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# Proprietary Lease

**3750 LAKE SHORE DRIVE, INC.**

**AS AMENDED MAY, 2012**

**LESSOR**

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**TO**

**LESSEE**

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**STOCKHOLDERS PROPRIETARY LEASE**

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This lease, executed in original and duplicate and entered into this \_\_\_\_ day of \_\_\_\_\_ A.D. 20 \_\_\_\_, between 3750 LAKE SHORE DRIVE, INC., a Corporation organized under the laws of the State of Illinois (hereinafter called the “Lessor”), and \_\_\_\_\_ of Chicago, Illinois (hereinafter called the “Lessee”).

WHEREAS, the Lessor was heretofore incorporated for the purpose to acquire, own and operate an apartment building in the City of Chicago and State of Illinois.

WHEREAS, the Lessor is the owner of the following described land together with all buildings, improvements and appurtenances thereunto attached or belonging to wit:

Lots one (1), two(2), and three (3) in the Resubdivision of Lots one (1), two (2), three (3) and four (4) in P.N. Kohlsaats New Subdivision of Pine Grove in Section twenty one (21) Township forty (40) North, Range fourteen (14) East of the Third Principal Meridian according to the plat recorded July 2, 1907 as document 4060901, in Cook County, Illinois.

in the City of Chicago, County of Cook and State of Illinois; said land being improved with an apartment building hereinafter called The Apartment Building, said building being also known and described as 3750 Lake Shore Drive, in the City, County and State aforesaid; and

WHEREAS, the authorized Capital Stock of the Lessor consists of 22,255 shares of Common stock of \$1.00 par value, and the Lessee is the owner and holder of \_\_\_\_\_ shares of said Common stock, and by reason of such ownership, and pursuant to a resolution of the Board of Directors of the Lessor, is entitled to a lease of the apartment herein described;

Now, THEREFORE, in consideration of the premises, and the covenants, agreements, conditions and provisions hereinafter set forth upon the part of the Lessee to be kept, performed and fulfilled, the Lessor has leased, and by these presents does hereby lease unto the Lessee, and the Lessee hereby hires and takes as Lessee all that certain space, hereinafter collectively referred to as Apartment No. \_\_\_\_\_, comprising \_\_\_\_ rooms and \_\_\_\_ baths, on the \_\_\_\_\_ floor, in the Apartment Building.

TO HAVE AND TO HOLD the above granted premises as a private dwelling apartment, and not otherwise, by the Lessee and his immediate family, during a term, unless sooner terminated as hereinafter provided, beginning on the \_\_\_\_ day of \_\_\_\_\_, in the year A.D.,

20\_\_\_, and ending on the 30<sup>th</sup> day of September, A.D., 2120, yielding possession thereof as hereinafter provided.

PROVIDED, HOWEVER, and these presents are made, executed and delivered by the Lessor and accepted and executed by the Lessee upon the express condition, that this lease shall cease and determine at the option of the Lessor on the happening of any of the following events or contingencies:

1. In case the Lessee hereunder (or Lessee's assigns, in the event this lease shall be assigned in accordance with the provisions hereof) shall at any time during the term of this lease cease to be the owner of said shares of stock of the Lessor; PROVIDED, however, that in the case of the death of the Lessee, the surviving spouse, if any, and if no surviving spouse, the other member or members of the Lessee's family residing with Lessee at the time of his death, may continue to occupy said apartment for a period of eighteen months after the death of Lessee, upon the terms, covenants, provisions and conditions specified in this lease, including those relating to occupancy and payment of assessments; and if such surviving spouse or other member or members of decedent Lessee's family shall have succeeded to Lessee's right and interest in said shares of stock, and shall within said eighteen months produce proper evidence thereof, said shares of stock shall be transferred to such successor and a new lease in substantially the same form of this lease executed accordingly. In the event said decedent Lessee shall have conveyed or bequeathed his shares of stock and lease to some designated person other than his surviving spouse or member of his family, or if some such other person is designated by decedent's legal representatives to receive said stock and lease, the Lessor shall within thirty (30) days after written request so to do, accompanied by proper evidence of rightful designation, express its refusal or acceptance as tenant and stockholder of the person so designated. If the Lessor shall consent, said shares of stock and lease may be transferred to the person designated, who shall thereupon take over all rights and obligations of the decedent, subject to the right of occupancy in the surviving spouse or member of decedent's family, if any; but if the Lessor shall refuse to consent, the then stockholders of the Lessor shall be given an opportunity, during thirty days next after said last above mentioned thirty days, to purchase for cash said stock and lease at the then fair market value thereof, and should the parties hereto fail to agree on the value of such shares and lease, the same shall be determined by appraisers, one appointed by the Lessor and one by the said designated person or the legal representative of the Lessee, who, failing to agree, shall choose a third; whereupon the value shall be fixed by any two of such appraisers, and the expense of appraisal shall be paid by the said designated person or the legal representative of the Lessee out of the amount realized from the said shares and lease. If the then stockholders shall not exercise the privilege of purchasing said stock and lease within such period and upon such terms, the person so designated or the legal representative of the Lessee may sell, transfer and assign said stock and lease but the sale, transfer or assignment of said stock and lease shall be subject in all respects to the provisions of Paragraph 5, ARTICLE II herein contained.

