

CONDOMINIUM MANAGEMENT AGREEMENT

This Condominium Management Agreement (hereinafter called the "Agreement") made and entered into this 18th day of April, 2012 by and between 111 East Chestnut Condominium Association (hereinafter called the "Association"), an Illinois not-for-profit corporation organized pursuant to the Condominium Property Act of the State of Illinois, and SUDLER, an Illinois corporation (hereinafter called the "Agent").

In consideration of the mutual agreements herein contained, the Association and the Agent agree as follows:

- 1. The Association hereby employs the Agent exclusively to manage the condominium property (hereinafter called the "Condominium") at 111 East Chestnut, Chicago, Illinois, and consisting of 444 residential units, upon the terms and conditions hereinafter set forth for a term of three (3) years commencing June 1, 2012, and continuing to May 31, 2015 and year to year thereafter.

If neither party has given the other 60 days prior written notice of its desire to terminate at the end of the initial term, then the Agreement shall automatically be renewed for an additional one year term and such renewals shall continue each year on a year-to-year basis unless 60 days written notice is given by either party prior to the expiration of any term.

Notwithstanding the foregoing, after the first ^{6 months} ~~year~~ of this Agreement, the Association or the Agent may terminate this Agreement without cause by sending notice at least 90 days prior to the termination date. Upon termination, all obligations hereunder shall cease except liabilities or claims, which occurred or arose prior to such termination.

- 2. The Agent agrees to accept the management of the Condominium to the extent, for the period, and upon the terms and conditions herein provided, and to furnish the services of its management organization to conduct the management of the Condominium as provided in this Agreement, and to use its best efforts to operate the Condominium as a first-class owner-occupied Condominium apartment building within the policy guidelines and financial budget provided by the Association's Board of Directors (hereinafter called the "Board").

The Association hereby gives to the Agent the following authority and powers and agrees to assume the expense in connection therewith:

2.1 The Agent shall collect and, as necessary, receipt for all monthly or other assessments and other charges due to the Association for operation of the Condominium and all rental or other payments from concessionaires, if any, provided that the Agent shall have no responsibility for collection of delinquent assessments or other charges except sending notices of delinquency. In the event that the Agent is required to testify at legal proceedings, the Agent shall charge the Association a fee of \$125.00 per hour.

2.2 The Agent shall maintain records showing all its receipts and expenditures relating to the Condominium and shall promptly submit to the Board a cash receipts and disbursements statement for the preceding month and a statement indicating the balance or deficit in the Agent's account for the Condominium. In case funds on hand are insufficient to pay for expenses as they come due, the Board agrees to raise the necessary funds promptly upon notification from the Agent of the deficiency. If the Board fails to raise such funds within ninety (90) days of notification, Agent has the right to cancel this Agreement at any time by written notice to the Board of its election to do so, which cancellation shall be effective upon the services of such notice. Such cancellation shall not release the indemnities of the Board set forth in paragraphs 2.11, 8 and 9 below and shall not terminate any liability or obligation of the Board to the Agent for any payment, reimbursement, or other sum of money then due and payable to the Agent hereunder.

2.3 The Agent shall prepare and submit to the Association a recommended budget prior to each fiscal year showing anticipated receipts and expenditures for such year. The budget will conform to the requirements of the Illinois Condominium Property Act.

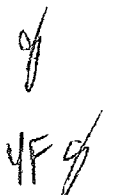
2.4 Within 30 days after the end of each fiscal year, the Agent shall submit to the Board a summary of all receipts and expenditures containing the itemization required by the Illinois Condominium Property Act relating to the Condominium for the preceding year, provided that this service shall not be construed to require the Agent to supply an audit. Any audit required by the Board shall be prepared at its expense by accountants of its selection.

2.5 Subject to the direction of the Board and at the expense of the Association, the Agent shall cause the common elements of the Condominium to be maintained according to appropriate standards of maintenance consistent with the character of the Condominium, including cleaning, painting, decorating and such other annual maintenance and repair work as may be necessary.

2.6 Agent shall, as necessary, select, hire, supervise and discharge all personnel required to maintain and operate the Condominium property. With the exception of an on-site manager and any other management office personnel, all such personnel shall be employees of the Association, and all salaries, taxes and other expenses payable on account of such employees shall be operating expenses of the Association.

