

OVERLOOK TOWERS CORPORATION ALTERATION AGREEMENT

This Agreement, made as of this ____ day of _____, 20__ between Overlook Towers Corporation (the "Corporation") with an address c/o Argo Real Estate LLC ("Managing Agent") and _____ (the "Shareholder") having a mailing address of 100 Overlook Terrace, Apt. _____.

WHEREAS, the Shareholder hereby requests permission to make/install the equipment and/or make the alterations in Apt. # _____ at 100 Overlook Terrace (the "Apartment"), as described in the accompanying plans and specifications (the "Work");

WHEREAS, in order to obtain the Corporation's consent to the Work as required under Paragraph 21, Article (a) of the proprietary lease (the "Lease") between the Shareholder and the Corporation, the Shareholder agrees to comply with the terms of the Lease and the obligations and policies of the Corporation, including but not limited to, applicable House Rules.

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

1. **Shareholder's Submissions.** Shareholder herewith delivers to the Corporation:
 - a. detailed plans, specifications and drawings of the Work, including a room-by-room list of all alterations to be undertaken, and if required by the Corporation, detailed plans and specifications (the "Plans") prepared by a licensed architect or engineer (if the nature of the alteration so requires), which shall not be modified by the Shareholder after they are approved by the Corporation's architect or engineer (the "Corporation's Designated Engineer") without the Corporation's Designated Engineer's subsequent approval.
 - b. a letter to the Corporation from a licensed engineer or architect, which letter shall certify that the electrical loads required as a result of the Work, if any, will not be in excess of the present electrical capacity of Shareholder's apartment(s). Said letter shall also certify that the Work will not adversely affect the building's electrical service. (See Exhibit A, Electrical Upgrade Policy.)
 - c. a check with respect to the security deposit payable in connection with this Agreement in the sum of \$1500 payable to the Corporation in accordance with paragraph 13 of this Agreement, if applicable.
 - d. a check payable to the Managing Agent for the building in the sum of \$150 as a processing fee in connection with this request and the Work.

e. a check payable to the Corporation in the sum of \$150 as a consideration for Corporation and building services in connection with the Work.

2. **Corporation's Review of Work as Proposed.** Shareholder acknowledges that the Corporation's Designated Engineer may at Shareholder's expense (a) review the Plans for the Work and (b) from time to time observe the Work to ensure that the Work conforms to the approved Plans and is otherwise in conformity with the requirements of this Agreement. Shareholder shall provide access to the Apartment, from time to time, to permit the Corporation's Designated Engineer, the Managing Agent, the superintendent of the Building, or any other person the Corporation may authorize, to observe and inspect the Work. Shareholder shall make all corrections specified by the Corporation as a result of such inspections, necessary to bring the Work into conformity with the Plans. The Corporation's failure to inspect shall not be considered a waiver of the Shareholder's obligation to comply with this Agreement and the approved Plans. The Corporation shall notify the Shareholder as to when inspections will be required.

The Shareholder shall provide the Corporation with at least three (3) days written notice of the following events to ensure that such inspections may be carried out:

- (a) inspections, testing, or approvals required by any public authority having jurisdictions over any portion of the Work;
- (b) the enclosure or obstruction of any concealed or inaccessible portions of the Work;
- (c) any other events identified by the Corporation in the course of its reviews of the Work.

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

3. **Pre-Conditions to Commencement of Work by Shareholder.** Shareholder agrees:

- a. Prior to beginning the Work, to provide the Corporation with complete and conformed copies of every agreement made with contractors, subcontractors and suppliers and to promptly furnish copies of any changes, amendments or modifications or agreements and also to provide license information for electricians and plumbers.
- b. To procure from Shareholder's contractor(s) or subcontractors the insurance policies described on Exhibit B attached hereto, which policies shall name the Corporation, the Corporation's officers, directors, shareholders, Designated Engineer, the

Managing Agent, and Shareholder, as parties insured. Such policies shall provide that they may not be terminated until at least ten (10) days after written notice to the Corporation. All such policies or certificates evidencing the issuance of the same shall be i) with companies that are reasonably acceptable to the Corporation, and ii) delivered to the Corporation before the Work commences.

c. To procure from Shareholder's contractor and submit for the approval of the Managing Agent contractor's written agreement to provide waivers of the right to file any mechanic's liens, attachments or encumbrances against the Building which may arise out of or in connection with the Work, and submit to the Managing Agent proof that the contractor has obtained similar waivers from any subcontractors and vendors.

