

## ALTERATION POLICY

**1. Proprietary Lease Provisions:** Paragraphs 24 and 27 of this proprietary lease requires each shareholder to maintain his or her apartment in good repair. Paragraphs 26, 29 and 30 provide for review by the Board of Directors of certain alterations including "alteration, enclosure or addition to the unit or to any water, gas or steam riser or pipes heating or air conditioning systems or unit's electrical conduits wiring or outlets ... or any other installation of (sic) facility in the unit or building."

**2. No Consent Required:** For the past eighteen (18) years, the Board has failed to review and approve any repairs, alterations and improvements undertaken by shareholders in the Buildings but has delegated such approval to the managing agent. Now the Board wishes to restate and clarify its alteration policy. The following routine repairs, alterations and improvements ("Alterations") do not require consent of the Board of Directors of the Corporation.

- (i) Painting;
- (ii) Wallpapering;
- (iii) Re-plastering for sheet rock installation over existing walls and/or ceilings;
- (iv) Repair or replacement of existing exposed kitchen and/or bathroom fixtures and exposed pipes which are the obligation of the shareholder to maintain pursuant to Paragraph 24 of the Proprietary Lease;
- (v) Enlarging existing door openings and/or creating new door openings on interior walls of the apartment;
- (vi) Closing existing interior doorways in the Apartment;
- (vii) Installing new electrical lighting fixtures, outlets and sockets;
- (viii) Refinishing the floors of the Apartment;
- (ix) Removal, replacement, or installation of molding (base, chair rail, cove, wainscoting, window trim, or otherwise in the Apartment);

- (x) Removal, replacement or installation of tiles (walls, floor, back splash or otherwise) in the kitchen or bathroom or on floors of the Apartment;
- (xi) Removal of linoleum, vinyl tiles wall to wall carpeting or other floor covering;
- (xii) Removal, replacement or installation of a closet;
- (xiii) Installation or removal of fake or faux beams or the "boxing" of existing beams or columns with wood, sheet rock or plaster or other decorative elements such as picture frame molding, non-load-bearing columns, pilasters or treatments, mullions, battens or corbel;
- (xiv) Installation or removal of radiators, radiator covers, built-in cabinets, book cases, shelves, counters;
- (xv) Removal, replacement or installation of kitchen appliances;
- (xvi) Repairs to existing flooring; and
- (xvii) Removal or replacement of lighting fixtures and electrical outlets.

**3. Consent Required:** Consent of the Board of Directors of the Corporation is required pursuant to paragraph 26 of the Proprietary Lease for all of the following Alterations:

- (i) Installation of any fixture, planter, vegetation or permanent personal property on any terrace, balcony or roof top ("Terrace") adjacent to an apartment.
- (ii) Installation of thru-the-wall air conditioners.
- (iii) Enclosure of any portion of a Terrace or the installation of awnings, green houses, fences or partitions.
- (iv) Painting or decoration of any surface of a Terrace, the exterior Building walls or parapet walls.
- (v) Replacement of any Terrace surface or the installation of decking, walking surfaces, tiles or other materials.
- (vi) Installation of central air conditioning equipment on a Terrace;

- (vii) Installation of an electrical stove, kiln or other electrical heating or cooking device other than a microwave oven or foreman grill;
- (viii) Installation of a sauna, Jacuzzi, whirlpool, jet spray tub, steam room, or similar device;
- (ix) Cutting, scoring or trenching out of the concrete floor or ceiling slab or any exterior wall;
- (x) Installation of any equipment which would (individually or collectively) exceed the electrical load capacity of the apartment);
- (xi) Installation of clothes washers, clothes driers, or similar devices;
- (xii) Installation of "tanning" equipment;
- (xiii) Alteration of any plumbing risers or branch lines in the Apartment;
- (xiv) Alteration of plumbing waste lines;
- (xv) Any work which requires a building permit;
- (xvi) Removal of existing walls floors or ceilings or installation of new walls or the creation of new rooms;
- (xvii) Any Alteration to the entry door or any terrace doors servicing any Apartment;
- (xviii) Any Alteration to the window, in the Apartment;
- (xix) Any other Alteration not listed in Paragraph 2 above.

