contained herein, all consents of the Corporation may be signed by either an officer of the Corporation, or by a duly authorized employee of the Managing Agent. No consents may be given by the superintendent or any other employee of the Corporation. "Consent" as used in this paragraph shall include any consents or approvals that in any way, or in any manner, amend the Plans or amend the provisions of this Agreement or the Lease.

7. Inspection and Correction of the Work. The Corporation shall have the right from time to time, and as often as it deems necessary, to inspect or observe the Work, and for this purpose the Shareholder shall provide access to the Apartment to Corporation's Designated Engineer, the Managing Agent, the superintendent of the Building, or any other person the Corporation may authorize. Such inspections may be made without notice to the Shareholder at any time when Shareholder, his/her representative, a permitted occupant, or workers are present in the apartment. The Shareholder shall promptly make all corrections required by the Corporation in order to conform to the Plans and the other requirements of this Agreement. If the Corporation so requires, such corrections shall include the removal and replacement of non-conforming work. The Corporation's failure to inspect shall not be considered a waiver of the Shareholder's obligation to comply with this Agreement.

8. Damage or Adverse Effect Caused by the Work. The Shareholder shall be responsible for any damage to, or any other adverse effect upon, the Apartment, the personal property and improvements in other apartments in the Building, and the Building (including the structure, shell, systems, equipment, fixtures and finishes of the Building) caused by or resulting from the Work, regardless of when such damage or adverse effect becomes apparent. If any such damage or adverse effect shall occur or arise, the Corporation may (a) require the Shareholder, at Shareholder's expense, promptly to repair the damage or remedy the condition giving rise to such adverse effect and/or (b) repair such damage or remedy such condition at the Shareholder's expense.

Without limiting the generality of the foregoing, the Shareholder specifically acknowledges the obligations under this Paragraph 8 shall be applicable to any damage to the carpeting, wallcoverings or other finishes in the Building's hallways, elevators, and other common areas (including, without limitation, the cost of cleaning, shampooing, painting or repairing the same if soiled or otherwise damaged).

If the Managing Agent advises the Shareholder of any damage which, in the Managing Agent's opinion, was caused by the Work, the Shareholder shall promptly submit a claim to the Shareholder's insurance carrier and to Shareholder's contractor for submission to its insurance carrier, and the Shareholder agrees to use all reasonable efforts, and to cause the contractor(s) to use all reasonable efforts, to cause such insurance carriers to expeditiously review and settle all such claims for which they are responsible. The provisions of this subparagraph shall not limit the Shareholder's liability under this Paragraph 8.

9. Indemnification by Shareholder. The Shareholder shall defend (with attorneys chosen by the Shareholder and reasonably acceptable to the Corporation), indemnify and hold.

harmless the Indemnified Persons from and against all Claims, Liabilities and Expenses arising out of or related to the Work or any act or omission of the Shareholder or any of its contractors, subcontractors, architects, engineers, or consultants, except as limited herein. This agreement to indemnify specifically contemplates full and complete indemnity in the event liability is imposed against anyone or more of the Indemnified Persons without any negligence on their part and based solely by reason of statute, operation of law or otherwise. In the event an Indemnified Person(s) is held to be liable in part, indemnification shall be limited to any liability imposed over and above that percentage of liability attributable to such Indemnified Person(s). Nothing in this paragraph, nor in this Agreement, shall exempt the Corporation from liability it may otherwise have for damages for injuries to person or property caused by or resulting from the negligence of the Corporation, its agents, servants or employees.