2. In case at any time during the term of this lease, the Lessee or any of the Lessee's successors in interest, shall be declared a bankrupt or make a general assignment for creditors, or a receiver of his property shall be appointed, or his said stock shall be levied upon and sold under

the process of any court or sold pursuant to any agreement whereby it was pledged as collateral security;

3. In case, at any time during the term of this lease, the Lessee or any of the Lessee's successors in interest shall be adjudicated incompetent or insane;

4. In case of the sale of the above described real estate and building by the Lessor, provided, however, that the Lessee shall in case of such sale receive not less than thirty days previous written notice of the proposed sale, and that, in the event of the consummation of such sale, this lease shall be terminated only after not less than six months previous notice in writing to Lessee of such termination;

5. In case at any time the Lessor shall determine, upon the affirmative vote of the holders of two-thirds in amount of its capital stock present in person at a stockholders' meeting duly called by the Board of Directors to take action on the subject, that because of objectionable conduct on the part of the Lessee, or of a person dwelling in or visiting the demised premises, the tenancy of the Lessee is undesirable; it being understood that the repeated violation or disregard of the rules and regulations as herein provided, or the permitting or tolerating of a person of dissolute, loose or immoral character to enter or remain in the building or demised premises, shall be deemed to be objectionable conduct;

6. In case the Lessee shall default in the performance of any covenant or provision hereof, for thirty (30) days after written notice of such default shall have been given by the Lessor as hereinafter provided.

#### **ARTICLE I.**

IN CONSIDERATION OF THE PREMISES, the Lessor, subject to the limitations of liability hereinafter stated, hereby covenants and agrees to and with the Lessee, as follows:

1. That the Lessee, upon paying the assessments hereinafter provided for to be paid and performing the agreements and covenants on Lessee's part to be performed, shall at all times during the term hereby crated quietly hold and enjoy the premises hereby demised.

2. That the Lessor will maintain and manage said building as a first class apartment house, keeping the alleys, yards, courts, public halls, stairs, roof and public portions of the ground and buildings in good condition and repair and free from obstruction, and will keep said halls and stairs properly lighted and heated.

3. That in case any repairs shall become necessary to the plumbing or heating apparatus or other parts or appliances of said building, the Lessor, except as hereinafter provided, will execute such repairs with due diligence, not being liable for interruptions not reasonably avoidable in the supply of heat and light or for other temporary interruptions in the proper operation of said building.

4. That the Lessor shall use due diligence in operating the elevators and furnishing water, heat, light and service, being permitted, however, in case any repairs shall become necessary or desirable through accident or otherwise to the elevators or to the boilers, pumps, or other machinery connected therewith, to stop the running of the elevators at any hour of the day or night until such repairs are completed, and shall not become liable for interruption of elevator service or of the supply of hot water, steam heat, gas or electricity, nor for any accident occurring in or about the building in the operation of the elevators or the heating, hot water or lighting apparatus or otherwise, nor for any damage, injury, or loss which the Lessee may sustain; further, if Lessor should, at any time, change, convert, or substitute for all or any of the now manually operated elevators, any equal number of automatically operated elevators, Lessee agrees that such change or changes may be accomplished without any notice to or consent of Lessee, and that Lessor shall not become liable for any interruption of elevator service incident to such change or substitution.

5. The Lessor shall keep in good repair the foundations, exterior walls, supports, exterior of all porches, basements, roofs, gutters, beams, cellars, front and rear entrances, main halls and stairways, boilers, and all main or principal pipes for carrying water, gas or steam through the building, together with the main drain pipes and electric conduits, and all existing plumbing, heating and other apparatus intended for the general service of the building; and also all existing plumbing and heating apparatus in the demised premises, provided the Lessee shall give the Lessor prompt notice of any such repairs to be made; and Lessee shall at all reasonable times allow the representatives of the Lessor to enter and inspect said premises hereby demised for the purpose of determining the necessity and character of any such repairs and of making the same, and upon reasonable notice to remove such portions of the walls, floors and ceiling of said premises hereby demised as may be required for the purpose of making such repairs, all portions so removed to be replaced as soon as possible in as good condition as before. All such repairs shall be at the expense of the Lessor, except as herein otherwise provided.

6. That the Lessor will keep said building insured against loss or damage by fire, and in case said building shall be partially damaged by fire, it shall be repaired as speedily as possible at the expense of the Lessor conformably with the plans and specifications on which the building was erected. In case of the total destruction of said building by fire or otherwise, this lease shall thereupon terminate, unless the insurers shall elect to rebuild the building pursuant to the provisions of the policies of insurance, in which event this lease shall continue in force with respect to the corresponding premises in the building so rebuilt.

7. That in case the apartment herein demised, or any other apartment or apartments in the building, is damaged by fire, explosion or other casualty, an appraisalment of the damage done to each apartment shall be made by the Board of Directors, and any insurance collected by the Lessor on account of said damage, shall be expended proportionately in repair of the damage done and in conformity with the original plans, specifications and equipment of the several apartments.

8. That if the said premises are rendered untenable by fire, explosion or other casualty, the rental hereinafter provided to be paid shall be abated for the period during which the said premises remain untenable, but further provided that the tenants whose apartments remain tenable shall not be compelled to pay any increase in rent over the monthly average that each paid during the preceding 6 months as a result thereof, except, that in the event the sum collected from the tenants whose rents have not abated is insufficient to meet the necessary expenses of the Lessor during the period from the date of the damage until the building is rebuilt and rendered tenable, then the shortage shall be prorated among all the stockholders in the same ratio by which their respective rents were determined in the first instance and the sum due from the Lessee hereunder shall be additional rent and payable as such. If the Lessor shall elect to terminate the lease of the premises, as herein provided, such additional rent herein reserved shall be paid up to the time of such termination, and thereupon this lease shall cease.

It is agreed that the Board of Directors of the Lessor Corporation shall have the conclusive power and authority to determine whether or not a particular apartment has been rendered untenable or not by any casualty and the Lessee hereby agrees to be conclusively bound by any decision that it shall render in this matter. It is also understood and agreed that nothing contained in this paragraph shall be construed as relieving the tenant owner, whose apartment has become untenable, from paying his pro-rata share of the principal payments upon the outstanding mortgage indebtedness at the time and in the manner that the same shall be due and payable. It is agreed that the proceeds of any "rent" or "use and occupancy" insurance which may be carried by the Lessor, shall inure solely to Lessor.

