

KYROUS REALTY GROUP, INC.

263 West 38th Street ♦ Suite 15E ♦ New York, NY 10018

Phone: 212.302.1500 ♦ Fax: 212.302.3855

129-131 Fifth Avenue -Alteration Policy

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

1. Completed & Signed Alteration Agreement. A fully executed Agreement will be returned to you upon Board approval.
2. Two full sets of architectural plans plus PDF drawings on a flash drive.
3. Processing Fee: \$400.00 – Please make check payable to Kyrous Realty Group, Inc. (non-refundable)
4. Alteration Deposit: A deposit in the amount of \$1,000.00 must be submitted prior to commencing with work. If work requires NYC Building Department approval, a deposit in the amount of \$5,000.00 is required. Please make check payable to Top of the Lofts, Inc. The Board reserves the right to request additional deposit based on scope of work.

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 & Conditions

Alterations must be completed within 120 days. Requests for additional time for completion must be submitted with your application and requires Board approval.

ALTERATION AGREEMENT

Date: _____

129-131 Fifth Avenue Corp.
c/o Kyrous Realty Group, Inc.
263 West 38th Street, Suite 15E
New York, NY 10018

Re: Apartment Number: _____

Dear Sirs and Mesdames:

Pursuant to paragraph 21(a) of my Proprietary Lease, by and between the undersigned resident tenant of the building (the "Building") at 129-131 Fifth Avenue ("Tenant", "I", "my" or the "Renovator") and 129-131 Fifth Avenue Corp. (the "Corporation"), I hereby request permission to install the equipment and make the alterations described in the annexed document (hereafter collectively referred to as the "Work") in the above apartment.

In relation to my request for such permission, I acknowledge and agree that the following are the rules that have been adopted by the Board of Directors of the Corporation (the "Board") and administered by Kyrous Realty Group, Inc. or its successor as the managing agent for the Corporation (the "Managing Agent"), in relation to construction projects and alterations at the building:

1. Renovation and/or major repairs require submission to and consent by the Board and this executed Alteration Agreement. Submission to the Board must include (i) the existing plan; (ii) a demolition and partition plan; (iii) new plans to include electrical and/or reflected ceiling plan, as applicable; (iv) all contractor's current insurance certificates, and (v) any other material applicable as detailed below.

Issuance of the Alteration Agreement must precede commencement of the Work. Permission to proceed may be full or limited in the Board's judgment.

2. The Renovator shall notify the residents of all adjacent apartments, in all directions (the "Adjacent Apartments"), that the Renovator is planning a renovation, and that the Adjacent Apartments have the right to have their apartments inspected in order to preserve their right to make claims for damages caused by the Renovator in the course of renovation (the "Notice of Renovation"). The Notice of Renovation shall include a description of the Work, including any Work which may materially affect the Adjacent Apartments. The Board, or the Managing Agent, in its discretion, may require the Renovator to make an inspection of the walls and ceilings of Adjacent Apartments. This

inspection will be made at the convenience of, and with, the residents of the apartments and with the Managing Agent. The condition of the inspected premises will be recorded.

Claims for damages to Adjacent Apartments resulting from renovation will be the responsibility of the Renovator. The Renovator will not be responsible for conditions noted in the inspection.

Residents refusing to allow an inspection or electing not to have an inspection following the Notice of Renovation, will forfeit the right to make claims against the Renovator.

3. (a) Any damages to the building and its mechanical systems, and to persons and property in the building which may result from or be attributable to the Work being performed, and all responsibility for the maintenance and repair of any alterations and installations after completion are the sole responsibility of the Renovator. This responsibility covers all Work, whether or not structural, weather tightness of windows, exterior walls or roofs, waterproofing of every part of the building directly or indirectly affected by the Work, and maintenance of all heating, plumbing, air-conditioning and other equipment installed or altered pursuant to the Work. If the operation of the building, or any of its equipment, is adversely affected by the Work, the Renovator shall, when so advised, promptly remove the cause of the problem.
 - (b) There will be 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 which may be installed as part of the Work.
 - (c) The alterations and material used shall be of the quality and style in keeping with the general character of the building.
 - (d) The Renovator shall undertake to indemnify the Corporation, the Managing Agent and tenants or occupants of the building for any damages suffered to person or property as a result of the Work performed, whether or not caused by negligence, and to reimburse you and your Managing Agent for any expenses (including, without limitation, attorneys' fees and disbursements) incurred as a result of such Work.
4. All permitted Work shall be completed within 120 days (or _____ days subject to approval by the Board) after Governmental approval thereto has been granted or, if no such approval is required by law or regulation, then from the date hereof, subject to all of the terms and conditions set forth in the Rider attached hereto as Exhibit "A", which is made a part hereof.

