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CONDOMINIUM MANAGEMENT

GILBERT H. HENNESSEY, JR.*

Most new unit owners are first generation condominium residents who are dazzled by the hypnotic appeal of comfortable, carefree living. Frequently, they come to the project with a devastating combination of unrealistic expectations and false hopes. In any condominium of more than just a few units, professional management is advisable from the beginning of occupancy.[1] Professional management, preferably with experience in condominium start-up problems, will be of great value to both the unit owners and the developer, not only for the actual operation, but also for carrying on the necessary education process of new residents.[2]

Originally, it was customary for the owner and the management organization to negotiate a management contract executed by the condominium association or its not-for-profit corporation which covered both the initial partial occupancy period and a term of three to five years thereafter. In recent times, however, there is a growing tendency for the negotiation of a separate professional management contract to be effective during the partial occupancy period and to terminate or provide an option to be terminated when the condominium has been turned over to an elected board of managers.[3] Thus, the new board of

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1 Since the value of each unit within a condominium depends to a large degree on the quality of maintenance provided by the condominium organization, many mortgage lenders have been reluctant to extend mortgages to units in a development not utilizing professional management. Schreiber, *The Lateral Housing Development: Condominium or Home Owner's Association?*, 117 U. PA. L. REV. 1104, 1137 (1969).

Though the need for professional management for condominiums, especially large scale developments, may seem self-evident, many condominium owners view the managing agent with suspicion. As one managing organization lamented, the professional manager is viewed as a surrogate landlord whose interests conflict with that of the tenant, *i.e.* unit owner. N.Y. Times, Sept. 23, 1973, § 8 (Real Estate), at 8, col. 1. Even accepting the need for professional management, there remains the problem of an adequate supply of managerial talent for the nationwide condominium boom. N.Y. Times, Sept. 23, 1973, § 8 (Real Estate), at 1, col. 1.

2 The agent's educational function may include the following: (1) apprising the owner of his casualty and liability insurance needs, and pointing out that the master liability insurance covers only the common ownership areas; (2) conspicuously posting updated rules and regulations; (3) periodically informing the owner of the procedures necessary for approval on resale or leasing the owner's unit; and (4) educating him on the real property tax exemptions he can exercise. 1 P. ROHAN & M. RESKIN, CONDOMINIUM LAW AND PRACTICE § 17A.06 (1974) [hereinafter cited as ROHAN & RESKIN].

3 One traditional abuse of both the cooperative and condominium developer was to lock the project into a long-term management agreement. Recently, however, the average management agreement executed by the developer does not exceed three years. 1 ROHAN

owners has the right to use open bidding on a longer term management contract and the right to alter, to their own liking, the precise character of the management services they desire. The virtue here is that it eliminates the common feeling among the owners who take over and continue a management contract that the developer or owner has derived some advantage from management organization during the partial occupancy period.

The management agreement is an important communications tool, but it does not stand by itself. The developer should insert a clause into the unit purchasers' contracts which indicates the existence of a management contract. The developer should, of course, make a copy available to the buyer or his attorney.

Sound condominium management requires a carefully prepared management contract which defines the duties and the limits of responsibility.[4] The evidence is impressive that contractual deficiencies have been the main cause of problems for professional managers and that well-drawn contracts will spell the difference between disaster and good condominium management. A sample form of management agreement now in use by one of the largest and most experienced property management organizations in the Chicago area is reproduced herein as Appendix A.

The use by the developer of a preliminary self-questionnaire is suggested as the first step in trying to negotiate a condominium management agreement. Answering simple questions and presenting the same to potential management bidders functions as a set of specifications to keep the bidding competitive and provides an intelligent basis for acquiring bidders for specific services. It also encourages the management firms to organize their presentations and serves as a checklist

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& RESKIN § 13.03[1]. It is suggested that the initial management agreement not exceed one year, during which time the board of managers can decide whether to continue the agreement.

[4] *See* FHA Form No. 3281, *reprinted in* 1 ROHAN & RESKIN § 9.04[7][b], for an example of a model management agreement. The agreements apply only to the management of common facilities and not to the individual units. The manager's duties include: (1) hiring, paying and supervising personnel to maintain the condominium; (2) facilitating the work necessary to complete the project; (3) helping owners move in and out of their units; (4) handling requests and complaints of owners; (5) collecting monthly assessments and garage fees; (6) maintaining the condominium's structure, facilities and grounds (usually a limit of $100 to $500 is set on the amount the agent can spend without authorization); (7) complying with requirements of government agencies; (8) making contracts for proper maintenance to be approved by the association; (9) arranging for insurance coverage; (10) maintaining a bank account to meet the costs of maintenance; (11) preparing all forms, reports, and returns required by law; and (12) handling the rental of garage space. *Id.* § 9.04 [7][a]. *See also* D. CLURMAN & E. HEBARD, CONDOMINIUMS AND COOPERATIVES 109-13 (1970); B. LIPPMAN, CONDOMINIUM DEVELOPMENT 2D 405 (1972).

for drafting or modification of the management agreement, whether it be for the initial operating period or for a more extended term. A model questionnaire is reproduced herein as Appendix B.