9. The Lessor covenants and agrees with the Lessee that the Lessor will not sell said building or the land occupied thereby, or any part thereof, without the consent in writing, at the time of such sale, of the owners of not less than two-thirds in amount of the stock of the Lessor.

10. The Lessor further covenants and agrees that it will not mortgage or encumber said building or the land herein described, or any part thereof, without the consent of at least two-thirds of the outstanding capital stock of the Lessor corporation obtained at a regular meeting or a special meeting of the stockholders called for that purpose; provided, however, that the Lessor shall have the right to mortgage or encumber said premises without such consent for the purpose of extending, renewing, refunding, refinancing or paying off any then existing encumbrance or any part thereof, together with all expenses connected therewith.

11. The Lessor further covenants and agrees that all leases of said apartments in said building entered into between the Lessor and stockholders shall contain substantially the same covenants and agreements as herein set forth.

## **ARTICLE II.**

AND THE LESSEE, in consideration of the premises and subject to other conditions and limitations hereinafter stated, hereby covenants and agrees to and with the Lessor, as follows:

1. To pay to the Lessor at the office of the Treasurer of the Lessor, or at such place in Chicago as the Treasurer may in writing appoint, an annual assessment as rental for said apartment for and during the term of this lease equal to that proportion of the gross amount required by the Lessor during each year for the purposes next mentioned which the number of shares of the capital stock of the Lessor owned by Lessee herein bears to the total number of shares of stock of the Lessor then outstanding, to-wit one/22255th of the gross amount so required for each share of said stock owned by the Lessee herein; it being understood and agreed that the Board of Directors of the Lessor shall, by resolution adopted at its first meeting after the annual meeting of stockholders, or at any other subsequent meeting, estimate the sum of money which, in its judgment, will be required by the Lessor during the year next ensuing, commencing on the first day of the Lessor's fiscal year or on the first day of any succeeding month designated by the Board of Directors for the maintenance of the corporate existence of the Lessor and the carrying charges on the property of the Lessor, including payment of taxes and assessments, interest on mortgage indebtedness, insurance, cost of repairs and replacements, and the necessary expense of upkeep, maintenance and operation, plus any deficit in the amount fixed for the preceding year, and levy an assessment therefor; said assessment to be payable, without notice, in equal monthly installments in advance on the first day of each and every month during said year.

And to pay to the Lessor as above set forth a further annual assessment for the purpose of meeting payments on principal of the outstanding mortgage indebtedness on said premises, and required to be made by the Lessor during the fiscal year; which assessment shall be determined and shall be payable in the same manner and proportion as next hereinbefore outlined and any amounts so paid shall be considered as "Contributed Capital" or "Paid in Surplus" upon the books of the corporation.

It is further understood and agreed that if at any time the Board of Directors shall, by resolution, declare that an emergency exists requiring additional funds not included in the annual estimates above referred to, the said Board may make a supplemental estimate of the sum to be required by the Lessor for the purposes above mentioned for the ensuing year, and levy an assessment therefor, which shall be payable in the proportion hereinbefore specified and in such manner as shall be determined by the Board of Directors.

It is further understood and agreed that the right to establish the amount, and to require the payment of any of the assessments above provided for, shall be possessed only by the Board of Directors of the Lessor, and shall not pass to any receiver or creditor of the Lessor.

2. That the Lessor may at any time by resolution of the Board of Directors establish House Rules for the management and control of said building, and change the same from time to time. This lease shall be in all respects and at all times subject to said Rules as appended hereto and those hereafter established, and to the By-Laws of the Lessor, to the same extent as if they were written herein; and the Lessee covenants to obey all such rules and to require them to be obeyed by the members of Lessee's family, and Lessee's servants, agents and employees;

provided, however, that all such By-Laws, rules and regulations shall affect all leases to stockholders, uniformly.

3. That the Lessee shall not, at any time during the term of this lease, use or permit the use of any part of the demised premises for any purpose other than as a private residence for Lessee and family, nor for any purpose that will injure the reputation of said building or disturb the tenants thereof, and shall not suffer anything to be done or kept therein which will increase the rate of fire insurance upon said building or the contents thereof, or which will interfere with the rights of other tenants or obstruct the public halls or stairways of said building, or annoy other tenants by unreasonable sounds or otherwise; and that the Lessee will comply with all regulations and requirements of the Health Department and of any other lawful authority. If, by reason of any use of said premises by the Lessee, the rate of fire insurance on the building shall be increased, the Lessee shall be personally liable to the Lessor for the increased cost of insurance, which shall be added to his assessment and collected with the next installment as a part thereof.

4. That the Lessee will not make any structural alterations in or additions to said demised premises, nor any changes, alterations or additions in or to the exterior of said building or any part of the interior thereof, except with the previous written consent in each case of the Board of Directors of the Lessor; that as a condition precedent to the receipt of any such consent of the Board of Directors of the Lessor, the Lessee shall furnish drawings prepared by a licensed architect or structural engineer, setting forth the proposed changes, alterations, or additions; that, regardless of any consent of the Board of Directors of the Lessor, the Lessee shall remain liable for any damage to the building or other apartments resulting from structural alterations, and that he shall pay the costs of any additional building services such as elevator service, electricity, water, and cleaning; that, during the construction of any changes, alterations, or additions, any use of the elevators in the building will be made only in the manner and during the times specified by the Lessor; that any such additions, replacements, or improvements shall not be made pursuant to a conditional sales contract, and shall not be covered by any chattel mortgage, and when made, shall become the property of the Lessor to the same extent as though originally installed by and paid for by the Lessor; and, in the event of any assignment of the Lessee's interest in this lease, any addition, replacement, or improvement constructed by the Lessee shall be considered a part of such assignment; that the Lessee will conform fully to all then existing municipal codes in the installation of any additions, alterations, and replacements; that the Lessee will at Lessee's own expense keep the interior of said demised premises in good condition and repair and in keeping with the character of the rest of the building, and will maintain and keep in repair all plumbing, heating and electrical fixtures, stoves, and refrigerators within or appertaining to said demised premises and if any of said fixtures or attachments are replaced, he will replace them with articles of equal or better size, design and quality. Lessor shall not be answerable or chargeable for any decorations or repairs therein or thereto except as herein specifically provided, nor for any damage caused to said demised premises or its contents by leakage or overflow of water, gas, steam or vapor from any water, steam, drain or gas pipes or electric conduits or from any other source belonging or appertaining to any other part of said building which is under lease, unless the repairs were necessitated or the damage caused by the