10. Shareholder to Bear All Costs Associated with Work. The Shareholder shall be responsible for all costs incurred by the Shareholder or the Corporation in connection with the Work, the Plans, or this Agreement, including the fees, charges, and disbursements of any attorney, architect, engineer, or consultant retained by the Corporation in connection with the Work, the Plans, or this Agreement. Without limiting the generality of the foregoing, the Shareholder specifically agrees to reimburse the Corporation (or pay as directed by the Corporation) within three (3) business days after a reasonably detailed demand is made (accompanied by copies of supporting bills), for all fees, disbursements and charges of the Corporation's Designated Engineer for the review of the plans, drawings and specifications submitted by the Shareholder (and any revisions thereto), for inspection of the Work or otherwise related to the Work or this Agreement. Shareholder acknowledges his/her liability under this Paragraph 9 is not limited to the amount of the Review Deposit, if any, and that such Review Deposit may, at the Corporation's sole discretion, be used to pay all or a portion of the costs set forth above, or such amount may be billed by demand as set forth above. In the event the Review Deposit is used to pay such costs, Shareholder agrees to replenish by check to the order of the Corporation, within three (3) business days after a demand is made, the amount expended. Failure to replenish shall be a material breach of this Agreement and shall entitle the Corporation to stop the Work or exercise any other remedies hereunder or under the Lease.

11. Additional Requirements.
 - a. No Change in Building Heating or Air-Conditioning. The Shareholder recognizes that no change in the operation of the Building's heating system or air-conditioning system to facilitate the functioning of any heating or air-conditioning units that the Shareholder may be installing will be permitted.

 - b. Prohibited Construction Methods. The Shareholder shall not interfere with the Building's intercom, gas, electric, heating, air-conditioning or plumbing system or any other Building system or service. The Shareholder shall not penetrate any exterior wall of the Building.

 - c. Accessibility of Valves. The Shareholder shall insure that all water, steam, gas and other valves remain accessible during the performance of and after the completion of the Work. If any valve is enclosed in violation of this Agreement,

then the Corporation may (i) require the Shareholder, at Shareholder's expense, promptly to remove such enclosure and/or (ii) remove such enclosure at the Shareholder's expense.

- d. Use of Public and Common Areas During Work. The Shareholder shall not allow the halls, sidewalks, courtyards, and other public areas in or around the Building to be used for the storage of building materials or debris. The Shareholder shall cause its contractor to cover with construction paper the floor of any back hall to be used in connection with the Work and shall also cause its contractor to take all precautions necessary to prevent damage to the carpeting, wallcoverings or other finishes in the Building's hallways, elevators and other common areas.
 - e. Shareholder to Maintain Certain Safety Precautions. Shareholder shall maintain functioning fire extinguishers and smoke alarms in the Apartment throughout the prosecution of the Work. Shareholder shall insure that the Work does not block access to any fire exits in the Building. Shareholder shall install smoke detectors within 15 feet of every sleeping area on the ceiling or wall pursuant to Local Law 62 of 1981 of the City of New York, and if a child 10 years old or under lives, or will live in the Apartment, Shareholder shall install window guards pursuant to Section 131.15 of the New York City Health Code.
 - f. Shareholder to Control Refuse, Dirt, Dust. Shareholder shall take all precautions to prevent dirt and dust from permeating other parts of the Building during the progress of the Work and shall place all materials and rubbish in barrels or bags before removing the same from the Apartment. All such barrels and bags and all rubbish, rubble, discarded equipment, empty packing cartons and other materials shall be removed from the Apartment and taken out of the Building at Shareholder's expense. Shareholder recognizes that only the service elevator may be used for such removal and only at such times as the superintendent of the Building may direct. Shareholder shall not permit any dumpster or garbage container to be left overnight in front of the Building and shall not permit any dumpster or garbage container to be left for more than five (5) consecutive days at the side of the Building. Notwithstanding the foregoing, the placement of any dumpsters shall comply with all governmental regulations, including without limitation, obtaining any necessary permits. In the event that the Corporation, in its sole discretion, believes that the dirt or dust is unreasonable, the Corporation shall have the right to temporarily suspend the Work until a solution acceptable to the Corporation is found.
 - g. Installations by Shareholder. Shareholder agrees that any air-conditioning units, terrace plantings and/or other structures installed as part of the Plan, wherever located in the Building, may be removed by the Corporation (at the sole expense of Shareholder) for the purpose of repairs, upkeep, or maintenance of the Building.
12. Shareholder to Comply with Laws, etc. The Shareholder shall not do or permit any act or thing to be done contrary to law or the legal requirements, or which will invalidate or be in conflict with any provision of any liability, casualty or other insurance policies.

carried by Shareholder or for Shareholder's benefit. The Shareholder shall comply with all federal, state and local laws, and all legal requirements pertaining to the Work, including any such laws, rules and regulations pertaining to lead-based paint, asbestos and other hazardous material.