THE ROLE OF THE BOARD

The new directors in any condominium can be expected to include knowledgeable and competent businessmen.[5] However, they will rarely include anyone who is familiar with the problems of property management in general or the problems of condominiums in particular.

During the first few years, the board will have to deal with many frustrating and annoying problems.[6] Consequently, there will be a need for professional advisers, committees, and the cooperation of the developer. The developer may help in establishing a smooth-running operation by nominating and electing, with the votes attributable to the unsold units, one or more of his own staff people familiar with condominium problems and the methods of meeting them.

Further, since most of the members of the first board of directors will be unfamiliar with normal board procedures, it has been found useful to supply each member of the newly elected board with copies of the declaration, bylaws, management agreement, other service contracts already in force, and suggestions written in layman's language for the orderly holding of meetings, the division of responsibilities, appointment of committees, etc. This sort of "directors' handbook" can do much to steer the initial board into efficient procedures and habits.

At the organizational meeting, the new board will elect the president, secretary and treasurer from among the board members in the

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[5] Experience has demonstrated that businessmen and professionals, *e.g.*, lawyers and accountants, make effective board members. D. CLURMAN & E. HEBARD, CONDOMINIUMS AND COOPERATIVES 104 (1970). Individual expertise alone will not insure an effective board. For example, a nine-person governing board of a New Jersey condominium had 30 different members in two years because of personal friction. N.Y. Times, Sept. 23, 1973, § 8 (Real Estate), at 6, col. 5. *See* N.Y. REAL PROP. LAW § 339-v(a) (McKinney 1968), which requires the election of a board of managers with one-third of the members' terms expiring annually.

[6] In its early years, it is important for the board to set a firm foundation for the smooth operation of the condominium. In the financial area it will have to: (1) appoint a finance committee to prepare the first annual budget, which is a prerequisite to determining the annual assessment; and (2) arrange for an annual certified audit of the condominium and its managing agent. The books should be arranged on the basis of a not-for-profit entity in order to avoid income tax liability. If an excess of assessment money is collected in one year the excess should appear as owed to the owners. The board should also provide for budget performance reports to compare actual expenses with the original allocation. 1 ROHAN & RESKIN § 17.06 (1974).

In the social area the board will have to adopt rules and regulations to be ratified by the owners. Frequent trouble spots are: (1) the keeping and transporting of pets (should they be allowed in the lobby and passenger elevators?); and (2) the use of recreational areas, parking facilities, and storage space. *Id.* § 17.05.

manner provided in the bylaws. The president and the new board should then divide the work by creating committees.

Creation of Committees

The new board should decide the number of committees desirable and attempt to define their areas of responsibility and authority. To the extent that it is not already covered in the bylaws, the president and the board should determine the method of selection or appointment of the committee members and committee chairman. Furthermore, they should determine whether and to what extent committee members may be appointed from the ranks of owners who are not board members.

(1) Finance Committee — The treasurer should, from time to time, be the chairman of the finance committee. With the aid and advice of the managing agent and the auditor, the committee should determine the accounts and the systems to be used for financial records. Moreover, it should prepare the first drafts of suggested budgets and assessments for board action, propose special assessments when necessary, review monthly collection records and operating statements, and monitor the financial affairs of the condominium. A sample budget is reproduced herein in Appendix C.

(2) Developer Liaison Committee — In new or extensively remodeled buildings, a special committee should be maintained for the first year or two for the purpose of receiving complaints of defective work or material in the building. Its duties should include reviewing the reports of professional architects or engineers and conducting all negotiations with representatives of the developer for repair or warranty work.

(3) Building Operations Committee — This committee should work with the managing agent to determine and recommend policy concerning the building's maintenance and operation, including number and type of staff personnel, redecorating, repairs, procurement of furnishings and equipment, and matters of building security and safety.

(4) Rules Committee — This committee should prepare general rules of conduct, use and occupancy of the common areas of the premises. It should also develop rules for investigating and uniformly reporting regulation infractions. Appendix D contains an example of typical house rules.

(5) Social Committee — The social committee should make arrangements for annual and special meetings. With the cooperation of

the managing agent, it might publish a quarterly or monthly newsletter with information of general interest.

The Role of Professional Advisers

The practical operation and management of a residential condominium will present a great variety of problems,[7] some of which are familiar to the average businessman, but many of which are peculiar to this style of operation. The frequency with which competent professional help is employed indicates that the average condominium board is ill-equipped to make decisions and carry out projects in areas where technical knowledge and professional expertise is important. Conversations with many individual board members and officers of condominiums, particularly during the first year of their existence, indicate the frustrating and time-consuming nature of the job even with the best professional help.

(1) Manager — The professional manager, experienced in cooperative and condominium housing, can be of great assistance to the board in the early phases of operation. Accounting systems and financial reporting can be implemented by a competent manager. Furthermore, rules and regulations can be suggested and other phases of the board's early decisions can be aided by the manager.