The on-site management staff shall be employees of Sudler, and entitled to participate in the health, life and disability insurance package offered by the Agent. The Agent shall be reimbursed for all salaries, taxes, and other expenses payable on account of such staff, and such reimbursement shall be shown as on operating expense of the Association.

2.7 The Agent shall execute and file all returns and other instruments and do and perform all acts required of the Board as an employer under the Federal Insurance Contributions Act, the Federal Unemployment Tax Act, Subtitle C of the Internal



Revenue Code of 1986 as amended, and the Illinois and Federal Income Tax Acts with respect to wages paid by the Agent on behalf of the Association and under any similar Federal, State, or Municipal Law. The Board shall, upon request, execute, and deliver promptly to the Agent all necessary powers of attorney, notices of appointment, and the like.

2.8 The Agent shall negotiate and execute on behalf of the Association contracts for water, electricity, gas, telephone, insurance and such other services for the common elements of the Condominium as may be necessary or advisable. Agent will provide competitive pricing and services through preferred vendors and contractors as well as outside vendors and contractors. **All discounts and rebates will be provided directly to the Association.** One (1) or more of these vendors may have a relationship with the Agent that provides a direct or indirect procurement fee. Any such relationship shall be disclosed prior to the execution of any contract. The Agent also shall purchase on behalf of the Association such equipment, tools, appliances, materials and supplies as are necessary for the proper operation and maintenance of the Condominium. All such purchases and contracts shall be in the name and at the expense of the Association.

2.9 The Agent shall pay from the funds of the Association all taxes, building and elevator inspection fees, water rates and other governmental charges, and all other charges or obligations incurred by the Association, with respect to the maintenance or operation of the Condominium or incurred by the Agent on behalf of the Association pursuant to the terms of this Agreement or pursuant to other authority granted by the Board.

2.10 The Agent shall maintain appropriate records of all insurance coverage carried by the Association. The Agent shall cooperate with the Board in investigating and reporting all accidents or claims for damage relating to the ownership, operating and maintenance of the common elements of the Condominium including any damage or destruction to them. The Agent shall further review the insurance coverage periodically with competent insurance specialists, and make recommendations to the Board consistent with the Declaration of the Condominium. Agent will bill at its established hourly rate for preparing and supervising insurance claims for submittal to the Association's insurance carrier. Nothing herein shall prohibit the Agent from offering and providing insurance under a master insurance plan.

2.11 The obligation and responsibility to provide security or security services for the Condominium, if any, shall be solely that of the Board and Association. Upon request of the Board, Agent shall consult with the Board concerning security or security services and shall assist in effectuation of such policies concerning security or security services as may be adopted by the Board, but Agent shall be and is hereby fully indemnified by Association against any and all loss, cost, damages, suits and liability whatsoever arising from or in any way relating to security (or lack or insufficiency thereof) for the Condominium.

3. In discharging its responsibilities under Paragraph 2 of this Agreement, the Agent



shall not make any expenditures or incur any nonrecurring contractual obligation exceeding \$2,500 without the prior consent of the Board. Notwithstanding these limitations, the Agent may, on behalf of the Board without prior consent, expend any amount or incur a contractual obligation in any amount required to deal with emergency conditions which may involve a danger of life or property or may threaten the safety of the Condominium or the Unit Owners of the units in the Condominium (the Owners) and occupants or may threaten the suspension of any necessary service to the Condominium.

4. 4.1 Notwithstanding any other provision of this Agreement, the Agent has no authority or responsibility for maintenance of or repairs to individual dwelling units in the Condominium. Such maintenance and repairs shall be the sole responsibility of the Owners individually.

4.2 The Agent shall have no responsibility or obligation to perform services regarding the leasing, subleasing or negotiation of any lease or sublease relative to space owned by the Condominium. This provision shall not preclude the Agent from performing such services pursuant to a supplemental agreement.

5. 5.1 All monies collected by the Agent on behalf of the Association shall be deposited in a custodial account in a state or national bank where deposits are insured by the Federal Deposit Insurance Corporation separate and apart from Agent's own funds and any other funds managed by the Agent.

5.2 All expenses of operation and management may be paid from the Association's funds held by the Agent, and the Agent is authorized to pay any amounts owed to the Agent by the Association from such account at any time without prior notice to the Board. The Agent shall have no obligation to advance funds to the Association for any purpose whatsoever.

5.3 All Agents' employees who handle or are responsible for the safekeeping of any monies of the Association shall be covered by a fidelity bond protecting the Association.