13. Maintenance and Repair of the Work. Notwithstanding anything to the contrary contained in the Lease and notwithstanding the consent by the Corporation of the Plans or the Work, the Shareholder shall be responsible for the maintenance, repair and replacement of the Work and any portions of the Apartment affected by the Work, and for all costs incurred by the Corporation or the Shareholder in connection therewith. In the event the Corporation must undertake any repairs in the Building (which are, pursuant to the Lease, the responsibility of the Corporation), any restoration of the Work after such repairs shall be the sole responsibility of the Shareholder, notwithstanding any provision of the Lease. Furthermore, the Shareholder releases the Corporation, the Managing Agent, the Corporation's agents and employees from any liability for damage to the Work or any portion of the Apartment affected by the Work however arising.
14. Shareholder's Deposits; Additional Rent Under Lease. As security for the faithful performance and observance by Shareholder of the terms and conditions of this Agreement, the Shareholder has deposited the sums indicated in Paragraphs 1(b) and 1 (d) with the Corporation. The Shareholder agrees that the Corporation may use, apply, or retain the whole or any part of the Security Deposit and the interest earned thereon, if any, to the extent required for the payment of any sums due to the Corporation under this Agreement. If either the Security Deposit or the Review Deposit is diminished by one-half of the original amount, the Shareholder shall replenish it to the full amount within (3) days after written demand. The Shareholder's failure to so replenish such deposits shall be a material breach of this Agreement and shall entitle the Corporation to stop the Work, and/or exercise any remedies it has hereunder. If the Shareholder shall comply with all of the terms and conditions of this Agreement, the Security Deposit, the Review Deposit, and interest or remaining balance thereof, if any, shall be returned to the Shareholder after completion of the Work. The Corporation's release of either the Security Deposit or the Review Deposit shall not constitute acceptance of the Work by the Corporation or a waiver of any of the Corporation's rights under this Agreement. Any sums due to the Corporation under this Agreement and not recovered by application of either of the deposits shall be chargeable as additional rent under the Lease.
15. Assumption by Purchaser. The Shareholder (a) shall advise the person or persons to whom it transfers the Apartment ("Purchaser") of the Work undertaken by the Shareholder pursuant to this Agreement; (b) shall provide copies of the Plans and this Agreement to the Purchaser; and (c) shall cause the Purchaser to execute and deliver to the Corporation an agreement substantially in the form of Exhibit "E" hereto pursuant to which the Purchaser shall assume all of the obligations of Shareholder under this Agreement, including the obligation under this Paragraph 15 with respect to any transfer of the Apartment by the Purchaser.

The Shareholder hereby waives any claim against the Corporation on account of (a) the Corporation advising a potential Purchaser of the provisions of this Agreement, including this Paragraph 15, and/or (b) refusing to consent to or register the transfer of the Apartment to such.

potential Purchaser unless and until such potential Purchaser shall execute and deliver to the Corporation an agreement in the form of Exhibit "E" hereto.