(2) Architect and Engineer — If the condominium is newly constructed or has been substantially remodeled, it is imperative for the board to employ a competent architect and engineer to inspect the building and to review plans and specifications.[8] In addition, they should recommend to the board any claims against builders and subcontractors, and make suggestions for sound economic maintenance and operation.

(3) Auditor and Legal Counsel — In a condominium with a con-

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[7] The condominium presents a problem in financing major improvements to its common areas. Since all residents have separate mortgages, they must agree unanimously in order to make a common investment on the building. The alternative approach, a contingency fund, is also a difficult procedure to implement, for people are often reluctant to assess themselves annually for future repairs. N.Y. Times, Sept. 23, 1973, § 8 (Real Estate), at 6, col. 4.

The cooperative can use its equity to finance capital outlays. In contrast, the contractor for a condominium will have to depend either on the financial responsibility of the condominium organization or upon the equity position of the individual units. Address by Curtis Berger, May 11, 1964, in SYMPOSIUM ON THE PRACTICAL PROBLEMS OF CONDOMINIUM 5 (Transcript, Ass'n of the Bar of the City of New York 1964).

[8] Technical expertise is needed to distinguish between the substantial variations from the original plans and those which are inconsequential and/or cosmetic. Sometimes the more substantial defects, such as faulty electrical or plumbing systems, are more difficult to detect, while the layman tends to notice the more cosmetic variations. 1 ROHAN & RESKIN § 17.04 (1974).

siderable number of units, *i.e.*, 25 or 30, the board will also be well advised to employ an auditor with the intention of producing a certified annual audit. Early employment of an auditor will insure that the financial reporting system requires minimum effort on the auditor's part to produce a certified statement. Possibly, legal counsel will be necessary if specific action is warranted against contractors or developers.[9]

(4) Insurance Adviser — Most condominium statutes require that the board insure the common elements and the units with customary hazard insurance and extended coverage to the full insurable replacement value thereof.[10] Discharge of this obligation requires careful attention to changing values, and knowledge of policies available and endorsements which can be secured. Insuring the condominium creates more difficult problems than many insurance agents and most business people appreciate. Therefore, the board will be well advised to employ a knowledgeable and experienced insurance underwriter or broker who will be able to recommend the best and most economical policies which give the requisite coverage. Since the details of insurance problems are covered elsewhere in this symposium, no attempt will be made to detail them here.

Initial Financial Control

With the aid of the professional manager and, if necessary, the auditor, an adequate accounting system can be established to ensure financial control. The preliminary budget for the interim period between takeover and the commencement of the next fiscal year (which, in most cases, will be the calendar year) should occupy the board's early attention so that appropriate interim assessments can be made to assure financial solvency.

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[9] The need for legal counsel is greatest in projects where there is no professional management. Recurring problems, such as assessing the fitness of a prospective buyer on resale or deciding the action to be taken against a defaulting owner, will require legal advice. An annual retainer approach is preferable for it allows the condominium to budget its legal costs with greater accuracy and may likely reduce the otherwise heavy expenditures for counsel during the condominium's early years. 1 ROHAN & RESKIN § 17.03 (1974).

[10] 1 CONDOMINIUM REP. 3, April 1973, at 3. In New York the damage to a condominium must be promptly repaired using the proceeds of the insurance. The difference between the cost of the repairs and the insurance proceeds will constitute a common expense. N.Y. REAL PROP. LAW § 339-cc (McKinney 1968). Consequently, insurance should be at full replacement value to avoid an increase in assessments. Address by William Kerr, May 11, 1964, in SYMPOSIUM ON THE PRACTICAL PROBLEMS OF THE CONDOMINIUM 23-24 (Transcript, Ass'n of the Bar of the City of New York 1964).

Building Security

The managing agent should be requested at an early date to present criticisms and suggestions for the operation or installation of security systems in the buildings.

Relations with Professional Agent and Staff

Operating with a professional managing agent and a staff of building employees under a carefully drawn management agreement will make the board's job easier. Well-defined policy decisions should be written into the agreement and communicated to the agent. One person, such as the chairman of the board, should be designated to deal with the agent so that the latter will not receive a multiplicity of orders from various board or committee members.[11]

Standard procedures should be developed and communicated to the agent and unit owners covering information and recommendations concerning maintenance, repairs, suggested alterations, infractions of the rules, delinquent assessments, and proposed unit sales or leases where the board has a right of first refusal.[12]

What the Professional Agent Should Do and Should Not Do

Most management agreements state that the agent has no "responsibility" for collection of delinquent assessments other than sending appropriate notices or otherwise carrying out the board's instructions. The board should issue written instructions providing for the automatic placement of the accounts, after a certain period, into the hands of an attorney specifically designated and paid by the board. Notice to the attorney would be given by the agent unless some special circumstance is called to the board's attention. The attorney should be author-

[11] It is also recommended that a deputy be authorized to instruct the managing agent in emergency situations when the liaison board member is absent. D. CLURMAN & E. HEBARD, CONDOMINIUMS AND COOPERATIVES 109 (1970).