5.4 The Association shall, at its expense, provide the on-site Manager and staff with an appropriately furnished and equipped office. The cost of telephone service, office supplies, maintenance and other utilities for this office shall be part of the Association expense.

6. 6.1 One of the Agent's employees shall be designated Account Supervisor for the Condominium. The Account Supervisor shall attend one regular meeting of the board each month and the Annual Meeting of the Owners.

6.2 The Account Supervisor shall be custodian of the official records of the Board and the Condominium Association, and shall, if requested, have recorded the minutes of the regular monthly meetings of the Board and Annual Meeting of the owners.

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7. The Board shall designate a single individual who shall be authorized to deal with the Agent on any matter relating to the management of the Condominium. This single individual must speak for the majority of the Board. In the absence of any other designation by the Board, the President of the Board shall have this authority, however, must give direction on behalf of the Board's majority. The Agent must disclose all such direction to the entire Board.

8. 8.1 The Agent shall have no authority to make any structural changes in the Condominium or to make any other major alterations or additions in or to any building or equipment therein, except such emergency repairs as may be required because of danger to life or property or which are immediately necessary for the preservation and safety of the Condominium or the safety of the Owners and occupants or are required to avoid the suspension of any necessary service to the Condominium.

8.2 The Agent has no responsibility for the compliance of the Condominium or any of its equipment with the requirements of any ordinances, laws, rules, or regulations (including those relating to the disposal of solid, liquid, and gaseous wastes) of the City, County, State, or Federal Government, or any public authority or official thereof having jurisdiction over it, except to notify the Board promptly of, or forward to the Board promptly, any complaints, warnings, notices or summonses received by it relating to such matters. The Agent shall then take such action as may be necessary to comply promptly with any and all orders or requirements affecting the property by any governmental agency having jurisdiction over the same, unless specifically instructed by the Board that it intends to contest such orders or requirements, and that the Agent shall not comply with the same. The Owners represent that to the best of their knowledge the Condominium complies with all such requirements, and authorize the Agent to disclose the ownership of the Condominium to those governmental agencies which are authorized to demand and receive this information, and agree to indemnify and hold harmless the Agent, its representative, servants, and employees, from all loss, cost, expense, and liability whatsoever which may be imposed on them or any of them by reason of any present or future violation or alleged violation of such laws, ordinance, rules or regulations, unless arising from or out of the actions of the Agent or its employees.

9. The Association agrees to and shall:

9.1(a) Indemnify, defend, and save the Agent (and its employees, agents, officers, directors and stockholders) harmless from any and all loss, cost, expense (including reasonable attorneys' fees), liability, suits, claims, injuries, damages, fines, penalties or the like of any and every kind, nature and description whatsoever, in any way involving, arising from, related to or in connection with the Condominium (including without limitation, the construction thereof and construction defects therein), the Board, the Association, any Owner, any Unit, any tenant, Agent's management of the Condominium, Agent's performance of services or duties hereunder, or, as relates to any of the foregoing, any damage to property and injuries to or death of any employee or other person whomsoever or arising from or relating to any accident, casualty or occurrence whatsoever in, or, about or relating to the




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foregoing except for same as a result from the negligent act or willful misconduct of Agent's employees; provided however that the preceding exception to the general indemnity of this paragraph 9.1(a) shall not be valid to the extent that Agent is uninsured or inadequately insured by reason of Association's failure to carry the insurance required under 9.1(b); and,

9.1(b) Carry, at its own expense, public liability, boiler, fire and extended coverage, comprehensive general liability, elevator liability (if elevators are part of the equipment of the Condominium), and worker's compensation insurance, adequate to protect the interest of Agent, Board and Association and in form, substance and amount satisfactory to Agent, in the reasonable exercise of its judgement. The Association shall furnish to the Agent certificates evidencing the existence of such insurance. The worker's compensation insurance shall have minimum limits of \$500,000.00 under coverage B; the comprehensive general liability insurance (including a personal injury liability endorsement) shall have policy limits (including umbrella coverage) of at least \$5,000,000.00 for each occurrence. All insurance, including comprehensive general liability insurance, shall include Association and Agent as named insureds; it is understood that Agent may not be includable as named insured on the worker's compensation insurance, but, in such case, Agent shall be named as an alternate employer, if available. The company with which the insurance is placed shall be given a Policyholder Rating of B+ (or better) and a Financial Category Rating of Class X (or higher) by the A.M. Best Company. All insurance policies or copies thereof shall be deposited with Agent. Each policy shall provide that, in the event of cancellation or reduction in coverage, the insurance company shall provide the Agent with at least ten (10) days advance written notice of such cancellation or reduction in coverage. If the Association fails to place and maintain insurance for Agent as herein provided, the Agent may, but is not obligated to obtain such insurance, charge the Association for same and make payment from funds of Association; and,

