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FIFTEEN HUNDRED LAKE SHORE DRIVE

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1500 LAKE SHORE DRIVE BUILDING CORPORATION
ALTERATION AGREEMENT

APARTMENT: _____

TENANT/SHAREHOLDER(S)

Pursuant to Division Fourth, Section 6, of the proprietary lease, alterations to any apartment may be made only if and after the express written consent of the building corporation has been secured. Accordingly, the Board of Directors has established the procedures and requirements contained in this Agreement for any substantial alterations. To secure consent for alterations, the shareholder(s) must complete this alteration agreement and submit it together with the plans and documentation required herein for review and decision by the board of directors. The terms and procedures stipulated in this agreement and the proprietary lease will govern the execution and maintenance of the approved alterations.

The decision of the building manager (subject to review by the Board of Directors in its sole discretion) shall control as to what proposed alterations will be considered as substantial and subject to the requirements of this Agreement. In general, painting, wall papering, carpeting, and other decoration of existing surfaces and minor repairs are not regarded as substantial alterations requiring specific consent. The work of any and all tradesmen in the building is, however, governed by the proprietary lease, the house rules, and operating procedures which are established and revised from time to time.

To secure consent for proposed alterations, the shareholder(s) must accept and observe each of the following requirements:

1. GENERAL REQUIREMENTS

Reimbursement for Technical Service Fees

Any fees incurred by the building corporation for review of alteration plans, inspection of alterations in progress, and resolution of mechanical or electrical problems by architects, engineer or other technicians shall be reimbursed by the shareholder. The building corporation shall be the sole judge of whether and when such technical counsel is required.

Fees

The shareholder understands that all fees, penalties, violation fines, and other expenses incurred by the shareholder pursuant to this agreement shall be considered as additional rent pursuant to the terms of the proprietary lease.

Approvals and Permits

The shareholder shall obtain approvals from and comply with all applicable laws, rules, regulations and ordinances of governmental authorities and agencies, including but not limited to the Building Department of the City of Chicago, having jurisdiction over that work. Copies of each permit and certificate issued for the work shall be furnished to the building manager without delay. The consent of the building corporation to any alteration plan shall not relieve the shareholder of full responsibility to comply with requirements of ordinance and law.

Responsibility for Alterations

The shareholder assumes full responsibility for the maintenance and repair of any alterations after completion. This responsibility covers all the work and any part of the building directly or indirectly affected by the alterations. It includes the air conditioning, heating, plumbing and electrical equipment which may be approved and installed. If the operation of the building or the equipment of the building is adversely affected by the work or alterations, the shareholder shall upon notice, promptly remove the cause of the problem and reimburse the building corporation for any damage or expense it may have suffered as a result of the alterations.

Exculpation and Indemnification of the Corporation and Its Management Agent

Notwithstanding anything to the contrary contained in the proprietary lease, the shareholder releases the building corporation and its management agent and their technical consultants from any and all liability for loss or damage to any of the shareholder's property which may result from or be in any way connected with the alterations, and the shareholder hereby waives any claim which shareholder may now or hereafter have against the building corporation or the management agent based upon interruption or the suspension of the alterations by the building corporation regardless of the reason for such interruption or suspension.

In addition, notwithstanding anything to the contrary contained in the proprietary lease, the shareholder agrees to indemnify and hold harmless the building corporation, its directors, its stockholders, its management agent, its consultants and its employees from any claims for personal injury, liability or damage to any personal property or to any part of the building structure, its utilities, equipment or furnishings which may arise from the work being performed. This indemnity shall specifically include, but not be limited to any attorney's fees incurred by the building corporation, its stockholders, its management agent, its consultants and its employees.

Breach of Proprietary Lease

Failure of the shareholder to comply with any of the provisions if this agreement shall be deemed a breach of the provisions of the proprietary lease, pursuant to which approval to alterations is granted, and, in addition to other rights, the building corporation (acting through the building manager) may also suspend all work and prevent workmen from entering the shareholder's apartment for any purpose other than to remove their tools or equipment.

Notice and Indemnification to Other Shareholders

The management agent will notify in writing the shareholders of apartments adjacent to, above and below the apartment in which the alterations are to be made that alterations have been approved, and the scheduled duration of the work.