[12] Under the right of first refusal, if the condominium does not approve a prospective unit purchaser, it has the option to provide another purchaser or to buy the unit on the same terms the prospective purchaser offered the owner. A reasonable time limit for exercising the option should be provided. A similar limitation on the alienability of an individual's property has been held constitutional in the cooperative housing area provided that no racial, religious, or ethnic restrictions are fostered. Note, *A Practical Guide to Condominium Law in Connecticut*, 4 CONN. L. REV. 669 (1972). *See* Gale v. York Center Community Co-op, 21 Ill.2d 86, 171 N.E.2d 30 (1961); Weisner v. 791 Park Ave. Corp., 6 N.Y.2d 426, 160 N.E.2d 720, 190 N.Y.S.2d 70 (1959).

The condominium's rental of a unit acquired pursuant to the right of first refusal may raise tax issues. It is desirable to provide in the bylaws and declaration that the purpose of such rentals is not to make a profit but to reduce the maintenance cost for the common areas. Thus, the condominium can avoid the appearance of managing or renting real property for business purposes. Note, *A Practical Guide to Condominium Law in Connecticut*, 4 CONN. L. REV. 669, 686-87 (1972).

ized to file a claim for a lien on the unit, file a collection suit, and ultimately proceed to foreclose the lien.[13] The owners should be informed of these instructions with the added admonition that withholding assessments is not a legal means of expressing displeasure with the operation of the building, the board, the agent or the developer.

The agent should not be responsible for arranging for work to be done within a unit, for preparing or checking so-called "punch lists" or in any way acting as a liaison between unit owners and the developer. In fact, the agent should have no authority for maintenance or repairs to individual units unless there is a special agreement permitting the use of building employees, tools, and materials for such purposes. Such agreement should charge the unit owners on a time and material basis with the funds credited to the general operations accounts.

The managing agent must have broad advisory power with the ultimate decision-making authority residing in the board. The agent should estimate expenses and necessary reserves, supply monthly reports of cash receipts and disbursements, recruit and discharge personnel, prepare and file governmental reports and returns, handle the payment of all bills incurred for maintenance and operation, maintain appropriate records of insurance coverage, and handle all the money without the authority to invest any reserve or surplus.

Enforcement Procedures

The rules should provide that any complaint of an infraction, as well as any suggestion for an amendment, be submitted in writing to the chairman of the rules committee. The rules committee should establish its own procedures for disposing of violations of house rules. The following steps are suggested:

(1) Investigation — the facts should be ascertained informally and if the affair can be disposed of by consultation or suggestion, that should be done;

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13 ALASKA STAT. § 34.07.220 (1971) and WASH. REV. CODE ANN. § 64.32.200 (1966) authorize the manager or board, with the approval of the majority of the owners, to terminate utility services to owners following a ten-day notice of delinquent assessments.

In a majority of states, an unpaid assessment results in a lien on the unit. States designate whether other liens, such as tax liens or unpaid first and second mortgages, take priority. The lien may be foreclosed by the management acting on behalf of the unit owners. 1 ROHAN & RESKIN § 6.04[2][a] (1974). Another method of collecting delinquent assessments is the trust and lien-upon-sale approach. Upon sale of the unit, the assessment due is paid from the sale price or by the purchaser. *Id.* § 6.04[2][b]. New York follows the latter approach and entitles the vendee to a statement on the amount of the outstanding assessment. N.Y. REAL PROP. LAW § 339-z (McKinney 1968).

(2) Notice — if serious infraction or a continuing series of infractions is involved, formal notice of a hearing before the committee should be given all interested parties;
(3) Hearing — a hearing should be held at which all interested parties have an opportunity to be heard;
(4) Recommendation — any action the committee wishes to recommend should be referred to the board.

The board, on recommendation of the committee, may take such action as is deemed appropriate, including imposing the sanctions provided in the declaration and bylaws or amending them.

CONCLUSION

Proper planning for effective condominium management benefits both the developer and the unit owner. Institutional lenders will be more receptive to a project in which day-to-day operations are likely to be conducted in a professional manner. Increased consumer awareness of deceptive practices by developers in regard to management contracts makes an economically and efficiently managed project a more marketable one.[14] Reservations by prospective purchasers regarding this modified form of communal living will be minimized by a just, workable and expedient means for resolving disputes.

In drafting the declaration, bylaws and house rules, the developer should keep in mind the possible economic consequences of insufficient attention to the management of the project. This same careful consideration should be given to the selection of a competent professional management firm. The next time the developer seeks approval from a local governmental authority, his prospects for success will be enhanced if he can point to a well-run condominium in which unit owners are satisfied with their investment.

[14] N.Y. Times, Jan. 27, 1974, § 1, at 1, col. 4.