9.2 Indemnify, defend and save Agent harmless from and against all claims, losses, investigations, suits, damages, liability, costs and expenses (including, but not limited to attorneys' fees) involving an alleged violation by the Agent or the Board, or both, of any constitutional provision, statute, ordinance, law, or regulation of any governmental body pertaining to environmental protection, fair housing, Americans with Disabilities, or fair employment including, without limitation, those prohibiting or making illegal discrimination on the basis of race, creed, color, religion, or national origin in the sale, rental, or other disposition of housing or any services rendered in connection therewith or in connection with employment practices (unless, in either case, the Agent is finally adjudicated to have personally and intentionally, and not in a representative capacity violated such constitutional provision, statute, ordinance, law, or regulation), but nothing herein contained shall require the Agent to employ counsel to represent the Board in any such proceeding or suit; and,

9.3 Indemnify, defend, and save the Agent harmless from all claims, investigations, suits, losses, liability, costs and expenses (including, but not limited to, attorneys' fees) with respect to any alleged or actual violation of state, or federal

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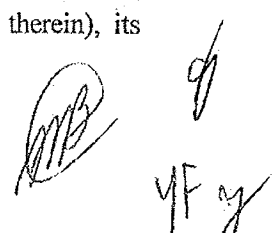
labor laws, unless resulting from the willful misconduct of one of Agent's employees acting other than in a representative capacity on behalf of the Board or Association. The Board's obligation under this Paragraph 9.3 shall include the payment of all settlements, judgements, damages, liquidating damages, penalties, forfeitures, back pay awards, court costs, litigation expense and attorney's fees.

9.4 Agent agrees to and shall indemnify, defend and save the Association (and its employees, agents, officers, directors and unit owners) harmless from and against any and all loss, cost, expense (including reasonable attorneys' fees), liabilities, suits, claims, injuries, damages, fines, penalties or the like of any kind, nature and description whatsoever, in any way involving, arising from, related to, or in connection with the negligence or willful misconduct of any employee, officer, director or stockholder of Agent; further, such indemnity shall extend to any violations of law (including, but not limited to, laws concerning fair employment, federal labor laws and laws concerning discrimination in any manner).

10. In the event that any required insurance is not maintained to the full extent required hereunder or it is alleged or charged that the Condominium or any equipment therein or any act or failure to act by the Board with respect to the Condominium or the sale, rental, or other disposition thereof or the hiring of employees to manage it fails to comply with, or is in violation of, any of the requirements of any constitutional provision, statute, ordinance, law, or regulation of any governmental body of any order or ruling of any public authority or official thereof having or claiming to have jurisdiction thereover, and the Agent in its sole and absolute discretion considers that the action or position of the Board with respect thereto may result in damage or liability to the Agent or disciplinary action against Agent, the Agent shall have the right to cancel this agreement at any time by written notice to the Board of its election to do so, which cancellation shall be effective upon the service of such notice. Such cancellation or the expiration of any termination hereof shall not release the indemnities of the Board set forth in paragraphs 2.11, 8, and 9 above and shall not terminate any liability or obligation of the Board to the Agent for any payment, reimbursement, or other sum of money then due and payable to the Agent hereunder.

11. 11.1 The Association shall pay the Agent a management fee equal to \$5,450 per month beginning June 1, 2012. The monthly fee shall be adjusted annually on the 2nd anniversary date of this Agreement by multiplying such fee by a factor which shall have as its numerator the (12) month average of the U.S. Consumer Price Index, All Urban Consumers Chicago area only, for the first 12 months immediately preceding the month of adjustment and as its denominator, the (12) month average immediately preceding the period used in the numerator, or by an amount of not more than (5) percent of the monthly management fee, whichever is greater. However, in no case shall the monthly management fee be decreased as a result of any such adjustment.