neglect or fault of the Lessor or its employees. The Lessee shall be liable for any wilful damage done to or committed upon any other part of the property owned by the Lessor, either by Lessee or by any occupant of the apartment under lease to Lessee. Should the Lessee at any time refuse or neglect for ten days after written notice to make the repairs which Lessee is required to make, or to maintain said demised premises in good condition and repair, the Lessor may make such repairs or place said demised premises in proper condition, and may enter or cause its agents or servants to enter the demised premises for that purpose, and all expenses incurred by the Lessor in that behalf shall be added to the assessment on said premises and paid by Lessee as a part of the next due installment thereof.

Any damage caused to the decorations in any apartment because of leaks in the roof of the building shall be borne by the Lessor, and any such damage caused by leaky radiators, ice boxes or any other cause from within another apartment, except from concealed pipes or plumbing not susceptible to inspection by the Lessee, shall be borne by the Lessee from whose apartment said damage was caused, and shall be apportioned as follows: If said damage was caused within one year from the date said decoration was completed, the Lessor shall repair the damage, if caused by leaky roof, or if the Lessee is in default, such Lessee shall repair the damage; if caused after one year and before two years have elapsed, one-half of the damage shall be borne by the party in default and one-half by the Lessee of the apartment; if after two years after said decoration was completed, the damage shall be repaired by the Lessee alone. The Lessor, its officers, or agents, shall have no responsibility or authority to establish the measure of damages as between any two or more Lessees, and the sole recourse of any Lessee shall be to the other Lessee or Lessees who have caused any damage to the apartment as above set forth.

5. This demise is made to the Lessee as the owner of a unit of the capital stock of the Lessor (which unit consists of the number of shares evidenced by the Stock Certificate of said Lessee), and neither this lease, nor the rights of the Lessee hereunder, shall be assigned or transferred, except upon the transfer of said unit of stock and except to the transferee thereof; and said shares of stock shall only be transferred as a unit, unless the Board of Directors of the Lessor, or a majority of the persons constituting such Board, or the holders of record of a majority of the capital stock of said Lessor by apt resolution, shall approve the division of such shares into separate certificates. Upon transfer of the unit of stock represented hereby, or any part thereof, all rights of the Lessee hereunder shall cease and determine forthwith. Upon the transfer of said unit of stock upon the books of the Lessor, all rights of the Lessee hereunder, shall pass to the transferee of said unit of stock, except that the said transferee, his heirs, legal representatives, lessees or assigns, shall not have any right to occupy said apartment or premises unless and until the consent of the Directors of the Lessor, or a majority of the stockholders thereof, shall be first had and obtained in the manner following, to-wit:

In case a transferee of said unit of stock shall desire to occupy said apartment or premises, or sub-let the same to some other person, the said transferee shall give to the Board of Directors of the Lessor a notice in writing of such desire, giving also the name, address and occupation or business of the person proposed as an occupant of said apartment, together with such other information as the Board of Directors may request. The Board of Directors shall pass

upon the application within ten (10) days from the date of its receipt. Any proposed transferee must appear before the Board or any committee which the Board may appoint to determine the fitness of the transferee, unless such appearance shall be waived in writing by such Board or committee. The decision of the Board of Directors shall be final, except that either the person giving such notice to said Board of Directors, or any stockholder, within five (5) days after notice of such decision, may appeal from the decision to the stockholders of the Lessor, by filing with the President a written notice of appeal; whereupon the President shall call a special meeting of the stockholders for the purpose of considering such appeal, and the action of the majority in amount of the outstanding stock represented at said meeting shall be final and conclusive.

6. The Lessee shall not assign this lease nor sublet the demised premises, or any part thereof except on the following terms and conditions:

(a) The Lessee may assign the leasehold estate hereby created only with the previous consent of the Board of Directors of the Lessor, given pursuant to resolution adopted at any meeting of said Board of Directors, duly and regularly called for that purpose, or upon the approval of a majority in amount of the stock represented at a special meeting of the stockholders of the Lessor called for that purpose in accordance with the By-Laws of said Lessor; provided, the assignee shall also simultaneously acquire the Lessee's required shares of stock of the Lessor as hereinbefore provided, and shall have, in writing, assumed all the obligations of the Lessee hereunder, and shall have delivered to Lessor a duplicate of such assignment and assumption, duly executed by the Lessee and the assignee. Upon an assignment made in accordance with the provisions hereof, the Lessee so assigning shall be relieved from all liability thereafter accruing hereunder.

The stockholder desiring to make assignment shall make written application to the Board of Directors giving the name, address and occupation or business of the party to whom he proposes to assign his lease, together with any other information required by the Board of Directors. The Board of Directors shall pass upon the application within ten days from the date of its receipt, and the decision of the Board of Directors shall be final and conclusive; except that in case the application is refused by the Directors, the stockholder in interest shall have the right to appeal to the stockholders, as hereinbefore provided in **Paragraph 5** of ARTICLE II hereof, and the action of the stockholders upon such appeal shall be final and conclusive. If such assignment is approved by the Directors, or is approved upon appeal to the stockholders as hereinbefore provided, the applicant shall surrender his certificate of stock to the Lessor, and a new certificate shall be issued and delivered to the assignee.