APPENDIX A

CONDOMINIUM MANAGEMENT AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 19___, by and between _____ (the "DEVELOPER"), not individually but on behalf of all of the owners from time to time of units in _____ (the "Condominium") and on behalf of the owners' association to be organized pursuant to Section 18 of the Illinois Condominium Property Act or the not-for-profit corporation to be organized pursuant to Section 18.1 of said Act (the "OWNERS"), and _____ (the "AGENT");

WITNESSETH

WHEREAS, under the provisions of the purchase contract with the purchaser of each condominium unit, the Declaration of Condominium Ownership and the By-laws required under the provisions of the Illinois Condominium Property Act, the OWNERS delegate the authority to manage the Condominium initially to the DEVELOPER and thereafter to an elected Board of Managers, which may be the Board of Directors of a not-for-profit corporation organized by the Owners (the "BOARD"); and

WHEREAS, under the provisions of the purchase contract with the purchaser of each condominium unit, the Declaration of Condominium Ownership and the By-laws required under the provisions of the Illinois Condominium Property Act, the DEVELOPER is authorized to engage a management agent on behalf of the OWNERS under a contract to expire not later than _____ years after the first unit is occupied; and

WHEREAS, the DEVELOPER, on behalf of the OWNERS, desires to employ the AGENT to manage the Condominium, and the AGENT desires to be employed to manage the Condominium;

COMMENT:

The preamble establishes that the statute authorized employment of a professional manager, that the developer is desirous of employing the particular agent, and that the agent is willing to accept the employment on the basis of the agreement.

NOW, THEREFORE, it is agreed as follows:

1. The DEVELOPER, on behalf of the OWNERS, hereby employs the AGENT exclusively to manage the Condominium for a period of _____ years, beginning on the date the first unit in the Condominium is occupied, and thereafter for yearly periods from time to time, unless on or before sixty days prior to the expiration of the initial term or on or before thirty days prior to the expiration of any such renewal period, either party hereto shall notify the other in writing that it elects to terminate this agreement, in which case this agreement shall be terminated at the end of said period.

COMMENT:

If the form is used for the interim period only to expire when the first board takes over, this should be incorporated here and the compensation provisions should reflect the interim fee arrangement. If the longer term initial contract is negotiated with the developer, it is suggested that a 60-day cancellation right be given to the Board upon its organization, without the penalty provided in section 13.

2. The AGENT agrees to manage the Condominium to the extent, for the period, and upon the terms herein provided.

3. More particularly, the AGENT agrees to perform the following services in the names of and on behalf of the OWNERS, and the DEVELOPER, on behalf of the OWNERS, hereby gives the AGENT the authority and powers required to perform these services.

(a) The AGENT shall collect and, as necessary, receipt for all monthly assessments and other charges due to the OWNERS 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.

(b) The AGENT shall maintain records showing all its receipts and expenditures relating to the Condominium and shall promptly submit to the DEVELOPER or 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 on or before the tenth (10th) day of the following month.

(c) The AGENT shall prepare and submit to the DEVELOPER or the BOARD, on or before December 1 of each year, a recommended budget for the next year showing anticipated receipts and expenditures for such year.

(d) Within thirty (30) days after the end of each calendar year, the AGENT shall

submit to the OWNERS a summary of all receipts and expenditures 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 OWNERS shall be prepared at their expense by accountants of their selection.

(e) Subject to the direction and at the expense of the OWNERS, 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.

(f) On the basis of the budget, job standards and wage rates previously approved by the OWNERS, the AGENT shall hire, pay, negotiate collective bargaining agreements with, supervise and discharge engineers, janitors and other personnel required to maintain and operate the Condominium properly. All such personnel shall be employees of the OWNERS and not of the AGENT. All salaries, taxes and other expenses payable on account of such employees shall be operating expenses of the Condominium.

(g) The AGENT shall execute and file all returns and other instruments and do and perform all acts required of the OWNERS as an employer under the Federal Insurance Contributions Act, the Federal Unemployment Tax Act, Subtitle C of the Internal Revenue Code of 1954 and the Illinois Income Tax Act with respect to wages paid by the AGENT on behalf of the OWNERS and under any similar Federal, State or Municipal law now or hereafter in force (and in connection therewith the OWNERS agree upon request to execute and deliver promptly to the AGENT all necessary powers of attorney, notices of appointment and the like).

(h) Subject to the direction of the OWNERS, the AGENT shall negotiate and execute on behalf of the OWNERS contracts for water, electricity, gas, telephone and such other services for the common elements of the Condominium as may be necessary or advisable. The AGENT shall also purchase on behalf of the OWNERS 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 OWNERS.

(i) The AGENT shall pay from the funds of the OWNERS all taxes, building and elevator inspection fees, water rates and other governmental charges, and all other charges or obligations incurred by the OWNERS with respect to the maintenance or operation of the Condominium or incurred by the AGENT on behalf of the OWNERS pursuant to the terms of this agreement or pursuant to other authority granted by the OWNERS.