5. In the event of an emergency major repair, the Managing Agent and a Board member must be notified as soon as possible.
6. All Work must be performed by licensed and insured contractors or other trades. Insurance certificates must accompany Board submission. The general contractor must carry (i) a comprehensive personal liability insurance policy in the amount of at least two million (\$2,000,000) dollars, naming the Corporation as additional insured; (ii) a property damage insurance policy in the amount of at least one million (\$1,000,000) dollars, naming the Corporation as additional insured; and (iii) Worker's compensation, Disability coverage where required by Law, and employee's liability insurance policies, covering all employees of the contractor, contractors, or subcontractors. These requirements may change without notice, and it is the responsibility of the Renovator to verify current building insurance requirements with the Managing Agent. All such policies, or certificates evidencing their issuance, shall be delivered to the Managing Agent.
7. After Board review and where applicable, plans will be submitted to the building architect. Cost of the architect's review, as well as any engineering or legal advice incurred by the Corporation, or the Managing Agent will be borne by the Renovator.
8. Renovator will accompany the executed Alteration Agreement with a deposit of **\$2,000** or **5%** of estimated cost of the Work (whichever is greater) with the Corporation. **2%** of the cost of the Work will be a contribution to the Corporation as a result of the Work. **3%** is a deposit against damages and will be refunded to the Renovator at completion of the Work after any repairs necessary as a result of damage caused during the Work. If 3% is not sufficient to cover damages, other assessments will be made as appropriate by the Board.
9. If a shareholder undertakes an alteration to an apartment requiring board review and approval of architect's plans, issuance of building department permits, and the negotiation and execution of an Alteration Agreement between the Cooperative and the shareholder, a processing/management fee is to be paid to Agent by the shareholder based on the following schedule:
 - a. Construction Cost: Up to \$24,999.00....\$250.00
 - b. \$25,000- \$99,999.00...\$500.00
 - c. \$100,000- \$600,000.00...\$1,000.00
 - d. \$600,000 - \$1,000,000.00...\$1,500.00
 - e. \$1,000,000 - \$2,000,000.00...\$2,500
 - f. Above \$2,000,000.00... \$5,000.00
 - g. Decorating Agreement Process Fee ... \$250.00

10. Approval is granted for plans as submitted. Substantive changes require resubmission to the Board.
11. Prior to the commencement of any Work:
 - (a) Complete and conformed copy of every agreement made with contractors and suppliers shall be submitted to the Managing Agent.
 - (b) If required by law or Governmental regulations, plans and approval by such Governmental agencies shall be obtained, and a copy of every permit or certificate issued shall be submitted to the Corporation or its management. If there is any doubt as to the need for such approval, the Corporation or its management shall make such determination in its sole discretion. Self-certification is not allowed.
12. The Managing Agent will make periodic unscheduled inspections of Work in progress and final inspection at completion of construction.
13. The Managing Agent must be notified at all times when there are construction Workers in the Building, whether or not the Tenant or resident is present. The Managing Agent must be informed at least one week in advance in the event a disruption of essential service (e.g. water) is necessary and must receive the Managing Agent's permission in connection therewith. The Managing Agent will be provided with the resident's telephone number and the telephone number of the responsible general contractor.
14. All Work is to be performed between 9:00 AM and 4:30 PM weekdays. No Work may be performed on holidays or weekends.
15. (a) All precautions will be taken to prevent dirt and dust from permeating other parts of the building during the progress of the Work. Material 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 Renovator's expense. No demolition or construction material, paint debris or other trash from projects may be left in the basement or in front of the building for removal unless in legal containers.

(b) Masonite or other approved covering on the hallway floors during hours of construction is required. The elevator must be fully protected during construction hours and the use of the elevator in connection with such construction shall cause minimum interference with other residents of the building. All protective materials must be removed and affected areas left clean at the end of each

Workday. Cost of any cleanup by Building personnel cleaning service will be charged to the Renovator.