d. To implement no changes to the Work without first obtaining the approval of the Board and the Corporation's Architect.

e. If required by laws, rules, orders or governmental regulations or the Corporation's Designated Engineer, to file plans, forms or applications (including without limitation any asbestos-related forms filed in support of any applications) with, and procure the approval, permits, licenses, consents of all governmental agencies having jurisdiction over the work including, but not limited to, the New York City Buildings Department and the Board of Fire Underwriters, and, not more than ten (10) business days after receipt of such approval, to deliver to the Corporation a copy of every permit or certificate issued. The determination of the Corporation's Designated Engineer as to the need for any such approval shall be conclusive.

f. At the completion of the Work, the Shareholder will deliver to the Corporation an amended certificate of occupancy and a certificate of the Board of Fire Underwriters, if either be required, and such other proof as may be necessary to indicate that all Work has been done in accordance with all applicable laws, ordinances and government regulations, together with a statement from the architect or engineer who signed the Shareholder's Plans that the work has been executed in accordance with those Plans. If an amended certificate of occupancy or certificate of the Board of Fire Underwriters is not required, the Shareholder's Designated Engineer must submit a statement to that effect. The determination of the Corporation's Designated Engineer as to the need for an amended Certificate of Occupancy shall be conclusive.

4. **Shareholder to Give Notice of Actual Commencement of Work.** Prior to commencing the Work, Shareholder shall give at least five (5) days' written notice to the superintendent of the Building and the Managing Agent of the date the Work shall commence and the estimated duration of the Work. In addition, Shareholder shall give at least five (5) days' written notice to the shareholders or residents of the apartments adjacent to, above and below the Shareholder's apartment. A sample letter is provided in Exhibit C, Notice To Neighbors, attached hereto.

5. **Work Done at Shareholder's Risk.** Any damage to the Apartment or other areas of the Building, including, but not limited to the common structure, infrastructure, mechanical systems equipment, elevators, doors and finishes of the Building, caused by or resulting from the Work, shall be covered by the insurance coverage required of Shareholder, or Shareholder's contractor(s) or subcontractor(s), as the case may be.

However, the existence of such insurance shall not relieve Shareholder of liability therefor. If the Managing Agent advises Shareholder of any damage, which in the Managing Agent's opinion, was caused by the Work, Shareholder shall promptly submit such claim to Shareholder's insurance carrier and to Shareholder's contractor(s) or subcontractor(s) for submission to their insurance carrier, as appropriate. Shareholder agrees to use all reasonable efforts, and to cause the contractor(s) and subcontractor(s) likewise to use all reasonable efforts, to cause any insurance carrier insuring Shareholder or Shareholder's contractors or subcontractors to expeditiously review and settle damage claims for which they are responsible.

6. **Indemnification by Shareholder.** Shareholder hereby indemnifies and holds harmless the Corporation, the Corporation's Designated Engineer and employees, the Managing Agent, and other shareholders and residents of the Building against any damages suffered to persons or property as a result of the Work. Shareholder shall reimburse the Corporation, the Corporation's Designated Engineer, Managing Agent, and other shareholders and residents of the Building for any losses, costs, fines, fees and expenses (including, without limitation, reasonable attorney's fees and disbursements) incurred as a result of the Work and/or the Shareholder's or any contractor's or consultant's failure to conform with this Agreement or any law or ordinance and which may be incurred by the Corporation in the defense of any suit, action, claim or violation in connection with the Work or the abatement thereof.

7. **All Costs Associated with Work Done at Shareholder's Expense.** Shareholder accepts sole responsibility for the Work and for all costs in connection with the Work. If the Corporation obtains legal, engineering or architectural advice either prior or subsequent to granting permission for the Work, Shareholder agrees to reimburse the Corporation, on demand, for any reasonable fees (including attorney's fees) incurred. Shareholder understands and agrees that all costs of labor, equipment and materials incurred by the Corporation, shall be charged to Shareholder as additional rent under the Lease. If any liens are filed against the Building for work claimed to have been done or materials alleged to have been supplied, Shareholder shall cause such liens to be discharged within ten days after such filing. If Shareholder fails to do so, the amounts of the lien(s) shall be charged to the Shareholder as additional rent under the Lease.