(b) The Lessee may sublet, for periods not exceeding five years at a time, all but not a part of the premises hereby demised, to a sub-tenant only with the previous written consent of the Board of Directors of the Lessor, pursuant to

resolution of said Board adopted at any meeting duly and regularly called for that purpose, and by such form of sub-lease as shall be approved by the Board of Directors. Such approval, however, shall not operate to relieve the Lessee hereunder of any obligation for the payment of assessments or otherwise, but shall only be an approval of the sub-tenant as an acceptable occupant of the apartment. In case the application is refused, the stockholder in interest shall have the right to appeal to the stockholders, as hereinbefore specified in **Paragraph 5** of ARTICLE II hereof.

Any attempted assignment of this lease or sub-letting of said premises otherwise than in accordance with the provisions hereof shall be null and void.

(c) No assignment of this lease may be made to any assignee who has been a subtenant in any apartment in the building of which the demised premises form a part, during any part of a period six months prior to the date of such assignment, without the consent of the Board of Directors as hereinbefore provided and without the written consent of the tenant stockholder who shall previously have leased to said assignee.

(d) The Lessee or his or her heirs, executors, administrators or assigns shall have the right and option to cancel and terminate this lease on the 30th day of September, in any year of the term hereof, upon serving written notice to that effect upon the Lessor, on or before the 1st day of July preceding the date of such cancellation, and depositing with the Lessor, together with such notice (1) the Lessee's counterpart of said lease duly assigned in blank; (2) the Lessee's certificate of stock representing all of the shares of the common capital stock of the Lessor corporation held by the Lessee appurtenant to his said lease, duly stamped and endorsed in blank to the satisfaction of the Lessor; and (3) payment in full of all sums due or to become due up to the time of the termination date as set forth in such notice. Said amounts shall include all rents and other charges and assessments theretofore incurred or fixed by the Board of Directors. Said right and option to cancel and terminate this lease shall be further conditioned upon and be effective only upon full performance of the following conditions:

(1) Access to the demised premises shall be given to the Lessor, at all reasonable hours after the serving of such written notice, for the purpose of showing the said premises to prospective tenants or purchasers.

(2) Actual possession of the demised premises shall be surrendered to the Lessor not later than August 1st prior to the date of termination of said lease, together with all fixtures, paneling, fireplaces, mantels, trim, finish, decoration, refrigerators, stoves and other improvements which may prior thereto have been

installed in the demised premises; or if the Lessor consents, the Lessee may remove the same, if the Lessee shall at his own expense have replaced the same with other fixtures, paneling, fireplaces, mantels, trim, finish, decoration, refrigerators, stoves or other improvements and thereby placed the demised premises, at the termination of the lease, in good order and rentable condition to the reasonable satisfaction of the Lessor's Board of Directors, reasonable wear and tear excepted.

(3) The Lessee shall, upon demand of the Lessor, or its agents, or assigns, execute, acknowledge and deliver to the Lessor or its assigns, any instrument which may reasonably be required, surrendering as of the date of such termination, all estate and interest in and to said demised premises or in the property of which they are a part;

And thereupon, upon the termination date specified, and from and after such date, the Lessee shall have no further interest in said demised premises and the said lease shall stand irrevocably cancelled and all rights, duties and obligations of the parties thereunder shall cease and determine as of said date, and all Lessee's interest in said stock shall immediately pass to and become the sole property of the Lessor or its duly constituted nominee or assignee.

7. That said premises shall not be used as a "boarding" or "lodging" house, or for a school, or to give instructions in music or singing, and none of the rooms shall be offered for sale or for lease by placing notices on any door, window or wall of the building, nor by advertising the same, directly or indirectly, in any newspaper, or otherwise; and that no provisions, milk, ice, marketing, groceries or like merchandise shall be taken into the premises through the front door of said building.

8. That upon the termination of this lease, by lapse of time or otherwise, the Lessee will surrender and deliver up possession of said demised premises in good condition and repair to the Lessor, ordinary wear and tear excepted, including all additions, alterations and improvements which cannot be removed without damage to the demised premises.

9. That in case of default of the Lessee in the payment of any assessment herein provided for, for a period of thirty (30) days after notice in writing of such default, or in case of default in the performance of any other of the covenants, or observance of any other of the conditions or provisions of this lease on the Lessee's part to be performed, and the continuance of said default for thirty (30) days after written notice of said default from Lessor, this lease and the estate or interest hereby created, shall, at the option of the Lessor, cease and determine, and it shall thereupon be lawful for the Lessor, immediately or at any time thereafter, to re-enter said premises and repossess the same as if this lease had never been made, and remove all persons

and property therefrom either by forcible entry and detainer proceedings, or by any suitable action or proceeding at law or in equity.

10. That in case the Lessee shall vacate or abandon said premises during the life of this lease, for a period of thirty days, during which time he shall be in default in the payment of assessments or installments thereof or be otherwise in default, the Lessor may, at its option, without terminating this lease, enter into said premises, and re-let the same, for the account of the Lessee, for such rent and upon such terms as shall be satisfactory to the Lessor; and for the purpose of such re-letting the Lessor is authorized to make any decorations, repairs, changes, alterations or additions in or to said demised premises that may be necessary or convenient, and if a sufficient sum shall not be realized monthly from such re-letting, after paying all of the costs and expenses of such repairs, changes, alterations, additions or decorations, and the expenses of such re-letting and the collection of the rent accruing therefrom each month, to satisfy the monthly installments of assessments above provided to be paid by the Lessee, then the Lessee will satisfy and pay such deficiency each month upon demand therefor.

11. The Lessor agrees to maintain books of account in accordance with recognized accounting practice and agrees to permit access to such books of account by the Lessee or his authorized representatives at such times and under such conditions as may be authorized by the Board of Directors of the Lessor. The Lessor agrees that it will annually render a statement of all receipts and disbursements to Lessee, prepared and certified by a Certified Public Accountant.