Notwithstanding anything to the contrary contained in the proprietary lease, the shareholder agrees to indemnify the neighboring shareholders who have been previously notified of the alterations as provided herein or any other shareholder that may be affected by the work for any and all damage to any personal property (but excluding therefrom any loss of or damage to fine art, antiques, rare items or other items of extraordinary value beyond value of utility and common decoration) of such affected shareholders caused by the negligent or willful act of the contractors, subcontractors or material suppliers engaged in performing the alterations or otherwise arising from the work being performed.

Building Operations

The work must not interfere with the normal daily operations of the building or violate the terms and conditions of the proprietary lease, including the house rules. The shareholder's contractors and subcontractors shall follow and abide by the instructions of the building manager and the building engineer. In the event that any additional staff hours are made necessary by the conduct of the alterations, the shareholder will reimburse the corporation for any such expenses.

Costs of Alterations

The shareholder shall bear the entire cost of the alterations and installations, including demolition and removal of debris, guarantee completion of the work and pay all bills incurred in connection therewith, not later than thirty days after completion of the work. If any mechanic's liens are filed for work claimed to have been done or materials alleged to have been supplied, notwithstanding any dispute the

shareholder may have with the contractor filing such liens, the shareholder shall cause such liens to be discharged within five days after notice or otherwise dealt with in accordance with the terms of Division Third, Section 2. (d) of the proprietary lease.

Role of Lessor

The 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, materials or equipment used.

Binding Agreement

This agreement may not be changed orally. This agreement shall be binding on the shareholder, the shareholder's representatives and authorized assigns.

2. INSURANCE

The shareholder shall have the contractor and subcontractors provide insurance coverage of the types and in not less than the limits set forth below with a company or companies licensed to do business in the state of Illinois, assigned an AM Best rating of not less than B+ VII, and acceptable to the building corporation. With the exception of the workers compensation coverage, the shareholder, the corporation and the management agent shall be additional named insureds under the required insurance policies.

The additional insurance endorsement (1.S.O. Gl 16) shall have the following wording added at item #5:

"The insurance afforded to the additional insured is primary insurance for any of the actions of the contractor while doing work in the building. If the additional insured has other insurance which is applicable to the loss on an excess or contingent basis, the amount of the company's liability under this policy shall not be reduced by the existence of such other insurance."

Workers Compensation

Workers compensation and employer's liability insurance in accordance with the laws of the state of Illinois and in the amount of not less than \$500,000/\$500,000/\$500,000.

Comprehensive General Liability

This coverage shall include blanket contractual liability, products/completed operations, independent contractors, broad form property damage, and personal injury, and explosion, collapse and underground property damage exclusions shall be deleted. The coverage limit for bodily injury and property damage shall be in an amount not less than \$2,000,000 for each occurrence and in the aggregate.

Comprehensive Automobile Liability

This coverage shall include bodily injury liability in an amount not less than \$2,000,000 for each person in one accident and \$2,000,000 for injuries sustained by two or more persons in anyone accident. This coverage shall also include property damage liability in an amount not less than \$500,000 for each accident. This coverage shall also include employer's non-owned and hired car coverage.

Certificates of Insurance

Before commencing work, each contractor shall supply the corporation with certificates of insurance evidencing compliance with the minimum requirements listed above. Each certificate shall state that

the insurance evidenced by such certificate will not be cancelled or reduced, nor any deductible increased, without thirty days prior written notice to the corporation.

In the event that there is failure to furnish such certificates and maintain the required insurance, the building corporation shall have the right, at the corporation's option, at any time, to revoke permission to perform the work and to deny entry into the building of all workers, except that, if such workers are escorted by a member of the building staff, they shall be permitted to remove their tools and supplies. Compliance with the foregoing requirements to carry insurance and to furnish certificates of this insurance shall not relieve the shareholder or its contractors from liability assumed under any provisions of this agreement.

3. PLANS AND SPECIFICATIONS

Documentation for Plan Review

The shareholder's licensed architect or licensed structural engineer, OJ interior designer shall submit complete plans for review. These plans shall be essentially complete and shall include the following:

1. Floor plan
2. Demolition plan
3. Interior elevations
4. Mechanical plans, including equipment specifications and schedules
5. Electrical plan, including load data and panel schedule
6. Plumbing plan, including complete piping diagrams
7. Appliance fixture and fitting specifications
8. Drawings of window replacements or modifications

All work performed shall be in accordance with the plans and schedule approved by the building and shall be subject to inspection by building management to assure such compliance.