(j) The AGENT shall maintain appropriate records of all insurance coverage carried by the OWNERS. The AGENT shall cooperate with the DEVELOPER or the BOARD in investigating and reporting all accidents or claims for damage relating to the ownership, operation and maintenance of the common elements of the Condominium including any damage or destruction thereto.

(k) The AGENT shall coordinate the schedules of purchasers and other occupants of condominium units for moving their personal effects in the Condominium or out of it and shall endeavor to schedule such movements so that there will be a minimum of inconvenience to other purchasers or occupants. However, the AGENT shall have no responsibility for procuring the completion of the work in units, for preparing or checking "punchlists" for units or for otherwise acting as a liaison between the unit owners and the DEVELOPER.

COMMENT:

This paragraph in its various parts is intended to be a detailed description of the services the agent is to provide and the authority provided or required to perform them with appropriate limitations so that inexperienced owners or board members will not be expecting the management agent to assume responsibility, for example, for maintenance of the interior of the units or for enforcing collection of delinquent assessments which should not be in the province of the agent in the ordinary condominium.

4. In discharging its responsibilities under paragraph 3 hereof, the AGENT shall not make any expenditure nor incur any non-recurring contractual obligation exceeding One Thousand Dollars ($1,000.00) without the prior consent of the DEVELOPER or

the BOARD, provided that no such consent shall be required to repay any advances made by the AGENT under the terms of paragraph 6. Notwithstanding the limitations imposed by the preceding sentence, the AGENT may, on behalf of the OWNERS 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 to life or property or may threaten the safety of the Condominium or the Owners and occupants or may threaten the suspension of any necessary service to the Condominium.

5. Notwithstanding any other provision of this Agreement, the AGENT is given 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.

COMMENT:

There is a growing trend to modify the foregoing paragraph by providing for unit maintenance under circumstances which recognize that while the agent has no legal responsibility for maintenance of individual units, owner relationships could be improved with a system that is accommodating even if beyond the call of duty. Such provisions permit the use of building employees and building supplies by unit owners on a time and material basis which is kept track of by the agents and is billed directly to the individual units.

6. (a) The AGENT agrees that all moneys collected by it on behalf of the OWNERS 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. It is understood that such account may include other moneys received by AGENT in a representative capacity on behalf of others than the OWNERS and that the balance in such account will usually exceed the insurance limits of the Federal Deposit Insurance Corporation for a single account. No interest shall be paid on such funds.

(b) All expenses of operation and management may be paid from the OWNERS' funds held by the AGENT, and the AGENT is authorized to pay any amounts owed to the AGENT by the OWNERS from such account at any time without prior notice to the OWNERS. The AGENT shall have no obligation to advance funds to the OWNERS for any purpose whatsoever. At its option, however, the AGENT may, upon request of the DEVELOPER or the BOARD, advance funds to the OWNERS. The OWNERS shall pay interest on such advances at the rate of 1% per month.

(c) The AGENT agrees that all its employees who handle or are responsible for the safekeeping of any moneys of the OWNERS shall be covered by a fidelity bond protecting the OWNERS, such bond to be in an amount and with a company determined by the AGENT.

7. The OWNERS shall pay the AGENT a management fee equal to the larger of $_____ per month or an amount calculated by multiplying the number of units conveyed to owners other than the DEVELOPER or occupied by a monthly charge of $_____ per unit. The management fee shall be paid monthly in advance. No further charge shall be made by the AGENT for the services of the building manager pursuant to paragraph 8, its services pursuant to paragraph 3 and the other services of the AGENT's professional staff, except as otherwise expressly provided in this Agreement. It is understood, however, that any clerical services performed for the DEVELOPER or the BOARD, such as preparation and circulation of notices and newsletters and general correspondence of the DEVELOPER or the BOARD shall be at the expense of the OWNERS.

8. The AGENT agrees that one of its employees shall be designated Building Manager for the Condominium and that the management of the Condominium shall be the Building Manager's principal responsibility. The Building Manager shall maintain an office in the Condominium and shall have regular office hours of at least six hours per day on weekdays (Monday-Friday) throughout the year, vacation and holidays excepted, during which time he shall be in the Condominium unless required to be elsewhere on business related to the Condominium. The Building Manager shall, upon not less than forty-eight (48) hours notice, attend meetings of the BOARD or the OWNERS as requested, provided that the OWNERS shall pay the AGENT Twenty Dollars ($20.00) per

hour for the Building Manager's attendance at each meeting except the first in each month. The Building Manager shall be custodian of the official records of the BOARD and the OWNERS' association, but shall not be required to record the minutes of meetings. The OWNERS shall provide the Building Manager with an appropriately furnished and equipped office containing not less than Four Hundred (400) square feet. The cost of telephone service (including answering service), maintenance and other utilities for this office shall be part of the common elements expense. The Building Manager shall not transact any business in his office in the Condominium which is not related to the Condominium.

9. The DEVELOPER and 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. The AGENT is directed not to accept directions or instructions with regard to the management of the Condominium from anyone else. In the absence of any other designation by the BOARD, the President of the BOARD shall have this authority.

10. (a) 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.