8. **Shareholder's Contractor to Cooperate with Building Labor.** All of Shareholder's contractors and subcontractors shall employ only such laborers as shall not conflict with any of the trade unions employed in the Building or otherwise cause disharmony with any Building service union. The Contractor shall acknowledge this Agreement and agrees to, and shall cause all subcontractors to abide by all of the rules and regulations of the Corporation.

9. **Shareholder's Responsibility for Consequences of Work.** Shareholder and any successor-in-interest assume(s) all risks of damage to the Building and its mechanical or electrical systems, and to persons and property in the Building which may result from or be

attributable to the performance or existence of the Work and the maintenance and repair of any alterations and installations in the Apartment after completion. This responsibility covers all aspects of the Work, whether or not structural, including without limitation, weather-tightness of windows, exterior walls or roofs, waterproofing of every part of the Building directly or indirectly affected by the Work, and maintenance of all heating, plumbing, air-conditioning and other equipment installed or altered pursuant hereto. If the operation of the Building, or any of its equipment, is adversely affected by the Work, Shareholder, when so advised, shall promptly remove or correct the cause of the problem as determined by the Corporation. Shareholder agrees that any air conditioning units, terrace plantings and/or structures, wherever located in the Building, may be removed by the Corporation for the purpose of repairs, upkeep or maintenance of the Building, at the sole expense of the Shareholder. If the Shareholder does not promptly remove or correct the problem, the Corporation may have the problem corrected and the Shareholder shall be liable for all costs and expenses incurred therein.

10. **Prohibited Construction Methods.** Shareholder recognizes that there will be no change in the operation of the Building's heating system, ventilation system or air-conditioning system, if any, to facilitate the functioning of any heating or air-conditioning units Shareholder may be installing. Shareholder will not interfere or permit interference with the Building's intercom system, gas, electric, plumbing or any other service. Shareholder agrees that exterior masonry walls shall not be penetrated. See also Exhibit D, Construction Guidelines, attached hereto.

11. **Completion of Work.** The Shareholder shall use the Shareholder's best efforts to ensure that the Work is completed expeditiously, but in any event all Work shall be completed within 120 days from the date of commencement of work or such other period as the Corporation, in writing, designates (the "Completion Date"). The Corporation expresses no opinion regarding the feasibility of completion of the Work within this time period. No Work other than decorative work, such as painting, wallpapering or carpeting, may be continued beyond the Completion Date without the Corporation's specific written consent.

If the Work is not to be completed by the Completion Date, the Shareholder shall inform the Board in writing of its request for an extension of the Completion Date, no less than fifteen (15) days prior to the Completion Date. The Corporation will have the sole authority to decide in good faith, whether or not to grant an extension of the Completion Date. The Shareholder agrees that any consent by the Corporation to perform Work after the Completion Date may be revoked by the Corporation immediately if the Shareholder fails to comply with any requirement of this Agreement or extension of the Completion Date.

If the Work is not completed by the Completion Date, or any extension of the Completion Date as approved by the Corporation, the Corporation shall be entitled to apply, from the security funds provided pursuant to paragraph 1(c) of this Alteration Agreement, the sum of \$100 per day for each calendar day the Work remains incomplete. These amounts are acknowledged to be liquidated damages, and not a penalty, to compensate the Corporation and the Corporation's shareholders for the costs and inconvenience of the continuation of the Work, it being understood that the damages caused by continuation of the Work would be difficult to determine. The Corporation's application of the security funds provided pursuant to paragraph 1(c) of this

Agreement as aforesaid shall be without prejudice and in addition to all other remedies the Corporation may have. If the security funds provided pursuant to paragraph 1(c) are fully applied, the Shareholder agrees to pay all amounts due under this paragraph to the Corporation in weekly installments. If the Shareholder fails to pay all amounts due under this paragraph, such amounts shall be charged to the Shareholder as additional rent under the Lease.

The determination of whether the Work is completed shall be made by the Corporation, and the Corporation's determination shall be conclusive. See also Exhibit E, Alterations Completion Guidelines, attached hereto.

12. **Work Hours and Noise.** The Work shall be performed, only between the hours of 8:00 a.m. and 5:00 p.m. Monday through Friday, and noisy work shall be performed only between 9:00 am and 4:00 pm. The Work shall not be performed on Saturdays, Sundays and holidays. The Corporation shall be the sole arbiter should there be any doubt as to noise levels which may be disturbing. Should it be necessary to shut down any portion of the building's heat or water, shareholder shall give at least 48 hours advance notice; no building service may be shut down on a Friday.