11.2 No further charge shall be made by the Agent for the services of the Account Supervisor pursuant to paragraphs 6.1 and 6.2 (except as specified therein), its

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services pursuant to paragraph 2, and the other services of the Agent's professional staff, except as otherwise expressly provided in this agreement. Any clerical services performed for the Board, such as preparation, copying, printing, circulation, mailing (including postage and delivery) and production costs of notices, newsletters, and general correspondence of the Board shall be at the expense of the Association. The cost of postage and/or delivery expense for invoice or billing statements sent to owners, tenants or others on behalf of the Association shall be at the expense of the Association.

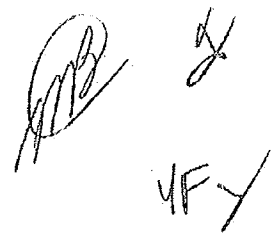
11.3 Agent shall charge individual unit owners for services beyond the scope of this agreement. These charges may include but are not limited to charges for the issuance of paid assessment letters in conjunction with the required paperwork for individual unit owner sales and/or refinances, and for reviewing individual condominium unit renovation plans to establish that the renovation is in compliance with the Association's governing documents. The fees for these and other services shall be presented to the owner at the time of their individual request for service. The Agent reserves the right to withhold these types of services to individual unit owners should the fees not be paid or the unit owner refuses to compensate for these services.

11.4 The Agent shall charge a Unit Owner \$50.00 if a check or other type of payment to the Association is returned for insufficient funds.

12. The Agent shall have the right, at its expense, to place on the Premises a sign stating that the Premises are managed by the Agent, provided that it obtains the Board's approval as to size and location.
13. The Association recognizes that the Agent is engaged in the specialized and competitive property management and maintenance business and Agent invests time and money in the training and development of its employees at all levels, which promotes productivity, efficiency and the employment of a competent and specialized workforce. Accordingly, the Association covenants and agrees that it shall not hire, employ, or otherwise engage any employees or former employees who provided services to the Association, or contract with or in any way engage the services of any firms employing any such employees or former employees of the Agent while this Contract remains in force and continuing for a period of twelve (12) months following the expiration or earlier termination of this Contract. For this purpose, "employees and former employees" are those individuals employed by Agent who provided services to the Association at any time during the twelve (12) month period prior to the termination or expiration of this Contract.
14. Any notice required or permitted to be served hereunder must be served by registered or certified mail or in person as follows:

14.1 If to the Agent:

SUDLER PROPERTY MANAGEMENT
Attention: Steven P. Levy, President

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875 North Michigan Avenue, Suite 2600
Chicago, Illinois 60611

14.2 If to the Board, to the President of the Board at his or her home address. Either party may change the address for notice by notice to the other party. Notice served by mail shall be deemed to have been served when deposited in the mail.

15. If any portion of this Agreement, or the application thereof to any person or circumstance shall to any extent be determined to be invalid, illegal, or unenforceable, such determination shall not affect the validity, legality, or enforceability of any other provision of this Agreement, or the application thereof to any other person or circumstance and the remaining provision or applications of provisions in this Agreement shall be enforced as if the invalid, illegal or unenforceable provision or application of a provision were not contained therein, and to that end, the parties hereto agree that the provisions or applications of provisions in this Agreement are and shall be severable.
16. This Agreement shall be binding and inure to the benefit of the successors and assigns of the Agent and the successors and assigns of the Association.
17. In the event either party may require mediation or arbitration as to a provision within the Agreement, it shall be submitted to arbitration pursuant to the Illinois Uniform Arbitration Act (710 ILCS 5/1 et seq.) Each party shall be allowed to select one (1) arbitrator from a list of arbitrators furnished by the American Arbitration Association. It is intended that arbitration will discourage litigation and foster voluntary resolution of disputes. Each party at the arbitration hearing shall be represented by an attorney and have the right to examine witnesses and issue subpoenas. The award by the arbitrator shall be in writing and delivered to each party within ten (10) days after the hearing, either in person or by certified mail. The prevailing party in the arbitration shall be entitled to recovery of its expenses including reasonable attorneys' fees from the party found at fault by the arbitrator.

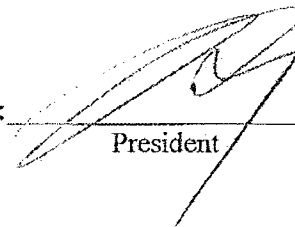
IN WITNESS WHEREOF, the parties hereto have executed duplicate copies of this Agreement the day and year first above written.