16. The Renovator will bear the entire cost of alterations and installations and pay all bills in connection with such alterations and installation, not less than thirty days after the completion of the Work. If any mechanic's liens are filed for Work claimed to have been done or materials alleged to have been supplied, the Renovator shall cause such liens to be discharged within ten days after such filing. If the Renovator fails to do so, the Corporation and/or the Managing Agent may exercise any or all of their respective right and remedies under the Propriety Lease or this agreement.
17. At the completion of the Work, the Renovator will deliver to the Managing Agent 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 including permit sign off letters from all governmental agencies which were required to issue permits for the Work.
18. The Renovator recognizes that by granting consent to the Work, the Corporation and/or the Managing Agent do not profess to express any opinion as to the design, feasibility, or efficiency of the Work.
19. The Renovator's failure to comply with any of the provisions hereof shall be deemed a breach of the provisions of the Proprietary Lease, pursuant to which the consent of the Corporation has been granted, and in addition to all other rights, the Corporation and/or the Managing Agent may also suspend all Work and prevent Workmen from entering my apartment for any purpose other than to remove their tools or equipment.
20. This Alteration Agreement may not be changed orally. This Alteration Agreement shall be binding on the Corporation, the Tenant, and their respective personal representatives and authorized assigns. This Alteration Agreement is enforceable under the laws of the State of New York.
21. Annexed hereto as Exhibit "B" is a form of agreement regarding the House Rules, which shall be separately executed by Tenant and any contractor performing the Work.
22. Annexed hereto as Exhibit "C" are examples of Work requiring the execution of an Alteration Agreement, and policies regarding the installation of specific items, which are hereby incorporated herein. The examples are not meant to be a complete or exclusive listing.

23. Annexed hereto is a document describing the Work, including plans and specifications for such Work.

Shareholder:

Shareholder:

Permission Granted:
129-131 FIFTH AVENUE CORP., OWNER

By: _____

Name:

Title:

Exhibit A

Rider to 129-131 5th Avenue Corp. Alteration Agreement

1. All construction work must be completed within 120 calendar days (or _____ days subject to approval by the Board) from the date that any Work on the approved plans commences (the Commencement Date"). For purposes of this 120-day limit (or _____ days subject to approval by the Board) (the "Completion Date"), construction work does not include painting (excluding skim coating), wallpapering, carpeting, finishing existing floors (excluding scraping and sanding), or hanging or installing light fixtures on existing electrical boxes (collectively, "Decorative Work"). In addition, it is agreed that the Completion Date may be extended in circumstances where an extension would be fair, provided that the Corporation, in its sole judgment, shall determine what qualifies as a "fair" reason to extend the Completion Date. Two examples of "fair" reasons to stop the 120-day (or other duration as approved by the Board) clock on construction work are: (i) if the Corporation stops the construction work if, for example, the boiler suddenly must be replaced, and Renovator's contractors are banished from the Building while the boiler work occurs, and (ii) the occurrence of a terrorist attack that closes tunnels and bridges into Manhattan or access to the Building's neighborhood.
2. No construction work may continue beyond the Completion Date (or any extension pursuant to the preceding paragraph) without the Corporation's specific written consent. The Corporation shall determine whether an item constitutes construction work that must be completed on or before the Completion Date, or whether it constitutes Decorative Work that may continue after that date. Construction work may not be continued beyond the Completion Date (including any extension the preceding paragraph), and access to the building shall be denied to all contractors, unless a written extension is obtained from the Corporation in advance. The Renovator expressly understands and agrees that the Corporation shall not have any obligations whatsoever to grant any extension to continue construction work beyond the Completion Date.
3. If the work covered by this letter continues beyond the Completion Date (120 days from Commencement Date, subject to any extension pursuant to the first paragraph of this letter), and if you have received the Corporation's prior, written extension of the Completion Date, you shall pay to the Corporation \$500.00 per day for each calendar day that any construction work continues during the next 30 calendar days after the Completion Date (including any extension pursuant to paragraph 1), and \$1,000 per day for each calendar day that any construction Work continues beyond those additional 30 calendar days. The Renovator and the Corporation understand and acknowledge that these amounts of money constitute liquidated damages, and not a penalty, to compensate the Corporation

and the tenants for the cost of inconvenience of the continuation of the construction work, because such damages would be difficult to determine. In deciding whether to approve any requested extension of the Completion Date, the Corporation may require you deposit funds (in cash, a letter of credit, or some other means chosen by the Corporation) to cover liquidated damages incurred after the original Completion Date. If the Corporation does not require an advance deposit for liquidated damages, or if the liquidated damages exceed the amount of any deposited funds, you agree to reimburse the Corporation for any liquidated damages on a weekly basis (i.e., every seven calendar days).