13. **Shareholder's Security Deposit.** As security for the faithful performance and observation by Shareholder of the terms and conditions of this Agreement, Shareholder has deposited the sum indicated in paragraph 1(b) with the Corporation. In the event that Shareholder or persons engaged by Shareholder to perform the Work cause loss, cost or expense to the Corporation, including without limitation any loss, cost or expense arising from or relating to (a) the fees of the Corporation's Designated Engineer to review the plans and specifications or to review from time to time the progress of the Work; (b) the fees of the Corporation's attorneys engaged in the event of Shareholder's breach or alleged breach of the provisions of this Agreement, or otherwise in connection with the Work; (c) damage to the carpeting or wallpaper in the Building's hallways or to any common area (including without limitation, the cost of cleaning, shampooing, painting or repairing the same if soiled or otherwise damaged); (d) delays in completion of the Work, as more specifically referred to in Paragraph 11 of this Agreement; or (e) any other expenses incurred by the Corporation in connection with any complaints or breach of this Agreement. Shareholder agrees that the Corporation may use, apply or retain the whole or any part of the security so deposited and the interest earned thereon, if any, to the extent required for the payment thereof. If the deposit is diminished by one-half of the original amount, Shareholder shall replenish it to the full amount within (3) days after written demand. Shareholder's failure to so replenish the security deposit shall be a material breach of this Agreement and shall entitle the Corporation to stop the Work, and/or exercise any remedies it has hereunder. If Shareholder shall comply with all of the terms and conditions of this Agreement, the security deposit and interest or remaining balance thereof, if any, shall be returned to Shareholder.

14. **Accessibility.** Shareholder agrees that all water, steam, and gas valves will be reasonably accessible. If any portion of the Work should enclose such valves, contrary to the provisions of this Agreement, if requested by the Corporation's Designated Engineer, such portion shall be uncovered at Shareholder's expense for observation. Such enclosure shall be

opened and replaced at Shareholder's expense. All such valves must be marked on plans submitted to the Managing Agent.

15. **Use of Public and Common Areas During Work.** Shareholder will not allow the halls, sidewalks, lobbies and other public areas to be used for the storage of building materials or debris and agrees that the floor of the halls to be used in connection with the Work will be covered with construction paper or masonite during the Work. If the Work mars or damages the halls, stairs, or elevators, the Corporation may repair them at Shareholder's expense upon the completion of the Work. Shareholder will take or cause their contractors to take all precautions necessary to prevent damage to the carpeting and wallpaper in the Building's hallways, elevators (including the doors and appurtenances) and to other common areas during the progress of the Work. If Shareholder shall fail to promptly perform any repair, Shareholder shall promptly pay all reasonable bills for such repairs.

16. **Shareholder to Maintain Certain Safety Precautions.** Shareholder agrees that functioning fire extinguishers and smoke alarms will be maintained in the Apartment during the Work. Shareholder agrees that the Work shall not block access to any fire exits in the Building. Shareholder shall have smoke detectors installed 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 Shareholder shall install window guards if a child or children 10 years old or under lives or resides in the Apartment pursuant to Section 131.15 of the New York City Health Code.

17. **Shareholder to Control Refuse, Dirt, Dust, Lead Based Paint, etc.**

a. All precautions will be taken by Shareholder to prevent dirt and dust from permeating other parts of the Building during the progress of the Work. Materials and rubbish will be placed in barrels or bags before being taken out of the Apartment. All such barrels or bags, rubbish, rubble, discarded equipment, empty packing cartons and other materials will be taken out of the Building and removed from the Apartment at Shareholder's expense. Shareholder recognizes that such removal may occur 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 for more than seven(7) consecutive days. Notwithstanding the foregoing, the placement of any dumpsters must comply with all governmental regulations, including without limitation, obtaining any necessary permits.

b. If at any time, it is determined that any of the Work will require the removal or disturbance of lead-based paint, Shareholder shall immediately notify the Corporation in writing. The term "lead based paint" means paint or other surface coatings that contain lead in excess of limits established under section 302(c) of the Lead Based Paint Poisoning Prevention Act. Any removal or disturbance of "lead based paint" must be done in accordance with all local, city, state and federal laws and regulations, and may only be done with the Corporation's consent.

c. The Federal Task Force on Lead-Based Paint Hazard Reduction has recommended certain maintenance practices, including (1) limiting access to the work area to only workers, (2) isolating the work area with polyethylene plastic or equivalent,