AGENT:

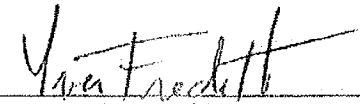
ASSOCIATION:

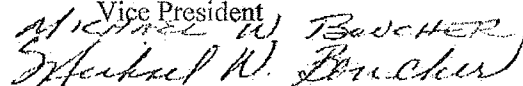
SUDLER PROPERTY MANAGEMENT

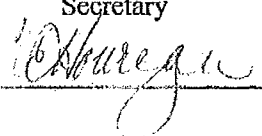
111 EAST CHESTNUT
CONDOMINIUM ASSOCIATION

By: 

President

By: 

Vice President


Michael W. Baucher
Secretary
Attest: 

4/18/2012

ADDENDUM TO CONDOMINIUM MANAGEMENT AGREEMENT

This Addendum is attached to and made a part of that certain Condominium Management Agreement of even date herewith (the "Agreement") between **111 EAST CHESTNUT CONDOMINIUM ASSOCIATION**, an Illinois not-for-profit corporation ("Association") and **SUDLER PROPERTY MANAGEMENT**, an Illinois corporation (hereinafter called the "Agent"). To the extent that the provisions of this Addendum are inconsistent with the provisions of the Agreement, then the provisions of this Addendum shall control. In all other respects, the provisions of the Agreement shall remain in full force and effect, unmodified in any manner whatsoever. All capitalized terms that are not defined in this Addendum shall have the meanings ascribed to them in the Agreement.

- A. To conform to the requirements of Section 8(L) of the Association's By-Laws, the following is inserted in the third paragraph of Section 1 of the Agreement after the first sentence:

Either party may terminate this Agreement at any time for cause and without payment of a termination fee, by sending written notice to the non-terminating party and giving the non-terminating party the right to cure the violation of the Agreement within thirty (30) days.

- B. The following is added at the end of the first paragraph of Section 2: "It is understood and agreed that Agent is not responsible for management of the property's parking facilities."
- C. In the first sentence of Section 2.2 of the Agreement, the word "promptly" is hereby deleted and replaced with "not later than the fifteenth day of each month".
- D. In the first sentence of Section 2.2 of the Agreement, the words "disbursements statement for" are hereby deleted and replaced with "disbursements statement for the preceding month and a listing of all unit owners who were delinquent in the payment of assessments or other charges due the Association as of the end of".
- E. The first sentence of Section 2.3 of the Agreement is hereby deleted and replaced with the following: "At least seventy-five (75) days prior to each of the Association's fiscal years, the Agent shall prepare and submit to the Association a recommended budget showing anticipated receipts and expenditures for such year."
- F. The first paragraph of Section 2.6 of the Agreement is hereby deleted and replaced with the following:

With the exception of an on-site manager and any other on-site management office personnel (all of whom will be employees of the Agent), all maintenance, cleaning, security or other personnel who are not independent contractors or employees of the Association's vendors shall be employees of the Association, and all salaries, taxes and other expenses payable on account of such Association employees shall be operating expenses of the Association. Agent shall, as necessary, select, hire, supervise, discipline and discharge all personnel required to maintain and operate the Condominium property.

Agent will offer the present on-site assistant manager (namely, Nicole Pizak) an opportunity to remain in her current position, subject to Agent's customary employment practices and policies. Sara Rudnick will be appointed to the position of on-site manager and will earn a starting annual salary of \$79,000, subject to Agent's customary employment practices and policies. Any changes to Ms. Rudnick's salary must be approved by the Board of Directors.



The on-site manager and all other on-site management office personnel shall be employees of Agent reasonably acceptable to the Board. The on-site manager shall be promptly replaced if his or her working relationship with the Board is deemed by the Board to be unsatisfactory. The on-site property manager shall be at the property on a full-time basis, and shall attend all Board and unit owner meetings as part of their job duties.

Every person serving as the on-site manager, on-site assistant manager or Account Supervisor, and all other employees of Agent who perform management functions for the Association (e.g., collecting, controlling or disbursing funds; preparing budgets or other financial documents; assisting in the conduct of meetings; maintain records; administering contracts, etc.) or are responsible for the safekeeping of any monies of the Association shall be (a) licensed as required by applicable law, and (b) covered by fidelity and errors and omissions insurance as required by applicable law. The expense of Agent's insurance shall be borne by Agent.

