

CAROL HOUSE APARTMENTS INC.
64-34 102ND STREET
REGO PARK, NY 11374

August 29, 2007

All Shareholders of
Carol House Apts. Inc.
64-34 102nd Street
Rego Park, NY 11374

RE: Alteration Agreement
Renovation of Apartments

Dear Shareholder(s):

Shareholders interested in renovating their apartment must complete an Alteration Agreement. This Agreement can be obtained from Kaled Management Corp.

No alterations of any type will be permitted until the Shareholder receives written approval by Management and/or the Board of Directors to commence work.

If the renovation begins in an apartment without prior approval the Shareholder will be subject to monetary fines.

In addition, an agreement will be signed by all Contractors stating that if they do not abide by the rules and regulations of Carol House Apts. Inc. they will not be able to continue working in the building.

If you have any questions and/or concerns please contact Deborah Gordon, Director of Operations, Kaled Management Corp. at (516) 876-4800.

Sincerely,

Board of Directors
of
Carol House Apts. Inc.

MEMORANDUM

TO: All Residents of
Carol House Apartments Corp.

FROM: Julia Kodis

DATE: December 13, 2007

RE: Alterations

Please be advised that the Board of Directors has implemented a new policy regarding building repairs, renovations and or alterations.

As you may know, an alteration agreement must be completed prior to the commencement of any renovations. Effective immediately, in addition to the \$500.00 a security deposit submitted by the shareholders, and additional security deposit of \$500.00 is now required from the hired Contractor prior to any work commencing.

If you should have any questions, please feel free to contact me at 516 876 4800 ext 318.

Thank you in advance for your cooperation

CAROL HOUSE APARTMENTS INC.
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CONTRACTOR'S AGREEMENT

I, _____, from _____ do hereby
acknowledge that I will abide by the rules and regulations set forth by
the Carol House Apartments Inc.

I will submit to Carol House Apts. Inc. c/o Kaled Management Corp. an
insurance certificate of one million dollars or more and a workman's
compensation certificate. I will not under any circumstance work in any
apartment on any Saturday or Sunday and/or after the scheduled work
hours of Monday through Friday from 9:00 AM - 5:00 PM. All work and
clean-up must be completed by 5:00 PM. I will abide by these hours.

I will remove and discard all garbage, debris and any other items with my
own personnel from the premises.

If any of the above rules and regulations are not adhered to in any way,
my Company and personnel, or any other entity which may be associated
with my Company and/or myself and/or personnel, will not be permitted
to work in the building or apartment from that time on and in the future.

Signature

Name of Company

Print Name

Apt. #



CORPORATE OFFICE
 7001 BRUSH HOLLOW ROAD
 SUITE 200
 WESTBURY, NY 11590
 TEL: (516) 876-4800
 FAX: (516) 876-6812
 WWW.KALED.COM

ASSET MANAGEMENT
 757 THIRD AVENUE
 SUITE 2028
 NEW YORK, NY 10017
 (212) 376-5508

EMAIL: INFO@KALED.COM

SHAREHOLDER ALTERATION AGREEMENT CHECKLIST

Date: _____

Cooperative: _____

Apartment _____

Address: _____

Type of Alteration: _____

Dear Shareholder:

To help expedite the approval of your alteration, please make sure that all the items listed below are included in your alteration package to the Board.

- _____ Sign and return both Alteration Agreements, attached.
- _____ Certificates of Insurance showing coverage of no less than \$1,000,000.00 for liability and property damage, naming the Cooperative above and Managing Agent as an additional insured.
- _____ Certificate of Insurance showing Workman's Compensation coverage.
- _____ Alteration deposit of \$_____ payable to the above Cooperative (to be determined).
- _____ Copy of fully executed contract between yourself and your contractor.
- _____ Specifications of work to be performed including diagrams where necessary.
- _____ The following statement must appear in your contract for the alteration: "All debris will be removed from the premises by the contractor" or "by the Shareholder at their expense."
- _____ The following statement must appear in your contract for the alteration: "The contractor will be responsible for performing a post-renovation cleaning that includes dust wiping the hallway threshold and all immediate adjacent areas, and, HEPA-vacuuming the hallway(s) and elevator(s) used during renovation."
- _____ New York City Local Law #1. All contractors must be EPA Certified Lead Abatement Supervisors, when dealing with lead paint removal/sanding/plastering and painting of the apartment.
- _____ A copy of the contractor's EPA issued Lead Paint Renovators License (mandatory requirement) must be submitted. Failure to do so will result in denial of this application.

