



LONDON TERRACE TOWERS OWNERS, INC.

PROPRIETARY LEASE AMENDMENT

The following is added to subparagraph of (iv) to paragraph 16 (a) of the Proprietary Lease:

(iv) all sums due from the Lessee shall have been paid to the Lessor, together with a sum to be fixed by the Directors to cover reasonable legal and other expenses of the Lessor and its managing agent in connection with such assignment and transfer of the shares, except as provided in Paragraph 38 of this lease.

(New language below)

On the sale, conveyance, disposition or other transfer of shares in the Lessor and a lease for an apartment (a "Transfer"), the Lessor shall concurrently be paid a transfer fee (the "Transfer Fee"), by certified or official bank check made payable to Lessor, by the transferor and the transferee of the shares in an amount equal to one (1.0%) percent from the transferor and one (1.0%) from the transferee of the gross "Sales Price" of the shares, or as the parties may determine provided the Lessor receives a total of two (2.0%) of the gross Sales Price. "Sales Price" shall be deemed to be the price set forth in a fully executed contract of sale, or in the event the sale is not an arm's length transaction, the fair market value as determined by an appraisal performed by an independent licensed or MAI certified appraiser prepared at transferor's or transferee's expense. The appraisal shall be supported by confirmed sales of at least three (3) comparable apartments. The Transfer Fee shall be effective as of January 1, 2018. Accordingly, the Transfer Fee shall apply to all transfers resulting from Contracts of Sale or other transfer agreements for which the completed sales application/package is submitted to the Corporation's managing agent's transfer/closing department after close of business on December 29, 2017.

The Transfer Fee is in addition to the fees charged, if any, by the attorneys for the Lessor or the Lessor's managing agent in connection with the transfer as provided for herein.

Notwithstanding anything to contrary in this Paragraph 16, the following assignments, transfers or sales shall be exempt from making this payment (irrespective of whether any consideration is paid).

- (1) transfers from one spouse/domestic partner to another spouse/domestic partner;
- (2) transfers within an "immediate family" (defined below);
- (3) transfers of shares pledged under any financing that may be given by holder of Unsold Shares resulting from an uncured default, except such Transfer Fee shall be payable to the extent sufficient from any surplus proceeds of sale otherwise payable to the defaulting shareholder;
- (4) transfers to or from Sponsor (or holder of unsold shares), or from Sponsor (or holder of unsold shares) to one or more of its partners or designees;

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- (5) transfers from an original purchaser of the shares, i.e. who purchased shares directly from the Sponsor or Sponsor's designee;
- (6) transfers to any of Lessee's "immediate family" made during the Lessee's life or upon his or her death by intestacy or pursuant to a will or trust agreement, provided in the case of a trust agreement that the grantor of the trust is the shareholder and the grantor or one or more of the grantor's immediate family members reside in the apartment.
- (7) transfers of shares in connection with any recapitalization or reorganization of the Lessor;
- (8) any transfers to the Lessor or from the Lessor;
- (9) in cases where shares are reallocated between two or more Apartments, only the transferor(s) shall be obligated to pay the 1.0% Transfer Fee; and
- (10) in cases where a Lessee sells his/her current Apartment and purchases another non-contiguous Apartment, only the transferors in both transactions shall be obligated to pay the 1.0% Transfer Fee.

The term 'immediate family' means adult children/stepchildren, adult siblings, adult grandchildren, grandparents, spouse, domestic partner and parents/stepparents; and (subject to Paragraphs 17 and 38 hereof).

BY-LAW AMENDMENT

(New language is underlined)

The following is added to Article V, Section 2 of the By-Laws:

Section 2. Assignment: Proprietary leases shall be assigned or transferred only in compliance with, and shall never be assigned or transferred in violation of, the terms, conditions or provisions of such proprietary leases. A duplicate original of each proprietary lease shall always be kept on file in the principal office of the Corporation or with the managing agent of the apartment building. The Board of Directors shall have the authority before an assignment or sublet of a proprietary lease or reallocation of shares takes effect as against the Corporation, as Lessor, to fix: (i) a reasonable fee to cover actual expenses and attorneys' fees of the Corporation; (ii) a transfer fee to the Corporation as set forth in the Proprietary Lease; and (iii) any additional fees charged by the Corporation's managing agent/closing department, and such other conditions as it may determine, in connection with each such proposed assignment or sublet.