12. That the Lessor has installed equipment for the sub-metering of electricity used by the Lessee in and about the demised premises and the Lessee agrees to purchase electricity, exclusively from the Lessor, at the rates customarily charged by the Lessor but not to exceed the rate charged by the Commonwealth Edison Co. for similar service. Lessee's failure to promptly pay for all electricity shall entitle the Lessor to discontinue such service without notice and no such discontinuance shall be deemed an eviction or disturbance of the Lessee's use of the premises or render the Lessor liable for damages or relieve the Lessee from performance of the obligations of the Lessee. Lessor may discontinue supplying electricity at any time upon ten (10) days written notice, provided it shall arrange, without expense to the Lessee, to connect Lessee's meter with the lines of the Commonwealth Edison Co. or any utility providing similar service.

13. That the Lessee will not install any garbage dispose-all, electric stove, dishwasher, refrigerator, ironing machine, or other electrical device, in the operation of which a large amount of electrical power would necessarily be consumed, without the prior approval of the Board of Directors.

14. That the Lessee will install no air conditioner, humidifier, or other device requiring the use of water, without the prior consent of the Lessor, and without the payment of compensation at a rate determined by the Lessor; no vents, ducts, or other equipment will be placed outside the premises in the halls, corridors, or windows.

15. That the lessee will not install any radio, television, or other article or appliance of any kind, whether in use as of this date, or discovered or invented subsequent to this date connected by any wire, pipe, or other connection, or means to any part of the super-structure or exterior of the building without the prior consent of the Board of Directors.

16. Lessee will not keep or permit to be kept in or about the premises or apartment any animal except in compliance with all rules laid down by the Lessor, including the following rules:

- (a) One dog or one cat is allowed per apartment or combined apartment.
- (b) The Board shall require the registration of the pet with the building property manager, which registration shall require a photo of the pet.
- (c) No pet shall weigh more than 20 pounds at maturity.
- (d) When outside an apartment within the building, a pet must be in an enclosed carrier such as those allowed on airplanes and/or trains.
- (e) Pets must enter and exit the building only via the rear service entrance, rear service elevator, rear service stairs, basement, and tier service elevators. Even in an enclosed carrier, pets are not allowed in other common areas and pets are allowed in the above named areas only en route to and/or from an apartment.
- (f) The Board shall set monthly fees for dogs of up to 1% and for cats of up to .5% of the regular assessment for the apartment where the pet resides. The Board may require a security deposit.
- (g) The Board shall establish specific procedures to report a violation.
- (h) A shareholder who owns a pet shall be penalized for actions of the pet which disturb neighbors, which cause damage, or which otherwise violate Corporation rules. A shareholder is responsible for the actions of his sub-lessee, as is his sub-lessee.
- (i) The Board shall have the authority to rule that a pet be permanently removed from the building should there be multiple violations which are unresolved to the Board's satisfaction.
- (j) The Board shall have the authority to revoke a shareholder's right to own a pet as a result of multiple violations which are unresolved to the Board's satisfaction.

(k) The Board shall establish a permanent Pet Committee. Said Committee shall have specific responsibilities, as determined by the Board, relating to the enforcement of rules and procedures.

(l) Pets registered with the Corporation prior to this change in Section 16 of Article II shall be allowed to continue to reside in the apartment and must follow all of the regulations in this change.

### **ARTICLE III.**

#### **MUTUAL COVENANTS**

It is expressly understood and agreed and is a condition of this lease:

1. That none of the owners, present or future, of the stock of the Lessor corporation, nor any directors or officers, present or future, of said Lessor corporation, shall be personally liable upon any of the covenants or agreements of the Lessor contained in this instrument.

2. That the rights and remedies herein created are cumulative and the use of one remedy shall not be taken to exclude or waive the right to the use of any other allowed by law.

3. That any notice to be served on the Lessor or Lessee hereunder shall be deemed to have been duly given if either delivered personally, to any Officer of the Lessor, or to the Lessee, or by mailing said notice by United States registered mail, postage prepaid, addressed to the Lessor or Lessee at said Apartment Building, provided, however, that either party may give the other party hereto from time to time hereafter in writing, a notice of changes in address for this purpose, and in that event such new address shall be used in mailing such notice.

4. That all "Proprietary Leases" in said building entered into between the Lessor and stockholders of the Lessor shall contain substantially the same covenants and agreements as herein set forth, and the form of these leases as distinct from the House Rules, shall not be changed except with the written consent of the holders of two-thirds of the amount of the outstanding capital stock, through an affirmative vote taken at a stockholders' meeting duly called for this purpose.

5. That the Lessor has made no representations or promises relative to the Apartment Building or the Apartment except those contained herein.

6. That the references herein to the "Lessor" shall be deemed to include its successors and assigns, and the references herein to the "Lessee" or a stockholder of the Lessor shall be deemed to include the heirs, executors, administrators, legatees and assigns of the Lessee and of such stockholder, and although the above terms are expressed in the singular number, it shall nevertheless be taken to apply to the persons appearing as the actual Lessees hereunder whether one or more, male or female.

7. That the omission of the Board of Directors of the Lessor after the expiration of any year of said term to fix the rental hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the covenants or provisions of this lease, or a release of the Lessee from the obligation to pay any installment of rental for that or any subsequent year if later determined.

8. That the shares of capital stock of the Lessor held by the Lessee in connection with the allotment of said apartment have been acquired or owned subject to the following conditions agreed upon with the Lessor and with each other by the original owners of all its issued capital stock for their mutual benefit:

(a) The shares represented by each certificate are transferable only as an entirety except where the Board of Directors by resolution shall approve the division of such shares into separate certificates.

(b) The corporation shall have a first and paramount lien upon all the shares of capital stock of this corporation registered in the name of each stockholder for debts due the corporation by such stockholder, and for the purpose of enforcing such lien, the Board of Directors may sell the shares in such manner as they see fit, but no sale shall be made until the debt is due and payable and default shall have been made and then only after sixty days notice in writing of the intention to sell shall have been served on such stockholder, his executor or administrator.