*The attached specifications and/or statement must also appear as part of your contract.



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TO: _____, Owner
C/o _____,
Managing Agent

Re: Apartment No. _____
Building _____

Gentlemen:

Pursuant to paragraph _____ of my Propriety Lease, 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.

If such permission be granted:

1. I agree, before any work is begun:

- (a) To provide you with a complete and conformed copy of every agreement made with contractors and suppliers.
- (b) If required by law or Governmental regulations, to file plans with and procure the approval of all Governmental Agencies having jurisdiction over the work and, not more than ten days after receipt of such approval, to deliver to you a copy of every permit or certificate issued. If they're by any doubt as to the need for such approval, you shall be the sole arbiter in resolving the doubt.
- (c) To procure from my contractor, or contractors:
 - (i) Comprehensive personal liability and property damage insurance policies each in the amount of \$1,000,000.00, which policies name you and your Managing Agent, as well as myself as parties insured. Such policies shall provide that they may not be terminated until at least ten days after written notice to you and
 - (ii) Workmen's compensation and employees liability insurance policies, covering all employees of the contractor, contractors, or subcontractors.



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All such policies or certificates evidencing their issuance shall be delivered to you.

2. If you are required or shall deem it wise to seek legal, engineering or architectural advice prior to granting permission, I agree to reimburse you, on demand, for reasonable fees incurred, and if permission be granted, then, in any event, prior to commencement of any work.
3. It is understood that:
 - (a) I assume all risks of damage to the building and its mechanical systems, and to persons and property in the building, which may result from, or the attributable to the work being performed hereunder and all responsibility for the maintenance and repair of any alterations and installations after completion. 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 the 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, I shall, when so advised, promptly remove the cause of the problem.
 - (b) I recognize that there will be no change in the operation of the building's heating system (or air-conditioning system, if any) to facilitate the functioning of any heating or air-conditioning units I may be installing.
 - (c) The alterations and materials used shall be of the quality and style in keeping with the general character of the building.
 - (d) I undertake to indemnify you, your Managing Agent and tenants or occupants of the building for any damages suffered to person or property as a result of the work performed hereunder, whether or not caused by negligence, and to reimburse you and your Managing Agent for any expenses (including, without limitation, attorney's fees and disbursements) incurred as a result of such work.
 - (e) If, after making any alterations or installing any equipment referred to herein, I shall:
 - i. Seek to exercise my right to terminate my Propriety Lease pursuant to paragraph _____ thereof. I will, on your demand, but at my expense, restore the premises and



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equipment to their condition prior hereto, agreeing that compliance with this agreement shall be a condition precedent to the cancellation of my lease, or

ii. Seek to transfer the corporate shares allocated to the apartment and the Propriety Lease appurtenant thereto, I will, if requested by you, either restore the premises and equipment to their condition prior hereto or provide you with an agreement by my transferee to assume all of my obligations hereunder, including my continuing obligations and understanding expressed in subparagraphs (a) through (d) of this paragraph 3.