(b) The AGENT is given no responsibility for 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 DEVELOPER or the BOARD promptly, or forward to the DEVELOPER or the BOARD promptly, any complaints, warnings, notices, or summonses received by it relating to such matters. 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 any such officials, and agree to indemnify and hold harmless the AGENT, its representatives, servants and employees, of and 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, ordinances, rules or regulations.

11. The OWNERS further agree:

(a) To indemnify, defend and save the AGENT harmless from all suits in connection with the Condominium and from liability for damage to property and injuries to or death of any employee or other person whomsoever, and to carry at their own expense public liability, boiler, elevator liability (if elevators are part of the equipment of the Condominium), liquor liability and workmen's compensation insurance naming the OWNERS and the AGENT and adequate to protect their interests and in form, substance and amounts reasonably satisfactory to the AGENT, and to furnish to the AGENT certificates evidencing the existence of such insurance. Unless the OWNERS shall provide such insurance and furnish such certificate within thirty days from the date of this agreement, the AGENT may, but shall not be obligated to, place said insurance and charge the cost thereof to the account of the OWNERS.

(b) To pay all expenses incurred by the AGENT including, without limitation, attorneys' fees for counsel employed to represent the AGENT or the OWNERS in any proceeding or suit involving an alleged violation by the AGENT or the OWNERS, or both, of any constitutional provision, statute, ordinance, law or regulation of any governmental body pertaining to environmental protection, fair housing 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 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 OWNERS in any such proceeding or suit.

(c) To indemnify, defend and save the AGENT harmless from all claims, investigations

and suits with respect to any alleged or actual violation of state or federal labor laws. The OWNERS' obligation under this paragraph 11(c) shall include the payment of all settlements, judgments, damages, liquidated damages, penalties, forfeitures, back pay awards, court costs, litigation expense and attorneys' fees.

COMMENT:

This broad indemnity contemplates that the Board will actively involve itself in employment policies of the Agent.

12. In the event it is alleged or charged that the Condominium or any equipment therein or any act or failure to act by the OWNERS 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 or 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 OWNERS with respect thereto may result in damage or liability to the AGENT, the AGENT shall have the right to cancel this agreement at any time by written notice to the OWNERS of its election so to do, which cancellation shall be effective upon the service of such notice. Such cancellation shall not release the indemnities of the OWNERS set forth in paragraphs 10 and 11 above and shall not terminate any liability or obligation of the OWNERS to the AGENT for any payment, reimbursement or other sum of money then due and payable to the AGENT hereunder.

13. This Agreement may be cancelled by the DEVELOPER or the BOARD before the termination date specified in paragraph 1 on not less than 60 days prior written notice to the AGENT, provided that such notice is accompanied by payment to the AGENT of a cancellation fee in an amount equal to 50% of the management fee which would accrue over the remainder of the stated term of the Agreement. For this purpose the monthly management fee for the remainder of the stated term shall be presumed to be the same as that of the last month prior to service of the notice of cancellation.

14. Any notice required or permitted to be served hereunder may be served by registered mail or in person as follows:

(a) If to the AGENT:

_____

_____

_____

_____

(b) If to the OWNERS, to the DEVELOPER at its principal place of business or 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 mails.

15. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the AGENT and the heirs, administrators, executors, successors and assigns of the OWNERS. Notwithstanding the preceding sentence the AGENT shall not assign its interest under this Agreement except in connection with the sale of all or substantially all of the assets of its business; in the event of such a sale, the AGENT shall be released from all liability hereunder upon the express assumption of such liability by its assignee.

IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures this _____ day of _____, 19___.

WITNESSES:	OWNER:
_____	_____
_____	_____
_____	_____
	_____
	AGENT:
_____	By _____
Submitted by	Vice President

APPENDIX B

QUESTIONS TO BE ASKED
(Before Bidding A Condominium)

If you could provide us with the answers to the following questions, we will have a better grasp of the duties and functions you will expect of management.

1. Number of units and mix? _____
2. Gross Monthly assessments? $_____
3. Board of Directors — how many boards? _____
   Meeting Attendance Requirements _____
4. Management Office — What facilities provided by building? _____
5. Number of building employees? _____
6. List of outside contracts:
   1. _____
   2. _____
   3. _____
   4. _____
7. Does property have homeowners' association? _____
   Who is responsible for recreational facilities? _____
   Necessity for recreational director? _____
   Collections of assessments for this area? _____
   Separate management agreement for this common area? _____
8. Outstanding building code violations? _____ How many? _____
9. Outstanding law suits? _____ How many? _____
10. Outstanding insurance claims? _____ How many? _____
11. Reason for change in management firm? _____
12. Physical condition of common areas: Exc. _____ Good _____ Fair _____
13. Occupancy of building: Owner Occ. _____ Unsold _____ Rented _____
14. List of Special Charges Necessary or Extra Accounting Necessary:
    Maid Service _____ Guest Room _____
    Car Washing _____ Others _____
15. Management Bid Based on the Following Requirements:
    On-Site Manager Full Time _____ Part Time _____
16. Extent of Agent's Authority: $500 _____ $1,000 _____ $1,500 _____
17. Term of Contract Desired? _____