(3) protecting the workers, (4) protecting the Shareholder's belongings by covering or removing them from the work area, (5) wetting the painted surfaces before disturbing the paint and (6) wetting the debris before sweeping. The Task Force has indicated that certain removal practices are unsafe, including (1) open flame burning (2) power sanding or sandblasting (unless a special vacuum attachment is used to contain dust), and (3) dry scraping more than a de minimis surface area (de minimis means an area of less than one square foot per room). The Shareholder shall cause the Shareholder's contractors and/or workers to perform their work consistently with the recommendations of the Task Force and shall upon completion of the work perform specialized cleaning of the work area using methods designed to safely remove dust and debris which may contain lead.

d. No more than sixty (60) days prior to beginning renovation activities in the Apartment, the contractor shall provide the Shareholder with the Environmental Protection Agency (the "EPA") pamphlet entitled, *Protecting Your Family From Lead in the Home*, (the "Pamphlet"). If the Apartment is occupied by other than the Shareholder, the contractor shall provide the occupant with the Pamphlet. The contractor shall be responsible for obtaining the Shareholder's or the occupant's written acknowledgment of receipt of the Pamphlet or a certificate of mailing evidencing same. The Shareholder hereby acknowledges that the Corporation has no liability or obligation in connection with this notification requirement of the EPA.

18. **Shareholder to Comply with Laws.** Shareholder shall not do or permit any act or thing to be done contrary to law, or which will invalidate or be in conflict with any provision of any liability, multi-peril casualty or other insurance policies carried by Shareholder or for Shareholder's benefit. Shareholder shall comply with all federal, state and local laws, rules and regulations pertaining to asbestos and other hazardous material, as the same have been or may be promulgated, supplemented or amended from time to time prior to and during the abatement-work.

19. **Acceptance of Responsibility by Shareholder and Shareholder's Successor in Interest.**

a. The Shareholder releases the Corporation, the Managing Agent, the Corporation's agents and employees from any liability for damage to the portions of the Apartment affected by the Work which may occur in the performance of building maintenance repairs. Notwithstanding anything to the contrary contained in the Lease, the Shareholder accepts sole responsibility for the Work and costs in connection with the maintenance, repair, restoration or replacement of any portions of the Apartment affected by the Work, and acknowledges that such responsibility shall pass to the Shareholder's successor-in-interest in the Apartment.

b. Shareholder or Shareholder's successor-in-interest (i) shall advise each subsequent purchaser of Shareholder's interest in the Corporation's shares appurtenant to the Apartment (a "Purchaser") of the Work undertaken by the Shareholder and the Purchaser's obligations under this Agreement; (ii) shall provide copies of the Plans and this Agreement to the Purchaser; (iii) shall waive any claim or cause of action against the Corporation, the Board of Directors or the Managing Agent, for advising a potential

Purchaser of the obligations of the owner of the Apartment under this Agreement, (iv) have the Assumption of Alteration Agreement, in substantially the same form annexed as Exhibit F, Assumption of Alteration Agreement, executed by any successor-in-interest.

20. **Work is of Shareholder's Sole Design.** Shareholder recognizes that by granting consent to the Work, the Corporation does not express any opinion as to the design, feasibility or efficiency of the Work.

21. **Miscellaneous.** This Agreement may not be changed orally. This Agreement shall be binding on legal representatives, successors and authorized assigns. Captions are for the purposes of convenience of reference only and are not to be considered in interpreting this Agreement. This Agreement is entered into and governed by the laws of the s\State of New York. "Shareholder" includes all people who share title to the Apartment.

22. **Shareholder's Breach and Corporation's Remedies.** Shareholder's failure to comply with any of the provisions herein shall be deemed a breach of the provisions of the Lease pursuant to which the Corporation's consent has been granted. In addition to all other rights, the Corporation may also suspend the work and prevent workers from entering Shareholder's apartment for any purpose other than to remove their equipment. In such event, the corporation may also revoke permission for Shareholder to undertake the work. Any material deviation from the Work approved in this Alteration Agreement shall void in its entirety the permission granted herein.

23. **Permission.** By executing this Agreement the Corporation is granting permission to the Shareholder to perform the Work pursuant to the Plans and this Agreement. This permission can be revoked at any time on written notice to the Shareholder as a result of Shareholder's or its agent's violation of the terms of this Agreement. The Corporation also agrees to perform its obligations under this Agreement.

SHAREHOLDER

OVERLOOK TOWERS CORP.

By: