

120 Gramercy Hill Condominium
c/o Salon Realty Corp.
316 East 89th Street
New York, NY. 10128

Alteration Agreement

\In Order to obtain Board approval for any alteration/renovation, please submit to the Managing Agent the completed and signed alteration agreement along with the following:

- 1) A written description of all work planned
- 2) All drawings and diagrams associated with the renovation
- 3) Processing fee of \$400 made out to: Salon Realty Corp.

Before work begins all contractors and subcontractors must submit an insurance certificate with additional insureds as listed below. Please see section 8 of the alteration agreement for further insurance requirements.

- 1) The 120 Gramercy Hill Condominium
- 2) Salon Realty Corp.

The Board of Managers may require a security deposit before work can begin. Deposits will be 10% of the total cost of the work.

120 GRAMERCY HILL CONDOMINIUM
120 East 29th Street
New York, NY 10016

,200_

120 East 29th Street
New York, NY 10016

Alterations to Unit _____
120 East 29th Street
New York, New York 10016

Dear _____

You have asked 120 Gramercy Hill Condominium ("Condominium") for its consent to your performing certain alterations, installations and other work (collectively, "Alterations") to the above-referenced apartment ("Apartment") at the above-referenced building ("Building") as more particularly described in Exhibit A annexed hereto.

Pursuant to Section VI, Section 12 of the By-laws ("By-laws") of the Condominium, the Condominium hereby consents to the Alterations on the following terms and conditions:

1. Pre-Commencement Deliveries. Before any Alterations may be started, you shall:

(a) Provide the Condominium, its managing agent, architect or engineer (collectively "Agents"), detailed written plans and specifications ("Plans") for the Alterations, and the Condominium shall have approved the Plans in writing;

(b) Furnish the Condominium (i) a letter from a licensed engineer or architect, certifying that the Alterations will not: (x) violate any law, ordinance, rule, regulation or order, including without limitation any pertaining to asbestos containing material ("ACM"), lead paint removal or encapsulation or disabled persons ("Law") of any governmental authority having jurisdiction ("Agency"); (y) adversely affect or (except to the extent expressly agreed to hereunder) exceed the capacity of any of the Building's or Apartment's, equipment or heating, plumbing, air conditioning, ventilating, electrical, mechanical, soundproofing or other equipment or systems or utility services ("collectively, "Systems"); or (z) adversely affect the Building's structure, water and weathertightness or thermal insulation; (ii) copies of all agreements with contractors and suppliers; (iii) a work flow schedule of all work to be performed by each contractor and subcontractor and the time allotted for each trade; (iv) copies of consents of any secured lender or other third party required in connection with the Alterations; (v) insurance certificates evidencing the coverage required pursuant to Article 8 hereof; (vi) copies of the notifications required pursuant to Article 1(d) hereof; (vii) the checks referred to in Articles 11 and 14 hereof; (viii) the letters and license information referred to in Article 3(b) hereof; (ix) the letters referred to in Articles 4(c) and 4(d); and (x) any payment or completion bonds ("Bonds") the Condominium may require.

(c) File the Plans with all Agencies (including, without limitation, the New York City Building Department, and if required, Landmarks Preservation Commission) and obtain all Agency approvals, permits and certificates ("Permits") with respect to the Alterations that may be required by Law or the Condominium. You shall furnish the Condominium with copies of all filings and Permits within ten (10) days after submission or receipt, as the case may be.

(d) Notify in writing the owners of apartments adjacent to, above and below the Apartment that the Alterations will be performed, approximately when they will commence, their duration and that you will indemnify and hold harmless such owners against any damage whatsoever as a result of the Alterations provided that, if you request in writing, such owners permit your designated representatives to inspect their apartments prior to the commencement of the Alterations to determine any pre-existing conditions.

2. Design, Quality and Required Features of Alterations.

The Alterations and materials used therein shall be of a quality and style in keeping with the general character of the Building and shall conform to the (i) Plans approved by the Condominium, as the same may have been modified with the consent of the Condominium; and (ii) all Laws and the requirements of the New York Board of Fire Underwriters. No amendments to the Plans or changes of any kind in the Alterations or the scope thereof shall be made without prior written approval of the Condominium.

3. Performance of Work.

(a) The Alterations shall be performed in compliance with all requirements of Law in a good and workmanlike manner by licensed contractors, subcontractors and professionals, and you shall furnish the Condominium a letter from each worker indicating its name, address, telephone number, license number and insurance coverage, as well as providing the Condominium a copy of each license. No workers will be permitted in the Building without the Condominium's prior authorization. Workers shall, if required, sign a daily log maintained by the Building's superintendent and identify the nature of the work to be performed on that day. Workers shall not perform any work other than that identified in the daily log. All workers employed by you, your contractors and each subcontractor shall work in harmony with the Condominium's employees and with each other, and any strikes, job actions, slow downs or other labor disputes whether of your workers or the Condominium's employees shall be cause for the Condominium to stop all work on the Alterations until the cause thereof has been removed.

(b) All work shall be performed and completed within a reasonable period of time (and, in any event, within the time period specified in Article 12 hereof) and shall be performed only between the hours of 8:30 am and 4:30 pm on weekdays. No work of any kind may be performed on Saturdays, Sundays or Holidays. Work which will produce noise or may otherwise be disturbing to the other occupants of the Building shall not be commenced before 10:00 a.m., and you shall use all reasonable efforts to minimize the duration and extent of such noisy work.

(c) The Alterations shall not interfere with the normal daily operation of the Building or violate the terms and conditions of the By-laws, including the House Rules. Your contractors and subcontractors shall follow and abide by the instructions of the Building superintendent or his designated representative. In the event it becomes necessary to operate on an "overtime basis", you shall reimburse the Condominium for any wages or related expenses incurred. For the security of its occupants, the Condominium, in its sole discretion, may employ a uniformed security guard on such days and hours that it deems necessary, at your cost and expense.

(d) All rubbish, rubble, discarded equipment or other materials or waste shall be placed in barrels or bags and removed from the Building and properly disposed of daily through the freight elevator at your sole cost and expense. You shall take all reasonable precautions to prevent dirt, dust, moisture, noxious fumes and odors from permeating other parts of the Building during the progress of the Alterations (including, without limitation, installing dustproof screening of public areas adjacent thereto) and to insure that other portions of the Building, its equipment and Systems and the property of owners and occupants are not damaged. All openings of any sort, including, without limitation, doors, windows and exhaust grills shall be thoroughly sealed to prevent dust and dirt from permeating the public hallways or other apartments. In addition, all portions of the public areas from the entrance to the Building to the service elevator and from the service elevator to the Apartment shall at all times be adequately protected from damage due to the movement of materials, equipment or debris. Any damage, necessary clean up or repairs, shall be your responsibility and shall be performed promptly, at your sole cost and expense, subject to the provision of Article 7(b) hereof.

(e) In the event any ACM or lead paint is discovered during the Alterations, you shall (i) immediately notify the Condominium in writing; (ii) file any forms required by, and otherwise comply with all laws of all Agencies pertaining thereto; (iii) provide the Condominium copies of all such reports and filings; (iv) have such ACM or lead paint removed or encapsulated by a licensed or certified professional qualified in the removal or treatment thereof, at your sole cost and expense in accordance with all applicable Laws; and (v) provide the Condominium with evidence of all actions taken in connection therewith.

4. **Limitations on Procedures.** Notwithstanding anything to the contrary in the Plans or in any other document, you hereby acknowledge and agree as follows:

(a) Except as expressly provided herein, no Alterations may entail cutting into or channeling the floor or ceiling slab of the Apartment for electrical, plumbing or any other purpose.

(b) No appliances or fixtures may be installed unless the same shall have been labeled on the Plans and approved by the Condominium in writing, and under no circumstances shall any Alterations entail shutting off gas service or moving gas lines without the prior written consent of the Condominium.

(c) You shall furnish the Condominium a letter from a licensed electrician, engineer or architect, certifying that the electrical loads required as a result of the Alteration (i) will not exceed the present electrical capacity of the Apartment; and (ii) will not adversely affect the Building's electrical service.

(d) Except as expressly provided herein, no air-powered tools, pneumatic jackhammers or electrical hammer equipment or other power "impact tools" may be used, and no copper tubing may be used where plumbing is concealed, without prior written approval of the Condominium.

(e) If the Alterations involve enclosure of any heat or water pipes, or in any other way limit access to such pipes or other Systems, you shall pay for any additional expense the Condominium may at any time incur in removing such impediments, and shall assume all costs in restoring the same if the Condominium requires access to such pipes or Systems. No plumbing, heating or electrical risers may be relocated.

(f) No materials may be placed or hoisted on top of any elevator cabs.

(g) No Alterations are authorized hereby to the common areas except as expressly provided for herein.

5. Responsibility for Alterations.

(a) You shall take all precautions to prevent, and assume all risks for (and obligation to repair or compensate the Condominium for) all injury or damage to the Building, the apartments therein, its public areas and Systems and equipment and the person or property of all other occupants of the Building which result from or may be attributable to the Alterations.

(b) You shall assume all responsibility for the Alterations, the future operation, maintenance, repair and replacement thereof, whether structural or non-structural, the water and weathertightness of windows, exterior walls, roofs of terraces, waterproofing of every part of the Building directly or indirectly affected by the Alterations, maintenance and repair of all heating, plumbing, air conditioning, electrical, soundproofing, and other equipment and Systems installed or altered pursuant to this Agreement, and any adverse effect of the Alterations on Building services, weatherproofing, insulation, common areas or other elements and any added cost incurred by the Condominium in connection with your failure to do so.

(c) Neither the Condominium nor any of its Agents will be responsible for failure of efficient performance of the Alterations or the Building Systems or services to the Apartment resulting from the Alterations, nor will the Condominium be required to alter their hours or manner of operation. In the event the Alterations affect any Systems servicing the Apartment, you shall thereafter be responsible for such Systems. Neither the Condominium nor its Agents will be responsible for failure of efficient performance of any Apartment Systems so affected, and there will be no change in the operation of the Building's Systems to compensate for any Systems you may install.

(d) The Condominium makes no representations as to the design, feasibility, functionality or efficiency of the Alterations or whether you will be able to obtain any required Permits therefor. Without limiting the generality of the foregoing, you further acknowledge that notwithstanding the consent to the Alterations, none of the Condominium, its board of managers, employees or Agents has made any representation, and they are in no way responsible to you, for the location of any of the Systems or utilities, the existence of any unforeseen, hidden or dangerous conditions discovered during the performance of the Alterations or for any increased cost to you, arising as a result of such discovery. Upon discovery of any such Systems, utility or unforeseen, hidden or dangerous condition, you shall immediately cease any work affected thereby, notify the Condominium's managing Agent and not recommence any such work without the Condominium's written approval. The Condominium will bear no responsibility, financial or otherwise, arising from the withholding by its Agents of any approval or the granting of such approval upon any Agent's conditions. The determination of what constitutes "unforeseen", "hidden" or "dangerous" conditions shall be made by the Condominium's board of managers in its sole discretion, but shall in all events include the discovery or exposure of ACM the presence of which shall be corrected at your sole cost and expense by licensed experts and in compliance with all relevant Laws.

(e) If the operation of the Building or any of its Systems or services is in any way adversely affected by reason of the Alterations, you shall, at your sole cost and expense, remove the cause thereof or reimburse the Condominium for the costs thereof, promptly after demand therefor by the Condominium; if there is any damage to the Building, its machinery, equipment or Systems, you will reimburse the Condominium for the cost of the restoration. Upon your removal of all or any part of the Alterations, you shall restore all affected common elements and systems to their condition prior to the installation of such Alterations.

6. Suspension of Work.

(a) The Condominium or any Agent retained by the Condominium, or the Building's Superintendent, may suspend all work authorized hereby if they or any of them determines that (i) the Alterations unduly interfere with the rights of the Condominium or of any occupants of the Building, including, without limitation, their peaceful and quiet enjoyment of their respective apartments; (ii) your contractors or subcontractors use labor which causes any actual or threatened labor disturbance to the Building or the Condominium; (iii) your work violates any Law or insurance policy of the Condominium or interferes with the operation of the Building or its Systems; or (iv) you fail to comply with the terms of the By-laws, the House Rules, or this Agreement.

(b) Alterations are scheduled at the discretion of the Condominium, and the Condominium reserves the right to limit the number of alterations that may be allowed to be in progress at the same time.

(c) You hereby release the Condominium and its Agents from any and all liability for loss or damage to any of your and your employees' property which may result from or be in any way connected with your Alterations, and you hereby waive any claims which you may now or hereafter have against the Condominium or its Agents, based upon interruption or suspension of the Alterations by the Condominium, Agents or the Building's superintendent regardless of the reason for such interruption or suspension.

7. Correction of Defective or Incomplete Work.

(a) The Condominium and its Agents and other representatives of the Condominium shall have access to the Apartment to inspect the Alterations at all reasonable times, without notice. All work rejected by the Condominium as defective or as failing to conform to this Agreement, whether or not fabricated, installed or completed, shall be promptly removed, corrected or repaired at your sole cost and expense.

(b) In the event you fail to perform any of your obligations hereunder in a timely manner, the Condominium shall be entitled to perform such obligations, including without limitation, removing, implementing or correcting any defective, non-conforming or incomplete work and restoring the area to its condition prior to commencement of the Alterations or your sole cost and expense.

(c) The cost of removing and restoring or correcting any defective, non-conforming or incomplete work shall include compensation for the additional services of any Agent or other professional engaged by the Condominium pursuant to the terms of this Agreement.

8. Insurance. All contractors, subcontractors and other persons who perform the Alterations shall have not less than \$2,000,000 comprehensive general liability, bodily injury and property damage combined single limit insurance coverage and Workers Compensation and employees' liability covering its employees and subcontractors' employees including coverage for all operations and independent contractors. Such insurance shall be written by insurance companies reasonably satisfactory to the Condominium, shall insure you and the Condominium and its Agents, as additional parties insured, shall provide that it may not be terminated or modified until at least ten (10) days after written notice to the Condominium, and shall permit claims to be made on an "occurrence" basis. Completed operations coverage shall be maintained for one year after completion of the Alterations. If requested by the Condominium, you shall provide the Condominium with Bonds from a surety company acceptable to the Condominium, which Bonds shall be in form and content acceptable to the Condominium.

9. **Indemnity.** You agree to indemnify and hold harmless the Condominium, its Agents, owners, employees, consultants and occupants of the Building against (a) all loss, damage, expense, claims or liability for damage to Systems, utilities, services, persons or property suffered as a result of the Alterations, whether or not caused by negligence including without limitation any claims from owners or from third parties alleging diminution of services, value or other adverse effect attributable to the Alterations; (b) any expenses (including, without limitation, professional fees and disbursements) incurred by the Condominium in connection with the Alterations; (c) all loss, damage, expense, claims or liability which may occur due to your failure to file Plans, obtain Permits, comply with the terms hereof, eliminate any violations or pay any fines incurred in connection with the Alterations; and (d) any increased taxes or other expenses attributable to the Alterations.

10. **Payment and Liens.** The entire cost of the Alterations, including the cost of the Plans, and the procurement of any required Permits shall be paid in full by you within thirty (30) days after completion of the Alterations or the obtaining thereof. Waivers of the right to lien or otherwise encumber the Building shall be obtained from all contractors, suppliers and subcontractors. However, if, for any reason whatsoever, any lien is filed for work done, or material alleged to have been furnished, in connection with the Alterations, you shall at your sole expense cause such lien to be bonded or otherwise discharged within twenty (20) days after learning of the existence of such lien. If you fail to do so or otherwise default hereunder, the Condominium may pay or bond such lien and otherwise exercise all rights and remedies reserved to it in this Agreement and the By-laws as and for a default thereunder.

11. **Charges and Reimbursements.**

(a) You shall reimburse the Condominium for all legal, architectural, engineering or other fees and expenses which may be incurred by the Condominium in connection with the preparation of this Agreement, the review and approval of the Plans, the performance, supervision and completion of the Alterations, the enforcement of any of the terms hereof, wear and tear on, or damage to, the Building, or its Systems, and any staff overtime or other compensation or expenses of the Condominium in connection therewith. Such fees shall include but not be limited to fees of the (i) managing agent for reviewing and processing the Alteration application and monitoring the work; (ii) Architect for inspection of the Apartment and review of the Plans; and (iii) Attorneys for preparation of this Agreement.

(b) In consideration of the wear and tear on the Building, disruption and other costs of the Condominium caused by the Alterations, you agree to pay upon execution hereof a non-refundable fee of Five Hundred Dollars (\$500). If the Alteration takes in excess of 6 months, this amount will be raised to Two Thousand Five Hundred Dollars (\$2,500). In the event the Alterations are not completed within eight (8) months from commencement, unless you shall theretofore have notified the Managing Agent of a need for more time and obtained prior written consent thereto, you shall pay an additional fee of \$150.00 per days until the day that is nine (9) months from the commencement date. Thereafter the additional fee shall be \$350 per day until completion.

(c) All of your obligations hereunder, including without limitation payment of all fees, penalties and expenses required pursuant to this Agreement, shall be deemed obligations, and collectable as additional common charges, pursuant to the Condominium's By-laws.

12. **Completion.**

(a) All Alterations to be performed hereunder shall be completed, and any final Permits (including, an amended Certificate of Occupancy, if required) shall be obtained, within six (6) months after the

execution of this Agreement or such lesser period as may be specified by the Condominium upon its execution hereof.

(b) Upon completion of the Alterations you shall obtain and furnish to the Condominium or its managing Agent: (i) if required, an Amended Certificate of Occupancy for the Building and a certificate of the Board of Fire Underwriters and such other proof as may be necessary to indicate the Alterations have been done in accordance with all applicable Laws; and (ii) a certificate from your architect that all Alterations have been completed in accordance with the approved Plans.

13. **Transfer.** Prior to and as a condition of the waiver of right of first refusal by the Condominium and transfer of the Apartment you shall obtain and furnish the Condominium an assumption by such transferee of all unperformed or continuing obligations hereunder.

14. **Security.** As security for your performance of the terms and conditions of this Agreement, you shall deliver your check payable to the order of the Condominium in the amount of Two (2%) Percent of the cost of the Work as estimated by the Condominium in its sole discretion. If the Condominium sustains any loss, damage, liability, cost or expense, arising from or relating to the Alterations, or is entitled to any reimbursement hereunder, the Condominium may use, apply or retain the security to the extent required for the payment thereof and, upon demand, you shall promptly pay the Condominium a sum sufficient to restore the security to its original sum. If you comply with all of the terms and conditions of this Agreement, the security or remaining balance thereof shall be returned to you upon written request but not earlier than ninety (90) days after completion of the Alterations. Your liability under this Agreement shall not be limited by the amount or duration of the retention of the security, and you shall be liable hereunder for any amounts in excess thereof and for any claims hereunder arising after refund thereof.

15. **Default.** Your failure to comply with any of the provisions hereof shall be deemed a default under the By-laws, and, in addition to all other rights, the Condominium may revoke your permission to undertake, perform or retain the Alterations, may, but shall not be obligated to, suspend all work and prevent workers from entering the Apartment for any purpose other than to remove their tools or equipment, and may complete or remove all or any part of such Alteration and restore the work area to its condition prior to the commencement of the Alterations at your sole cost and expense.