(c) No sale or transfer of the shares of capital stock represented by this certificate and no assignment of any proprietary lease issued by this corporation shall be made without the written consent of this corporation.

(d) No one acquiring such shares or any part thereof by purchase, gift, bequest or operation of law, shall acquire title to this lease nor the right to assignment thereof nor to a new proprietary lease without the written consent of the Lessor secured in accordance with the terms of ARTICLE II, **Paragraph 5**, hereof.

9. That this lease and the interest of said Lessee, his spouse, heirs, executors, administrators and assigns, in said premises are subject and subordinate to the lien of an existing encumbrance of record for the original principal sum of \$1,370,000.00 as more fully hereinbefore described together with all charges accrued or to accrue thereunder according to the tenor thereof.

(a) That in case the said Lessor shall at any time or times hereafter during the life of the Lessee or within twenty-one (21) years thereafter, desire to mortgage said real estate and building for its corporate purposes, and shall, with the consent in writing of the owners of not less than two-thirds in amount of the

stock of the Lessor then outstanding, make, execute and deliver any mortgage, mortgages, trust deed or trust deeds, pledging or conveying said real estate and building, or any part thereof, as security for any corporate debt hereafter contracted or incurred, or in case said Lessor shall, within the period aforesaid, with or without such written consent of stockholders, make, execute and deliver any agreement for the renewal or extension of the existing encumbrance on said real estate and building, or any new mortgage, mortgages, trust deed or trust deeds in lieu of or for the purpose of paying off or refunding any such existing encumbrance or encumbrances or any part thereof, then, and in every such case, the estate and interest herein granted and demised to said Lessee in and to said premises, together with any estate right or interest created by virtue of the homestead exemption laws of the State of Illinois in favor of said Lessee and/or the spouse of said Lessee, shall vest immediately in and inure to the benefit of such mortgagee, grantee named in any such trust deed, or person granting the renewal or extension of such existing encumbrance, for the same purposes and to and upon the same trusts and subject to all the powers, covenants, agreements and provisions in such mortgage, trust deed or agreement mentioned, to the same extent and in like manner as though said Lessee herein and spouse, if any, and all persons claiming by, through or under said Lessee had joined with the said Lessor in making, signing, sealing, delivering and acknowledging such mortgage, trust deed or agreement, and had expressly released and waived all homestead rights under the exemption laws of the State of Illinois.

(b) And moreover the said Lessee, for the said Lessee and the spouse, if any, of said Lessee, and for all persons claiming by, through or under said Lessee, hereby covenants and agrees with said Lessor that upon the making, executing and delivering by said Lessor of any such mortgage, trust deed or agreement, said Lessee and the spouse, if any, of said Lessee and all persons rightfully claiming any estate or interest in or to said demised premises under said Lessee will, from time to time, and at all times at the request of said Lessor or at the request of such mortgagee, grantee or person granting such extension or renewal, execute all such conveyances, assignments or further assurances for the further or more perfectly and satisfactorily assuring and confirming in such mortgagee, grantee or person granting such extension or renewal, of all the right, title and interest herein granted and demised to said Lessee as the said Lessor, or said mortgagee, grantee or person granting such extension or renewal shall require and as shall be tendered to be done and executed. And further provided that the interest of said Lessee, and the heirs, executors, administrators and assigns of said Lessee, in said premises shall at all times and under all circumstances be and remain subject to the lien of each, every and all such mortgages and trust deeds aforesaid and of the indebtedness and charges thereby secured to be paid according to the respective tenors thereof.

10. Lessee shall pay and discharge all reasonable costs, expense and attorney's fees which shall be incurred and expended by the Lessor in collecting any delinquent rents or assessments under this lease, whether by the institution of litigation, or in the taking advice of counsel or otherwise.

11. It is agreed by and between the parties hereto, that this lease will not be recorded.

IN WITNESS WHEREOF, the Lessor has caused this instrument to be signed by its President, duly attested by its Secretary, and its corporate seal to be affixed hereto, and the Lessee has executed this instrument under seal, the day and year first above written.

3750 Lake Shore Drive, Inc.

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

\_\_\_\_\_(Seal)

\_\_\_\_\_(Seal)

STATE OF ILLINOIS        )  
  ) ss.  
COUNTY OF COOK        )

I, \_\_\_\_\_, a notary public in and for the said County, in the State aforesaid, do hereby certify that \_\_\_\_\_ President of 3750 LAKE SHORE DRIVE, INC. and \_\_\_\_\_ Secretary of said Corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such President and Secretary respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said corporation for the uses and purposes therein set forth; and the said President did then and there say that he signed said instrument by authority of the Board of Directors of said corporation and in its behalf, and the said Secretary did then and there acknowledge that he, as custodian of the corporate seal of said corporation, did affix the said corporate seal of said corporation to said instrument as his own free and voluntary act and as the free and voluntary act of said corporation for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this \_\_\_\_\_ day of \_\_\_\_\_ A.D. 20\_\_\_\_.

\_\_\_\_\_  
Notary Public

(SEAL)

My commission expires on the \_\_\_\_\_ day of \_\_\_\_\_, A D. 20\_\_\_\_.

STATE OF ILLINOIS        )  
  ) ss.  
COUNTY OF COOK        )

I, \_\_\_\_\_, a notary public in and for the said County, in the State aforesaid, do hereby certify that \_\_\_\_\_ personally known to me to be the same person\_\_ whose name\_\_\_\_\_ subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed and delivered the said instrument as his/her free and voluntary act for the uses and purposes therein set forth; including the release and waiver of the right of homestead.

Given under my hand and Notarial Seal this \_\_\_\_\_ day of \_\_\_\_\_ A.D. 2015.