**4. Preconditions:** Before any Alteration which requires approval of the Board is consented to, the shareholder shall, on request:

- (a) Furnish to the Corporation a letter from a licensed engineer or architect, which letter shall certify that the electrical loads required as a result of the Alterations (i) will not be in excess of the present electrical capacity of the Apartment, and (ii) will not adversely affect the Building's electrical service.
- (b) File the Plans with all proper municipal departments and shall obtain all governmental approvals, permits, and certificates that may be required. The Corporation's managing agent (the "Managing Agent") shall be notified of the building permit number, if any, assigned to

the Plans and shall be given a copy of each of the permits and aforementioned certificates within ten (10) days of your receiving same.

- (c) Furnish the Corporation with a conformed copy of each and every agreement made with a contractor.
- (d) Procure from the contractor and submit for the Corporation's approval, the contractor's written agreement waiving the right to file any mechanic's liens or other liens, attachment or encumbrance against the Corporation's property which may arise out of or in connection with the Alterations. Proof that the contractor has obtained similar waivers from all subcontractors shall be filed with the Managing Agent before such subcontractors commence their work. If the shareholder is unable to obtain said waiver of liens, then the shareholder may, in lieu of such waivers, be required to provide the Corporation with a Labor and Material Payment bond from a surety company acceptable to the Corporation, in an amount equal to 125% of the aggregate costs of the Alterations as shown on said agreements with contractor.
- (e) The Plans and Specifications to be used for the Alteration and a list of contractors to be used shall be sent to the Managing Agent All contractors shall be licensed if a license is required. Copies of the fully executed contracts with each such contractor shall also be submitted upon request to the Corporation and the Managing Agent
- (f) Shareholder's licensed architect or engineer shall certify, in writing, to the Corporation that the work area has been certified to be free of asbestos containing material (ACM) by a licensed Asbestos Control Expert (ACE), or if ACM is found, the ACE shall certify how the ACM shall be controlled, removed or encapsulated and your engineer or architect shall certify in writing that such proposed work shall be performed in accordance with applicable laws, rules and regulations for removal, encapsulation and/or disposal of ACM. If ACM is found, shareholder shall further retain the services of White Lung Association ( or another ACM control expert satisfactory to the Corporation) to supervise and inspect the removal, encapsulation or enclosure of the ACM. The cost of all work relating to the ACM shall be paid by you regardless of whether the ACM is located in the Apartment or on a fixture which is the responsibility of the Corporation to maintain. Such ACE shall confirm to the Corporation its supervision of such work. A copy of the contract for the ACE and the ACM work shall be submitted to the Corporation for written consent and approval prior to commencing any ACM work. Shareholder agrees to indemnify the Corporation, the Managing Agent, the Corporation's shareholders, officers, directors, agents and employees from any loss, expense, cost, damage or liability (including without limitation actual legal fees arising out of any ACM work or ACM contamination resulting from the Alteration).

**5. Responsibility for Alterations:** The shareholder shall assume all responsibility for the Alterations and agree that neither the Corporation nor the Managing Agent will be responsible for: (i) compliance with applicable laws, rules and regulations, (ii) obtaining necessary governmental permits or consents, (iii) determining the feasibility or practical ability to the proposed Alterations,

(iv), determining any adverse effect on the Apartment or the Building, (v) determining any possible consequences of the Alterations, (vi) anticipating failure of efficient performance of building services to the apartment resulting from the Alterations, or (vi) otherwise. In addition, the shareholder shall agree to assume all responsibility for the weather-tightness of any installation affecting exterior walls or roofs and the waterproofing of any portion of the Building structure directly or indirectly affected by the Alterations and for the maintenance and performance of all heating, plumbing, air-conditioning, electrical and other equipment installed, or altered, by the shareholder.