4. If the Renovator wishes to perform any additional Work after the Completion Date (or any approved extension of that date), the Renovator must obtain separate approval from the Corporation for such Work, and the Renovator may not commence any such additional work until at least 16 months after the Commencement Date described above. Renovator expressly agrees and understands that this 16-month waiting period is necessary both (i) to enable other shareholders or tenants to perform approved Work without overburdening the building's services, facilities, and resources and (ii) to minimize the inconvenience to the Corporation and the tenants. Nothing in this paragraph, however, shall affect whatever right (if any) the Renovator otherwise might have to ask to perform Work required by an emergency (such as fire, flood, etc.) occurring before the end of the 16-month waiting period, and nothing in this paragraph shall affect the Corporation's right to approve such Work if it chooses to do so.
5. The Renovator agrees that the Corporation immediately may revoke any consent to continue construction work after the Completion Date whenever the Renovator fails to comply with any term or provision of this agreement or continue construction work beyond the extended completion date.
6. The Corporation will hire an owner's representative to ensure that all construction work proceeds in accordance with the Renovator's plans and specifications, and these rules and regulations. You will reimburse the Corporation for the owner's representative's fees and expenses within ten calendar days after the Corporation presents any such bill to you.
7. The Board reserves the right to approve no more than one project to be scheduled during any given time span.

Exhibit B

Form of HOUSE RULES FOR CONTRACTORS

1. Work hours are from 9:00AM - 4:30PM Monday through Friday, at the times listed and not on certain holidays in accordance with the list attached.
2. No material may be brought into the building, or Work started in the building before 9:00AM.
3. All Work must cease by 4:30PM with all clean up completed by 5:00PM.
4. No contractor shall be permitted to do Work in the Building on Saturday and Sunday unless such time is requested two weeks in advance and only on the approval of the building.
5. The elevator floor and walls must be protected before any materials can be placed in the cab.
6. Hallway carpeting must be protected from the elevator to the apartment by means of heavy-duty construction paper. This paper must be removed daily and new paper installed the next day.
7. Apartment hallway door must be closed at all times during construction to limit noise, dust and for odor abatement.
8. Even though the plumbing work may have been approved under this application, the Managing Agent must be notified one week prior to turning off any water valves.
9. Domestic water risers may only be shut down by the building superintendent with 24 hours' notice and only between the hours of 10:00 AM and 3:00PM.
10. All Work must be completed in the time specified, in the alteration application documents. Extension of the time is solely at the discretion of the Board.
11. It is the sole responsibility of the contractor to remove all trash and demolition material and place the rubbish in proper trash containers. No demolition or construction material, paint debris or other trash resulting from any ongoing projects, may be left in front of the building for removal unless in a legal container. No new materials, trash, other materials or tools are to be stored in the basement.
12. Smoking is NOT permitted inside the building or near the building entrance.

13. Anyone suspected to be under the influence of intoxicating liquor or drugs will be removed from the job site. Foul language and inappropriate behavior will not be tolerated in the building.

14. If any accidents or emergencies occur on the job site a copy of an incident or accident report must be filed with the Managing Agent at the same time they are forwarded to all parties as required by statute. *(Blank copies of the accident and incident reports will be made available in the Superintendent's office.)*

Acknowledged and agreed to:

Contractor Company Name:
Principal:
Date: _____

Shareholder:

Shareholder:

Exhibit C

Examples of Projects Requiring Formal Written Board Consent and an Alteration Agreement, and Relevant Policies Regarding Specific Improvements:

- All proposed partition changes, new wall openings or closures
- Demolition and replacement of any wall
- Window replacement (see Window Section below)
- Initial installation of window or through-wall air conditioners, vents, fans or other HV AC equipment unless requirement for an alteration agreement is specifically waived in writing by the Board
- Water, waste, gas or electrical line removals, relocation or additions
- Replacement of bathroom fixtures involving demolition or new construction except for replacement of toilet or sink on existing roughing
- Installation of laundry equipment or dishwasher (other than replacement of complying units in existing locations)
- Removal or installation of built-in cabinetry, kitchen or other, which involves any electrical or plumbing
- Tile work which involves any wall or floor demolition
- Apartments that perform construction without Board approval will be assessed a substantial penalty by the Board.

MINOR REPAIRS AND RENOVATIONS

1. Minor repairs and renovations require only verbal approval of the Managing Agent.
2. It is the resident's responsibility to notify the Managing Agent of any Work to be done, and to provide her with his/her telephone number and that of the responsible contractor.
3. Paragraphs 6, 13, 14, and 15 of the Alteration Agreement apply.