Upon completion of approved work, the shareholders shall furnish the corporation with as-built drawings of all architectural, structural, mechanical and electrical work performed, including as built fixtures and appliance cuts.

Electrical

The contractor shall submit the completed load data sheet and panel schedule for approval along with any other requested documentation. Panel circuits shall be balanced among the A, B, and C phases.

Do not remove the old meter until a new meter is installed.

All new electrical service shall be connected to existing switchgear. The connections of new cables shall be installed in strict accordance with municipal building codes.

The electrical power requirements of the plans shall be reviewed by an electrical engineer selected by the building corporation, and the findings and recommendations of this engineer shall be binding if accepted by the building corporation. The expense incurred should be borne by the shareholders. Only electricians licensed by the City of Chicago are allowed to do the work.

Plumbing

All branch piping exposed by the remodeling including piping all the way back to the riser shall be replaced with copper piping L type. Each connection of new branch piping to a building riser shall be provided with a new ball valve shutoff with stainless steel trim and a dielectric coupling. Hot and cold waste, supply, and vent lines must also be replaced.

All new hot and cold water pipes and any steam pipes which are modified pipes shall be insulated with insulation approved by the building corporation. The radiator shall be kept in the kitchen on the outside wall and in the utility room. Do not disconnect or re-route any radiator without permission from the building management!

In dealing with any asbestos containing material, the contractor shall observe all requirements of applicable municipal, state and federal law.

For shareholders that are out of town, it is their responsibility to hire someone to run water once a week in all taps and toilets.

The locations of plumbing risers may not be changed. If there is any toilet being moved, it must be done by the building plumbers.

All plumbing work shall be made available for inspection by the building corporation before the walls or wet chases are closed. During replacement of plumbing in the kitchen outside wall, shareholder must have wall insulation installed. If there is any cut in the floor, management's structural engineer must inspect floor at shareholder's expense.

A clothes washer drain shall not be connected to a pipe less than 4 inches in diameter unless the riser is designed to accommodate such waste. No washer drain shall be connected to a kitchen riser; connection shall be made only to a soil stack. The shareholders shall be responsible for damages and to make corrections in the event of suds backup caused by the connection.

Each clothes washer must be installed within a shower receptor or fabricated pan capable of carrying away any overflow. The receptor or pan shall be at least equal in perimeter dimension to the clothes washer and of such height as the building may require. A utility sink shall also be installed adjacent to each washer to serve as a discharge basin. The plumbing must only be done by a plumber licensed by the City of Chicago.

Air Conditioning and Ventilating Requirements

No air conditioning or ventilating equipment visible from the outside may be installed on the east or south sides of the building. No air conditioning equipment or ducts are allowed to block any plumbing or electrical and steam lines. Any air conditioning or ventilation equipment that is in the window on the east or south sides must be removed.

No air conditioning or ventilating equipment may project beyond the exterior face of the building. Plans submitted for review must include elevation drawings showing any HV AC equipment that is to be installed in window openings. Louvers must be designed to be air tight during off months.

Operating equipment which is suspended from a ceiling or other structural element must be installed

on vibration isolators. No wall openings are to be installed. Air conditioning equipment should be installed by the fire escape window and all other air conditioning vents are not allowed to come through openings in the brick or limestone walls.

Any condensate drain from an air handling unit coil drain pan shall be trapped run to an open connection. No direct connection to a waste or a soil stack will be allowed.

Humidifiers must be provided with cut-off device and overflow pipes that run to open connection traps.

Ventilation from stoves, hoods or dryers using a power blower shall not be connected into existing exhaust duct risers. Any duct emitting air to the outside, which contains contaminated smoke or gases, shall be installed a minimum of 15 feet from any air intake, window or door opening.

All control valves installed within a wall or pipe space shall be accompanied by the installation of an access panel approved by the building corporation for size and adequacy of access.

Any existing window unit air conditioners on the east and south sides of the building must be eliminated.

Safety Equipment

Smoke alarms must be installed before move-in and subject to inspection by building management.