**6. Insurance:** The contractor who performs the Alteration shall obtain the following insurance coverage: (i) comprehensive liability insurance: \$1,000,000 per person; \$2,000,000 per accident; (ii) \$1,000,000.00 property damage liability; and (iii) workmen's compensation and employee's liability covering all employees of the contractor and any subcontractor. All insurance companies providing the foregoing coverage shall have a Best Rating (or equivalent rating system) of A or better and shall be licensed to conduct business in New York. Certificates of such insurance: (i) naming the Corporation, the Managing Agent and the shareholder as additional parties insured, as their interests may appear, and (ii) providing that such insurance will not be terminated unless at least ten (10) days notice is given to the Managing Agent, shall be filed with the Managing Agent before the Alterations are commenced. The shareholder agrees, if any notice of termination of any insurance is received, that all alteration work will immediately cease until replacement insurance policies conforming to the foregoing limits are received and proof is delivered to the Managing Agent.

**7. Damage:** The shareholder shall take all precautions to prevent, and shall assume all risks for and all damage to the Building, its mechanical systems and property of other tenants and occupants in the Building which result from or may be attributable to the Alterations. The Alterations shall be performed only between the hours of 8:30a.m and 5:30p.m.; and any work which will produce unusual noise (such as demolition of walls, ceilings or floors, use of electric saws, power hammers, electric drills, power sanders or other similar or dissimilar machinery) which might be disturbing to other tenants shall not be commenced before 10:00 a.m. No work shall be performed on Saturdays, Sundays or Holidays. The Corporation reserves the right to restrict further the work or to terminate it, in its sole discretion, if in the Corporation's judgment the method of performing the Alterations is disturbing other occupants of the Building. All rubbish, rubble, discarded equipment or other materials, empty packing cartons, etc. are to be promptly removed from the Building, at shareholder's sole cost and expense, in barrels or bags, in the service elevator, at such times and in such manner as the Superintendent of the Building may direct. The shareholder shall see to it that all precautions shall be taken to prevent dirt and dust from permeating other parts of the Building or other apartments in the Building during the progress of the Alterations.

**8. Cost:** The entire cost of the Alterations, including the cost of the Plans, and the procurement of all required approvals, licenses, permits and certificates, shall be paid in full by within thirty (30) days after the completion of the Alterations. Pursuant to the provisions Of Paragraph 33 of the Proprietary Lease, if, for any reason whatsoever, one or more mechanic's liens are filed for work done or allegedly done, or material furnished in connection with the Alterations, whether or not the

shareholder is reasonably disputing the nature, quality, or quantity of such Work or materials, the shareholder shall, at his or her sole expense, cause such mechanic's lien or liens to be discharged or bonded. If the shareholder fails to discharge or bond said mechanic's lien or liens within thirty (30) days of the filing thereof, the Corporation may exercise all rights and remedies reserved to it in your proprietary lease.

**9. Suspension of Work:** The Managing Agent or Superintendent may suspend all work authorized hereby if the shareholder fails to comply with the terms of the proprietary lease or the House Rules applicable to the Alterations, or the terms hereof or the Plans and Specifications submitted to and approved, in writing by the Corporation.

**10. General Conditions:** All work to be performed in connection with the Alterations shall be done in a manner and time which are not burdensome to other tenants in the Building. For any Alteration which requires consent of the Board of Directors, each contractor shall meet with the Building Superintendent and Managing Agent prior to commencing any work on the Alterations: (i) to schedule use of elevators, water, electricity, and other utilities in the Building, (ii) to schedule the time and manner of commencing the Alterations; and (iii) to review the provisions to be made by the contractor to comply with this policy. For all Alterations, the contractor (and the shareholder) shall be responsible for removal of all rubbish, rubble, discarded equipment or other materials, empty packing cartons, etc. which are used in connection with the Alterations and shall contact the Superintendent for the Building to arrange such removal. The shareholder shall be responsible for cleaning the Building hallways, elevators, and other public portions of the Building following the completion of Alterations to the apartment each day. It is specifically understood that the elevators are not construction elevators but are used by the residents of the Building as their primary means of ingress and egress in the Building and by the Building staff to perform their duties and by other vendors and contractors and that such use shall have primacy over the use of the elevators by contractors performing any of the Alterations. No dumpsters or metal waste containers shall be permitted within the Building or in the courtyard or alleyways or on the sidewalks adjacent to the Building.