- G. In the second sentence of Section 2.8, the words "will provide" are hereby deleted and replaced with the words "may offer and provide".
- H. The last two sentences of Section 2.10 of the Agreement (beginning with the words "Agent will bill ...") are hereby deleted and replaced with:

In the event that the Association requests that employees of Agent other than on-site management personnel become involved in preparing or supervising insurance claims for submittal to the Association's insurance carrier, the Agent shall charge the Association a fee for such services at Agent's hourly rate then in effect for such services (currently \$125.00 per hour). Nothing herein shall prohibit the Agent from offering and providing insurance to the Association under a master insurance plan.

- I. The following is hereby added to the Agreement as a new Section 2.12:

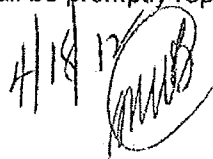
2.12 The Agent shall assist the Board in connection with the review and processing of leases and prospective tenants, as provided in the Association's Rules and/or Declaration, as amended from time to time, including the distribution of application forms and the collection of any applicable fees. The Agent shall use its best efforts to maintain complete records of the names, emergency telephone numbers and addresses of all unit owners and residents. Agent shall, on behalf and at the direction of the Board, furnish all information required by law to be furnished to unit owners in connection with the resale of units in the Association.

- J. The following is hereby added to the Agreement at the end of Section 5.3:

Such fidelity bond shall comply in all respects with the requirements of The Community Association Manager Licensing and Disciplinary Act and the Illinois Condominium Property Act, as amended from time to time. Agent shall bear 100% of the cost of such fidelity bond, and shall deliver to the Board a certificate evidencing the existence of such bond.

- K. The first two sentences of Section 6.1 of the Agreement are hereby deleted and replaced with:

The Account Supervisor for the Condominium shall be an employee of Agent reasonably acceptable to the Board. The Account Supervisor shall be promptly replaced if his or her

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working relationship with the Board is deemed by the Board to be unsatisfactory. The Account Supervisor (or, in his absence, another employee of Agent) shall attend all Board meetings, all Unit Owner meetings, and all budget preparation meetings, up to a maximum of thirteen (13) Board, unit owners and/or committee meetings per year.

- L. The following is hereby added at the end of Section 7 of the Agreement: "The Association may provide Agent with the names of one or more Board officers who are authorized to deal with the Agent on any matter relating to the management of the Condominium when the President is not available." All directives from the Board President must be presented in writing to the Agent. The Agent shall forward written directives from the Board President, to the entire Board, on a weekly basis, when possible.
- M. In Section 9.1(a) of the Agreement, the words "except for same as result from the negligent act or willful misconduct of Agent's employees" are hereby deleted and replaced with "except for same as result from the grossly negligent acts, willful misconduct, criminal conduct of officers, directors or employees of Agent, derogation of the Board's legal written instructions by Agent's employees or breach of this Agreement."
- N. In Section 9.2 of the Agreement, the words "(unless, in either case, the Agent is finally adjudicated to have personally and intentionally, and not in a representative capacity violated such constitutional provision, statute, ordinance, law or regulation), but" are hereby deleted and replaced with ", provided, however, that the Association's obligations under this paragraph shall not extend to claims, losses, investigations, suits, damages, liability, costs or expenses resulting from the grossly negligent acts, willful misconduct, criminal conduct of officers, directors or employees of Agent, derogation of legal written instructions from the Board or breach of the Agreement, and".
- O. In Section 9.3 of the Agreement, the words "unless resulting from the willful misconduct of one of Agent's employees acting other than in a representative capacity on behalf of the Board or Association" are hereby deleted and replaced with " ; provided, however, that the Association's obligations under this paragraph shall not extend to claims, losses, investigations, suits, damages, liability, costs or expenses resulting from the grossly negligent acts, willful misconduct, criminal conduct of officers, directors or employees of Agent, derogation of legal written instructions from the Board or breach of the Agreement."
- P. In Section 9.4 of the Agreement, the words the words "negligence or willful misconduct" are hereby deleted and replaced with "negligence, willful misconduct, criminal conduct of officers, directors or employees of Agent, derogation of the Board's legal written instructions or breach of this Agreement."
- Q. Management shall obtain approval from the board president before hiring or terminating any association employees.

IN WITNESS WHEREOF the parties have executed and delivered this Addendum on this 18th day of April, 2012.

SUDLER PROPERTY MANAGEMENT

By: _____
Its: President

**111 EAST CHESTNUT
CONDOMINIUM ASSOCIATION**

By: Yvonne Fredette, VP
Its: Vice President

Michael W. Bowker
Its Secretary

4/18/12