\_\_\_\_\_  
Notary Public

(SEAL)

[ADDITIONAL SIGNATURE BLOCKS OMITTED]

## RULES AND REGULATIONS

1. No rugs shall be beaten, or dust, rubbish or litter swept from the demised premises or any room thereof into any of the halls or entryways of the building containing said premises. Any such dust, rubbish, litter or anything else shall be wrapped and disposed of in the incinerators provided for the purpose.
2. The sidewalks, entries, passages, vestibules, halls and stairways outside of the several apartments shall not be obstructed or used for any other purpose than for ingress and egress to and from the respective rooms or apartments.
3. Children shall not play in the public halls, stairways or elevators, or elsewhere about the grounds.
4. No lessee shall make or permit any disturbing noises in the building by himself, his family, friends or servants; nor do or permit anything to be done by such persons that will interfere with the rights, comfort or convenience of other Lessees. No Lessee shall play upon any musical instrument, radio, record player, television, or similar device, or suffer same to be played, in the demised premises between the hours of ten o'clock P.M. and the following eight o'clock A. M., if the same shall disturb or annoy other occupants of the building.
5. All supplies, market goods and packages of every kind are to be delivered at the entrance provided therefor, through service elevators to the Lessees, and the Lessor will not be held responsible for the loss or damage of any such property, notwithstanding such loss or damage may occur through the carelessness or negligence of the employees of the building. The Lessor will not be responsible for any article left with any employee.
6. Garbage must be securely wrapped and disposed of in the incinerators. No bottles, broken glass or any articles of an explosive nature may be thrown in the incinerator, but must be disposed of under the direction of the janitor.
7. No baby carriages, velocipedes or bicycles will be allowed in passenger elevators, or in the halls, passageways, areas or courts of the building.
8. All baggage except hand luggage, must be taken in or out of the service entrance.
9. No ash can, garbage can, coal holder, wood-box, kitchen supplies, ice or other articles shall be placed in the halls or on the fire escapes, staircase landings, nor shall anything be hung from the windows, fire escapes, or balconies, or placed upon the window sills. Neither shall any table cloths, clothing, curtains or rugs be shaken or hung from any of the windows or doors of the building.
10. The water closets and other apparatus shall not be used for any purpose other than those for which they were constructed, nor shall any sweepings, rubbish, rags or any other improper articles be thrown into the same; and any damage resulting from misuse thereof shall be borne by the Lessee by whom or from whose premises it shall have been caused.

11. The service elevators shall be used by servants, messengers and trades people and by tenants in bathing dress for ingress and egress, and the passenger elevators shall not be used by them, except that nurses with children may use the passenger elevators.

12. Each lessee shall have the joint use of the facilities provided for the common enjoyment of all tenants, such as the swimming pool, etc., but shall observe all rules with respect to the use of such facilities as shall from time to time be established by the Board of Directors.

13. No sign, signal, advertisement or illumination shall be inscribed or exposed on or at any window or other part of the building, except such as shall be approved in writing by the Lessor; neither shall anything be projected out of any window without such consent. Nothing shall be placed on any window sill or ledge.

14. No shades, awnings or window guards shall be used except such as shall be approved by the Lessor.

15. Lessee, at his sole risk, may store trunks or large suitcases in the space provided by Lessor for the purpose but Lessor shall not be responsible for damage to or loss of such articles or their contents from fire, theft, flooding, or other casualty.

ACCEPTED:

\_\_\_\_\_

\_\_\_\_\_ Date

ACCEPTED:

\_\_\_\_\_

\_\_\_\_\_ Date

**ADDENDUM INCORPORATED IN AND FORMING PART OF  
THE PROPRIETARY LEASE OF 3750 LAKE SHORE DRIVE, INC., LESSOR  
AND \_\_\_\_\_, LESSEE**

THIS ADDENDUM is hereby incorporated in and made a part of the Proprietary Lease between the parties named in the caption hereof, and effective from and after this date hereinafter shown.

Pursuant to Resolution duly adopted by the Board of Directors of the said Corporation, the following is hereby incorporated in the said Lease:

1. Each Tenant-Stockholder shall deliver to the Managing Authority a key or keys, in proper functioning order, fitting all locks to a door used for the purpose of ingress and egress in and out of the premises hereunder leased, to be used by the said Managing Authority for the purpose of entry into the said apartment at a time when there shall be no one available to permit entry into the apartment by the said Managing Authority to alleviate or attend to an emergency situation which may exist in the said apartment.

In the event that the said Lessee shall not deliver such key to the Managing Authority of the Lessor the said Lessee shall and hereby agrees to save harmless the Corporation and any of its agents or servants in their behalf, from any and all claims which may arise as against the said Lessor or its agents from a forcible entry into said apartment.

2. It is further agreed that in the event that any dispute shall arise between or among the said Lessee and any other tenant or tenants in the building, or between the said Lessee and the Corporation and/or its Management, and/or its servants in respect to the use and occupancy of the apartment, such dispute shall be submitted to arbitration in the following manner:

Each party to the dispute or controversy shall designate one arbitrator. The arbitrators so designated shall, in turn, designate a third arbitrator, and the three arbitrators so designated shall consider the matter in dispute, hearing evidence thereon, reducing such evidence into written form and rendering a decision in such dispute.

In the event there shall be more than two parties to such dispute, each party shall designate one arbitrator, and the arbitrators so designated shall, in turn, designate an additional arbitrator, or an additional two arbitrators, so that the arbitrators so designated shall be in an odd number so that a majority vote may be feasible.

The decision of the arbitrators so chosen shall be binding upon the parties as fully and with like force and effect as a judicial decree and shall be enforceable as such. The parties to the dispute shall pay all expenses arising out of such arbitration in the manner or in the proportions as shall be determined by the arbitrators.

The arbitration proceedings shall be conducted and governed by the rules and regulations as promulgated by the American Arbitration Association.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

3750 LAKE SHORE DRIVE, INC.,  
an Illinois corporation, Lessor,

By \_\_\_\_\_

\_\_\_\_\_  
Lessee

ATTEST:

\_\_\_\_\_

\_\_\_\_\_  
Lessee