**12. Changes in Project:** If the shareholder decides to increase or alter the scope of the Alterations in any way, if such new Alterations are listed on Paragraph 2 above, such additional or altered work and the Plan applicable thereto will have to be approved by the Board in writing before commencement of such additional Alterations. Failure to obtain such prior written consent shall be a breach of this Agreement and the Corporation shall be entitled to require the removal of all such unauthorized work or Alterations regardless of its magnitude or impact on the Building.

**13. Conditions Precedent:** Before any Alterations listed in Paragraph 3 shall be started, in addition to the conditions listed in Paragraph 4 hereof, above, on the request of the Board shareholder shall provide to the Managing Agent of the Corporation the following additional documents:

- (a) An unqualified letter from a reputable licensed engineer or architect which letter shall certify that the Alterations will not necessitate the amendment of the Certificate of Occupancy for the Building, but can be approved by the Building Department by Building Notice or other specified procedure. If the Alterations do require an amendment to the Certificate of Occupancy for the Building, and the Board consents thereto, the shareholder shall agree to provide the Corporation with an unqualified letter from a reputable licensed engineer or architect which shall certify: (i) the Alteration does not violate applicable zoning ordinances, (ii) the Floor Area Ratio (FAR) for the Building is not affected by the proposed Alteration (or, if it is, describing how it is affected) and certifying that the proposed Alterations will not exceed unused FAR for the Building, (iii) the proposed Alteration is in conformity with all applicable codes, rules and regulations affecting the Building including, without limitation, the New York City Building, Electrical, Fire, Health, Safety, Asbestos Control and other Codes, and (iv) such other matters as the Corporation may require.
- (b) If the Building is hereinafter placed in an actual or proposed district subject to the jurisdiction of the New York City Landmark Preservation Commission ("LPC") and if the Alterations proposed affects the exterior of the Building or is otherwise subject to the jurisdiction of the LPC, the shareholder must obtain the consent of the Landmark Preservation Commission and deliver to the Managing Agent a copy of such consent or a certificate of no effect from the LPC before the Alterations are commenced.
- (c) If the Alterations require an amended Certificate of Occupancy, and the Board approves same, the shareholder shall deliver an undertaking agreeing to obtain and deliver same to the Managing Agent within three (3) months after completion of the Alterations, at his or her sole cost and expense.
- (d) Shareholder's licensed architect or engineer shall certify in writing to the Corporation, without qualification:
- (i) That the proposed Alterations will not exceed the permitted floor load for that portion of the Building;
  - (ii) That the plumbing, electrical, heating, ventilation, waste disposal, drainage, and other systems to be installed (if any) in connection with the Alterations will not overburden such existing systems in the Apartment or in the line of apartments of which the Apartment is a part or of the Building generally and are compatible with existing Building systems;
  - (iii) That the proposed Alterations will not increase the cost of the Cooperative Corporation in maintaining the Building nor shall they reduce the useful life of any existing systems in the Building.

The Board of Directors may, in its sole discretion, waive any of the foregoing conditions. Such waivers must be in writing.

**14. Control of Dust:** If the Alterations involve demolition, cutting or other fabrication in the Building, dust from the Work shall be controlled either by the use of green dust and/or, if possible, shall be watered down twice a day. Dustproof partitions or plastic curtains shall be temporarily installed during the Alteration of the Apartment to prevent any dust or debris entering the Building stairwells, elevator shafts, hallways or other common areas or entering into the atmosphere which would eventually enter either another apartment in the Building or the common areas thereof. All Building common areas affected by the Alteration must be broom cleaned and wet mopped by the contractor each day before the contractor leaves the Building. The Building common areas must be kept clean at all times.

**15. Noise and Vibrations:** If the Alterations involve the installation of any mechanical equipment or appliance which creates any noise or vibration which, in the sole discretion of the Board of Directors may annoy or disturb present or future occupants of other apartments in the Building, then at any time after completion of the Alteration, the shareholder shall discontinue the use of such equipment or appliance upon notice from the Corporation, until the noise has been reduced to a level which the Corporation, in its sole discretion, may deem satisfactory. In the alternative, the Board may proscribe reduced hours of operation to insure the use of such equipment does not disturb other occupants. The decision of the Board shall be final.