4. Below are some examples of minor renovations and repair requiring verbal notification of the Managing Agent.

- Painting and wallpapering
- Electrical or plumbing repair
- Floor sanding
- Tile repair
- New Flooring (resilient or carpet) installation
- Delivery and installation of major appliances
- Installation of new toilet or sink on existing roughing
- Installation of new built-in cabinetry not involving electrical or plumbing Work

NEW WINDOWS

1. Installation of new windows requires Board consent and approval of the Landmarks Preservation Commission. New windows must be installed in clean masonry openings, not into existing frames, except where disturbance of a lintel creates risk of damage to masonry exterior wall.
2. All windows must be double glazed except on parking lot side, which requires fire rated windows. Manufacturer's specifications must be submitted with proposal.

FACADE:

1. All windows must be anodized aluminum or clad material of equal quality. Configuration on the facade must conform to the configuration of all other façade windows. Scale drawing of proposed window must be submitted with proposal.
2. All windows must be mounted in one plane (no bows) on the facade.
3. True divided lights are specifically prohibited on the facade. Snap in interior grilles is acceptable.

LAUNDRY AND DISH WASHING EQUIPMENT:

Dishwashers, washers and dryers may be installed under the following conditions:

1. The Tenant will submit to the Board plans including electrical and venting details; manufacturer, make and model specifications for laundry equipment, and contractor or installer's insurance certificates.

2. All installations must be made by licensed and insured plumbers and electricians. All new plumbing must be filed with the NYC Buildings Department as appropriate.
3. Extra-large capacity washers may not be installed. To preclude flooding into other units, washer installation must include overflow control provisions: no direct hookup to Building drain is permitted.
4. Perimeter of laundry equipment floor area must be watertight, including sealing of through-slab pipes. (Examples: rubber pip collar, raised platform floor drain, or other overflow precaution).
5. Damages to the Building pipes, supply, waste or vents, or to other units, resulting from use of dishwasher or laundry equipment, will be the responsibility of the Tenant. Costs of repairing such damages will be charged to the Tenant owning the equipment as additional rent.
6. Dryer venting must be in accordance with code and manufacturer's specifications. No vents will be permitted on the facade.
7. Washers and dryers may be required to be placed on a soundboard platform or other acoustical material or noise abatement provision, subject to location of equipment.
8. Replacement of existing equipment will be considered a new installation and must meet all requirements above.

INDEMNIFICATION AGREEMENT

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

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 attorney’s 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 of the 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, 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) **Worker's Compensation** as required by all applicable Federal, State, or other laws including Employers Liability in accordance with the statutory requirements of the State of New York, together with Disability Benefits Insurance required by the State of New York. This coverage to be a minimum of \$5,000,000. Employer's liability coverage to be not less than \$500,000.
- b) **Commercial General Liability** coverage of \$1,000,000 per occurrence and \$2,000,000 in the aggregate 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. Insurance shall also 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) **Commercial General Liability** coverage to extend for a period of one year following termination of the Work and Contractual Indemnity Coverage is also to extend for one year following termination of the Work. The policy is also to include (a) Owners Protective Liability Coverage, (b) Knowledge of Occurrence and Notice of Occurrence endorsements and (c) Unintentional Errors and Omissions clause. The policy shall also include coverage with respect to asbestos exposure if the Work involves any asbestos-containing material.
- d) **Commercial General Liability** coverage - \$1,000,000 BODILY INJURY & PROPERTY DAMAGE (combined single limit).
- e) **Comprehensive Automobile Liability**, including non-ownership and hired vehicle coverage, as well as owned vehicles: \$1,000,000 BODILY INJURY & PROPERTY DAMAGE (combined single limit).
- f) **Umbrella Liability** for BODILY INJURY, PERSONAL INJURY AND PROPERTY DAMAGE COMBINED. It will have a limit of \$3,000,000 per occurrence and a general aggregate of \$3,000,000. If umbrellas are written in more than one company any layers above the first one shall follow the form of the primary umbrella.

Contractor shall, by specific endorsements to its primary and umbrella/ excess liability policy, cause Owner and Managing Agent to be named as Additional Insured. Contractor shall, by specific endorsement to its primary liability policy, cause the coverage afforded to the additional insured there under 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 Owner and Managing Agent there under 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: _____

Owner

Contractor

By: _____

By: _____