4. All the permitted work shall be completed within _____ days after Governmental approval hereto has been granted or, if no such approval is required by law or regulation, then from the date hereof.
5. No work shall be done, except between the hours of 8 AM and 5 PM, Saturdays, Sundays, and holidays excluded, and any work which can produce unusual noises, which might be disturbing to building occupants, shall not be done before 10 AM.
6. All precautions will be taken to prevent dirt and dust from permeating other parts of the building during the progress of the alteration. Materials and rubbish will be placed in barrels or bags, before being taken out of the apartment. All such barrels and bags, rubbish, rubble, discarded equipment, empty packing cartons and other materials will be taken out of the building and removed from the premises at my expense. I recognize that only the service building may direct. If the convenience of other tenants requires that the service elevators be operated on an "overtime" basis, I shall reimburse you for any wages or related expenses incurred in connection therewith.
7. I will bear the entire cost of alterations and installation and pay all bills incurred in connection therewith, not later than thirty days after completion of the work. If any mechanic's liens were filed for work claimed to have been done or materials alleged to have been supplied, I shall cause such liens to be discharged within ten days after such filing. If I fail so to do, you may exercise any or all of your rights and remedies under the Proprietary Lease or this agreement.
8. At the completion of the work, I will deliver to you an amended Certificate of Occupancy and the certificate of the Board of Fire Underwriters, if either is



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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.

9. I recognize that by granting consent to the work, you do not profess to express any opinion as to the design, feasibility or efficiency of the work.
10. My failure to comply with any of the provisions hereof shall be deemed a breach of the provisions of the Proprietary Lease, pursuant to which your consent has been granted, and, in addition to all other rights, you may also suspend all work and prevent workmen from entering my apartment for any purpose other than to remove their tools or equipment.
11. This agreement may not be changed orally. This agreement shall be binding on you, our personal representatives and me and authorized assigns.

Annexed hereto are the "work" document and a rider of _____ pages, which is made a part of this agreement.

Very truly yours,

Tenant

Tenant

Permission Granted:

Owner

Agent



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RIDER TO ALTERATION AGREEMENT

1. An alteration deposit of \$_____ will be submitted with this alteration agreement. I understand that the cost to repair any damages made in connection with this alteration shall be deducted from this deposit. In addition to the foregoing I also understand that my failure to comply with any of the provisions of this agreement will cause me to forfeit the entire deposit. In all cases, the Owner, or its managing agent, shall have the sole right to determine the cause of any damage to Owner's property and the cost to restore such property to its original condition.

I understand that the Owner shall deduct from this deposit all costs, fees and expenses incurred by it in connection with this application, including but not limited to legal, architectural, engineering and other professional fees and the cost of any repairs or replacement to Owner's property resulting from the alteration. I understand that the Owner's deduction of any portion of this deposit shall not in any way limit or waive my obligations under this agreement, the Proprietary Lease, the By-Laws and House Rules and Regulations of the Owner.

2. All contractors and deliveries must use the basement service entrance only. Upon their arrival they must sign in with the superintendent.
3. I agree to notify the superintendent at least 48 hours in advance of the date which contractors or deliveries will be entering the building.
4. No debris or any other materials may be stored or left at anytime in common areas of the building or grounds.
5. I agree not to commence any work in relation to this alteration until I have received the Owner's written permission, which will be evidenced by the return of this agreement duly executed by the Owner or its managing agent.
6. The Owner's representative shall have the right to inspect my apartment on as many occasions as it may deem necessary prior to alteration, as the alteration progresses, and upon its completion.



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In the event that the Owner's representative determines that the alterations have not been performed in compliance with the Plans submitted and the provisions in this alteration agreement, I agree to arrange to have the alterations corrected.

7. At the conclusion of this alteration, all bathroom and kitchen plumbing fixtures, heating fixtures, pipes, fittings and floor and wall tiles, excluding bathtubs, vanities, and appliances, affected by this alteration, are to be turned over to the Owner by delivery to the Superintendent.
8. I shall procure from the contractor and submit for the Owner's approval, the contractor's written agreement waiving the right to file any mechanic's lien or other liens, attachment or encumbrance against the Owner'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 I am unable to obtain said waiver of liens, then I will in lieu of such waivers provide the Owner with a Labor and Material Payment Bond from a surety company acceptable to the Owner.

Tenant /Shareholder

Cooperative

Tenant/Shareholder