## **16. Handicap Laws**

- (a) The Alterations may require compliance with the American's With Disabilities Act ("ADA") or other similar state and municipal laws, rules and regulations concerning handicapped access to and use of the Apartment. It shall be the shareholder's responsibility to comply with all applicable handicap laws, rules and regulations and to pay for all improvements and modifications to the Apartment required by such laws.
- (b) If the ADA or other handicap laws require modification to the common areas of the Building. The shareholders must seek separate written consent before proceeding with the Alterations. The shareholders shall notify the Board of Directors in writing the exact nature of all common area modifications and shall agree to pay for any such modification approved by the Board of Directors.

**17. Building Systems:** If the Alterations involve the modification of the existing electrical, plumbing, ventilation, waste removal or heating or other building systems in any way, the shareholder shall assume responsibility: (i) for the adequacy of the equipment substituted for the present equipment, in order to service the Apartment properly and in accordance with the policy of the Corporation; and (ii) for any damage or adverse effect to the supply of heat, electricity, water, air circulation or waste removal to other portions of the Building.



**18. Waterproofing:** The following provisions shall apply if the Alterations involve either an opening in the roof or walls of the Building or the addition of improvements on or above the roof.

- (a) With reference to any "through-the-wall" openings or openings in the existing roof, if the shareholder elects at any time to cancel the proprietary lease for the Apartment by complying with the provisions of such proprietary lease, or if the shareholder elects to remove or discontinue the use of any through-the-wall or roof top addition or improvement, or any air cooling, heating or ventilating equipment which the shareholder have installed pursuant to the Plans or if the shareholder does not maintain any of the aforesaid in a good condition (which condition shall be determined by the Corporation in its sole discretion), shareholder shall, at the option of the Corporation: winter seal and heat seal the opening with approved insulating material; (b) concrete, seal or re-brick the openings to restore them substantially to their present condition and color; and (c) make any necessary repairs, plaster, carpentry or painting in the Apartment and to the exterior portion of the Building, all at his or her sole cost and expense.
- (b) The shareholder shall hereby agree to assume responsibility for maintaining any structure erected by such shareholder or predecessor-in-interest on the roof of the Building and for the water tightness of the Building membrane above any enclosure or similar addition or improvement and adjacent to the junction of the addition or improvement and the existing roof of the Building. The shareholder shall further assume any liability or responsibility for damage to the Building or any unit in the Building resulting from changes in drainage patterns on the roof, blockage or overloading of existing drains or waste stacks or stress on existing structural components caused or hereafter resulting from the Alterations.
- (c) Unless any subsequent holder of the shares and lease specifically assume the current shareholder's obligations hereunder, the shareholder shall continue to remain liable to the Corporation notwithstanding his or her assignment of the proprietary lease for the apartment and shall not be released from further liability thereunder.

**19. Periodic Inspections:**

- (a) The Corporation's engineer/architect, the Superintendent, and Managing Agent for the Building shall have the right to inspect the work periodically during the course of the renovation and after its completion. Such engineer/architect and the Superintendent and Managing Agent are hereby authorized and directed to stop all work if, in any of their sole opinion, such party finds that the work does not conform to the Plans and Specs approved by the Corporation or if any portion of the work endangers the health, safety, well being or comfort of any occupant of the Building or the proper operation of any Building system or the structural integrity of any Building support system.
- (b) Any inspection by the Building's engineer/architect and the Superintendent and Managing Agent shall not be deemed a waiver of the requirements of this Policy.

(c) Shareholder shall pay the Building's engineer/architect (or reimburse the Corporation for such cost) for such inspection(s).

**20. Holder of Unsold Shares:** Pursuant to Paragraph 26 of the proprietary lease, the foregoing policy shall not apply to Alterations by a holder of unsold shares.

*Revised 05/06/2003*