Every shareholder must have one (1) multi-purpose fire extinguisher in their kitchen. Fire escape doors must be fire-rated and meet city code. Windows within 10' of fire escape must be steel frame with wire mesh or tempered glass to comply with city code.

Window Requirements

All requests for permission to alter or replace apartment windows will be evaluated on the basis of a standard of conformance to the original design of the building. Drawings must be provided.

- Only clear glass may be used.
- Each window shall consist of two sashes.
- Each sash shall be divided into six panes through the use of genuine or simulated muntin bars which match the size and configuration of the muntin bars of the windows used in the original construction of the building.

In the case of an apartment being transferred, it is required that any windows which do not conform to these requirements be replaced with windows which do so conform. New windows shall be made for inspection by the building corporation and shall be primed on the outside with two (2) coats of Benjamin Moore #09b-80 Moorglo Soft Gloss Latex House and Trim Paint at 450 square feet per gallon in black.

Floors

Before installation of any new marble tile or hardwood floors, the underlayment must be made soundproof.

Fire Escapes**4. SCHEDULE**

In the event the work to be performed in the apartment is not commenced within 60 days of the date of this agreement, this agreement shall become null and void.

The submitted plans must include a date certain for completion of the defined work. It is expected that all proposed work will be completed within six months, and approval of the Board of Directors must be obtained in the event the proposed completion date is more than six months after the start date. In no event may the proposed completion date be more than twelve months later than the start date for the work. Work otherwise allowed under this alteration agreement will be halted upon expiration of the approved time period, and permission revoked for work not yet completed. Halting the work means all work must be terminated and all contractors for the work will withdraw from the building taking with them any equipment, workmen or supplies of the contractors.

If the work is terminated due to the expiration of the time limit, the shareholder may apply for permission to resume and complete the previously approved work. Such application may not be made before all work has been stopped and all contractors have vacated the premises. Only the board of directors may grant permission to resume the work.

5. CONSTRUCTION REGULATIONS

Before the start of any work, the general contractor and subsequently each subcontractor must be identified to the building manager. The individual who will be directly responsible for all work and workmen on the project must also be so identified. A preconstruction meeting of these persons and the shareholder with the building manager and the building engineer is required. The general contractor shall be responsible for supervising all workmen consistent with the requirements of the "Operating Procedures for Construction Workers" of the building corporation.

Before the start of any work, the front door must be sealed, and a temporary partition and door must be installed on the back stairway landing to prevent the circulation of dust through the stairwell. Temporary lighting must be installed in the stairwell if required.

The building manager, the building engineer and any technician or consultant engaged by the building corporation may inspect the premises and the work at any time during the permitted work hours.

The use of electric hammers, or vibratory hammers is not permitted. Instead, limited use of core drillers, marble splitters and masonry cutting saws shall be permitted. However, the use of all such equipment and the schedule for such use shall be subject to the approval of the building manager.

No work may be conducted in areas outside the apartment. No part of the alteration plan may include installations or modifications in any area outside of the apartment. No alteration may be made which

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would require access through another apartment except upon such terms as the other shareholder may stipulate.

In addition to the Regulations contained in this Agreement, all work must be performed in accordance with the building Operating Procedures for Construction Workers as then in effect, and in accordance with the decisions of the building management, including the Building Manager and the Building Engineer.

In the event of failure to comply with any of these requirements, the building management may suspend all work and prevent workmen from entering the shareholder's apartment for any purpose other than to remove their tools or equipment. Once work is halted by the building for any reason, it may be resumed only after satisfactory assurances are given by the shareholder at a meeting attended by the shareholder, the building management, the general contractor and any other persons, as the building management shall deem appropriate.

All the provisions of this agreement shall be made known by the shareholder to the architect, engineer or interior designer and all contractors or other related parties for the work.

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Approval for this Alteration Agreement is requested, and acceptance of each and every one of the terms and requirements of the Alteration Agreement is hereby made and affirmed by the undersigned shareholder(s).

Shareholder

Shareholder

Scheduled Commencement Date for the Work: _____

Scheduled Completion Date for the Work: _____

(The completion date recorded here shall be the date on which the work must be halted consistent with the "halting the work" requirement of Section 4.)

Consent to the requested alterations is hereby granted by the 1500 Lake Shore Drive Building Corporation.

By: _____ Date: _____
President, Board of Directors