16. **Miscellaneous.**

(a) The terms and conditions of this Agreement shall not relieve you of any of your obligations under the Condominium's Bylaws or House Rules.

(b) This Agreement shall be governed by and construed in accordance with the Laws of the State of New York.

(c) This Agreement may not be changed orally and shall be binding upon your representatives and successors and assigns.

This Agreement shall become effective, subject to, and on the foregoing conditions, upon delivery to you of a counterpart signed by both parties.

Very truly yours,

120 GRAMERCY HILL CONDOMINIUM

By: _____, President

AGREED TO AND ACCEPTED
this day of 200

EXHIBIT A

Alteration Agreement
Unit
120 East 29th Street
New York, New York

Drawings:

Specs.:

Letters:

The foregoing items are incorporated in and made a part of the Alteration Agreement to which they are attached. In the event of a conflict among the terms of the Alteration Agreement, Plans, Specifications and Letters, the terms which require the more rigorous performance, complete work or are generally more restrictive or favorable to the Condominium shall govern.

[Additional Clauses Which May Be Added If Applicable]

17. **Demolition.** Notwithstanding anything to the contrary contained herein, in the event the Condominium permits you to perform interior demolition ("Demo") pursuant to preliminary plans ("Demo Plans") prior to your Plans being complete, Demo work pursuant to the Demo Plan may commence upon execution hereof subject to and in strict conformity with all of the other terms, covenants and conditions of this Agreement, but such consent shall not constitute consent to construction of any other Alterations unless and until Plans have been approved therefor.

18. **Structural Engineer.** Notwithstanding the provisions of Section 4(a) hereof, the Condominium if the Condominium authorizes your cutting of a floor-slab to install an internal stairway or otherwise join apartments on separate floors, you shall engage the Condominium's designated structural engineer at your sole cost and expense to review your Plans, to maintain a representative on site at all times any structural work is being performed thereon, and to sign-off such work on a "controlled inspection" which must be filed with the City of New York. In addition, such work will be subject to such modifications and conditions as the Condominium's engineer may require.

19. **Sound Engineer.** Notwithstanding anything to the contrary herein contained, prior to the installation of any appliances, machines, fixtures or equipment that may cause noise or vibration to emanate from your apartment, you shall engage an acoustic engineer reasonably satisfactory to the Condominium and shall provide plans and specifications for the design, lay out, the manner of attachment of any such equipment and shall provide objective performance standards for maximum sound, vibration or other conditions which may interfere with the use and enjoyment of the Building by any other residents.

20. **Access.** Supplementing Section 6(b) hereof, you have been advised that another apartment owner in the Condominium has also requested consent to perform alterations similar to those being performed by you, and in view of the length of time your Alterations will take, the Condominium is permitting such work to be performed simultaneously with the performance with your Alterations. In connection therewith, you hereby acknowledge that during the performance of the Alterations and those being performed by the other apartment owner, the elevator service in the Condominium will be severely impacted. Accordingly, you hereby agree to use your best efforts to coordinate your use of the Building elevators for deliveries and removal of debris with the other apartment owner to minimize adverse impact on the other owners and residents of the Building, including avoiding use of the elevators during the normal morning and evening rush hours when residents of the Condominium have the greatest need therefor. In addition, you hereby agree to use your best efforts to schedule any extensive use of the elevators at least three (3) business days in advance, and that in the event of any conflict between your Alterations and those of the other apartment owner, the sole arbiter of such conflict with respect to the elevators will be the Condominium's superintendent, taking into account whose alteration was requested first, but also taking into account the amount of advance notice that had been provided with respect to the need for the elevators, the nature of the delivery or removal, the priority thereof, and the adverse consequences to either you or the other apartment owner of a delay in delivery.