



1500

FIFTEEN HUNDRED LAKE SHORE DRIVE

1500 NORTH LAKE SHORE DRIVE CHICAGO, IL 60610 312.787.1759 1500LAKESHOREDRIVE.COM

1500 LAKE SHORE DRIVE BUILDING CORPORATION  
HOUSE RULES REGARDING APARTMENT FINANCING

## FIFTEEN HUNDRED LAKE SHORE DRIVE

1. A shareholder is permitted to finance the purchase of an apartment with a loan secured by liens or security interests in and upon the shareholder's shares in the Building Corporation and the shareholder's proprietary lease ("Secured Purchase Loan") subject to the following requirements.
2. The Secured Purchase Loan must be incurred at or about the time of the closing of the purchase of the apartment.
3. All Secured Purchase Loans must be made by a bank or other lending institution approved by the Board of Directors ("Approved Lender").
4. The Approved Lender, the Building Corporation and the shareholder must enter into an agreement (commonly referred to as a "Recognition Agreement"), in form and substance approved by the Board of Directors, setting forth the rights and responsibilities of the Approved Lender and the Building Corporation with respect to the Secured Purchase Loan. The Board of Directors may in its discretion require additional documentation from the Approved Lender and/or the shareholder. (The Recognition Agreement and any such other documentation are collectively referred to as the "Approved Documentation.") The shareholder shall reimburse the Building Corporation for any out-of-pocket costs incurred by it in connection with the Approved Documentation.
5. The principal amount of the Secured Purchase Loan shall not exceed fifty percent (50%) of the purchase price of the apartment.
6. The Secured Purchase Loan must have a maturity date not later than twenty (20) years following the closing of the loan. The Secured Purchase Loan must be fully amortized over the term of the loan by equal monthly or quarterly payments of principal and interest (or by equal monthly or quarterly payments of principal in the case of a floating rate loan).
7. A Secured Purchase Loan may be refinanced, and refinanced again without limit ("Refinanced Loan"), provided that: (i) the amount of the Refinanced Loan does not exceed the outstanding principal amount of the prior loan on the date of the closing of the refinance; (ii) the term of the Refinanced Loan does not exceed the remaining term of the prior loan; (iii) the Refinanced Loan complies with the amortization requirements set forth in Section 6 of this rule; and (iv) Approved Documentation, including a new Recognition Agreement, for the Refinanced Loan has been submitted to and approved by the Board of Directors.
8. A loan incurred for the purchase of an apartment that was not a Secured Purchase Loan at the time the loan was entered into may, within ninety (90) days after the closing of the purchase, be converted to, or refinanced with, a Secured Purchase Loan that complies with this rule (such a Secured Purchase Loan shall be deemed to have satisfied the time period described in Section 2 of this rule).
9. The Board of Directors has the discretion at any time to review and approve or deny the status of an Approved Lender or the form of any Approved Documentation.
10. If the Board of Directors changes this rule, all existing Secured Purchase Loans (including Refinanced Loans) shall continue to be subject to this rule in effect at the time the Secured Purchase Loan (or Refinanced Loan) was approved by the Board.