16. Miscellaneous.

- a. This Agreement and the Lease represent the only agreements between the Corporation and the Shareholder relative to the subject matter hereto. This Agreement may not be changed orally. No amendment, revocation, supplement or change to this Agreement, nor any revisions to the Plans, nor any consents or waivers, may be made by anyone (including, but not limited to, the Corporation's superintendent or other employees), other than by (i) an officer of the Corporation, and (ii) an authorized employee of the Managing Agent, and in either case, only in writing.
- b. This Agreement shall be binding on legal representatives, successors, and authorized assigns.
- c. Captions are for the purposes of convenience of reference only and are not to be considered in interpreting this Agreement.
- d. The Corporation and Shareholder waive trial by jury in any action or proceeding under this Agreement.
- e. This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the State of New York, and the parties hereto agree that jurisdiction to any controversy shall be with the courts of New York and determined in the county in which the Building is located.
- f. Any word or term in this Agreement that is used in the singular shall include the plural and vice versa. Any word or term of any gender shall include any other gender.
- g. If the Corporation asserts any claim or institutes any action or proceeding under this Agreement to enforce the provision hereof or based on a default or violation thereof by the Shareholder, then the Shareholder shall be responsible for all reasonable legal fees and costs of the Corporation in connection with such claim or in connection with any such action or proceeding in which the Corporation is the prevailing party. All amounts due from the Shareholder hereunder shall constitute additional rent under the Lease.
- h. Each notice, request, consent, election, demand or other communication (collectively, "notice") to be given or made hereunder by either party hereto shall be in writing and delivered to the address first above written, and shall either be delivered by hand delivery or by a nationally recognized next day delivery service (e.g. FedEx). Such notice shall be deemed given on the next business day after such hand delivery or the notice is placed in the possession of the delivery service.
- i. All attachments and exhibits hereto are incorporated herein and made a part hereof.

17. Shareholder's Breach and Corporation's Remedies. Any breach by the Shareholder of any of the provisions of this Agreement shall constitute a breach of the Lease and shall entitle the Corporation to exercise all of the rights and remedies therein provided. In addition, the Corporation shall also have the right (a) to suspend the Work and prevent workers from entering the Apartment for any purpose other than to remove their tools, and/or (b) to revoke its consent to the Work, and/or (c) to require that the Apartment be restored to its former condition prior to the commencement of the Work, and/or (d) to exercise any of the rights and remedies provided for herein. The remedies provided for herein and in the Lease shall not be exclusive and the Corporation shall also be entitled to exercise any of the remedies provided by applicable law.

IN WITNESS WHEREOF, Shareholder and the Corporation have executed this Agreement.

RED HOOK HOMES APT CORP.

By: _____
President

Shareholder

Shareholder

EXHIBIT "A"

INSURANCE

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

(i) WORKER'S COMPENSATION as required by law, together with Employer's Liability Insurance and Disability Benefits Insurance as required by the State of New York.

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

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

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

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

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

(iv) UMBRELLA LIABILITY, BODILY INJURY, PERSONAL INJURY AND PROPERTY DAMAGE If umbrellas are written in more than one company any layers above the first one shall follow the form of the primary umbrella.

\$3,000,000 COMBINED
(combined single limit)

Prior to the commencement of any work hereunder, detailed certificates of insurance shall be furnished to the Corporation showing that such insurance is in full force and the premiums due thereunder have been paid. Such certificates shall provide that the said insurance may not be canceled, terminated, or modified without ten (10) days' written advance notice thereof to the Corporation. The Contractor shall promptly furnish the Corporation with copies of any endorsements subsequently issued amending insurance coverage or limits.

In the event of the failure of the Contractor to furnish and maintain such insurance, the Corporation shall have the right, at its option, at any time:

(a) to revoke permission to perform the work and to deny entry into the Building of all workers, except that if such workers are escorted by a member of the Building's staff, they shall be permitted to remove their tools and supplies, or

(b) to take out and maintain the said insurance for and in the name of the Corporation, the Contractor, or the Shareholder and, in such a case, the Shareholder agrees to pay the cost thereof and to furnish all information and consents necessary to permit the Corporation to take out and maintain such insurance for and in the name of the Corporation, the Contractor or the Shareholder.

Compliance with the foregoing requirements to carry insurance and furnish certificates shall not relieve the Shareholder from liability assumed under any provisions of this Agreement.

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

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

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

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: _____