_____ Date

_____ Condominium Name

_____ Address

GENERAL COMMENTS _____

APPENDIX C

PROPOSED MAINTENANCE & OPERATING BUDGET
JANUARY 1, 1974 THROUGH DECEMBER 31, 1974

180 Units Condominiums
Parking Concessions
Valet Shop

INCOME:			
Assessments			$324,545.00
Parking			36,000.00
Interest Income			4,915.00
Service Charges-Tenants			1,500.00
Total Income			366,960.00
OPERATING EXPENSES:			
Building Services			
Employee Benefits	7,300.		
Payroll Taxes	7,200.		
Janitor Payroll	85,000.		
Janitor Supplies	4,500.		
Electricity	55,000.		
Water	9,000.		
Pool Expenses	2,000.		
Exterminating	350.		
Scavenger	4,560.		
Inspections	500.		
Sundry	300.		
Security	300.		
Uniforms-Cleaning	2,400.		
Total Building Services	178,410.		
Administrative & General Expense			
Office	300.		
Legal	20,000.		
Audit	3,000.		
Telephone	15,000.		
Sundry	1,500.		
Insurance	11,500.		
Total Administrative & General Expense	51,300.		
Maintenance & Repairs			
Grounds	4,000.		
General Repairs	1,000.		
Appliances	750.		
Carpentry	2,500.		
Plumbing	3,500.		
Floors	500.		
Elevators	20,000.		
Air Conditioning	3,000.		
Electrical	2,500.		
Heating	3,000.		
Masonry	4,000.		
Roofs & Gutters	1,500.		
Decorating-Public	10,000.		
Decorating-Tenants	500.		
Lobby/Hall, Furn./Carpet	2,000.		
Maint. & Equip.	500.		
Sundry Inc. TV Contr.	3,000.		
Total Maintenance & Repairs	62,250.		
Total Operating Expenses		291,960.	
Reserves		75,000.	
Total Operating Expenses		366,960.	
Estimated Cash Requirement			324,545.00
Management Fee			20,952.00

APPENDIX D

LAKE SHORE DRIVE CONDOMINIUM
Rules and Regulations — General

1. *Advertisements* — No advertisement, sign, solicitation, or notice relating to the conduct or operation of any business or profession of any Owner shall be publicly displayed on the building premises without the written consent of the Board of Directors. This rule shall not be deemed to prohibit notices of isolated transactions, such as an offer for the individual sale of a pet, appliances, furniture, household goods, etc., by any Owner, on a Bulletin Board to be provided for this purpose.
2. *Animals* — No dog, cat, or other animal shall be permitted in the passenger elevators, or in any public portion of the building, unless *carried or on a leash,* and then, only service elevators may be used. They must enter and exit through the service entrance, and not through the lobby. No dog, cat, or other animal shall be permitted in the entertainment center or the pool area. Pets are not permitted to play in the halls, or other common elements.
3. *Balconies* — No awnings or other projections shall be attached to the outside walls of the building, and no blinds, shades, screens, or storm doors shall be attached to, or hung in, or used outside the perimeter of the unit.
4. *Bicycles and Carriages* — No baby carriages, bicycles, or shopping carts shall be left in the lobby, public halls, passage-ways, corridors, areas, or courts of the building, except in areas designated by the Management.
5. *Deliveries* — Supplies, goods, and packages of every kind shall be delivered through the service entrance only. If Owner is not at home, deliveries are to be made to the Valet Shop. Furniture, shopping carts, and large boxes shall be taken into, or removed from, the Units only through the service entrance. Trades people engaged in delivering articles, or in rendering service to Owners, are required to use the service entrance at all times.
6. *Garbage Chutes* — Only garbage and refuse that is properly wrapped, or in bags, may be placed in the garbage chute. To avoid garbage odors, the garbage chute is to be used only for material which cannot be placed in your disposal.
7. *Housekeeping* — Owners, members of their family, servants, employees, agents, or visitors are expressly forbidden to sweep or to throw anything out of the sliding doors, or into the corridors, stairwells, balconies, or elevators, or in any way to allow anything to fall from the balconies of the units.
8. *Plumbing Facilities* — The water closets, basins, and other plumbing fixtures shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags, or any other improper articles be thrown into them.
9. *Signs* — No sign, signal, illumination, television or radio or hi-fi aerial, antenna or wiring, or any other equipment shall be exhibited, affixed, or exposed on the sliding doors, or on any part of the outside of the units or the building.
10. *Storage Areas* — Each Owner shall be entitled to one storage locker in the storage areas of the building.
11. *Driveway* — No standing of vehicles in driveway. Vehicles are allowed to stop only briefly for passengers. A driver must be present at all times, unless a vehicle is turned over to an attendant.
12. The Managing Agent shall have full authority to implement all rules and regulations.

LAKE SHORE DRIVE
ENTERTAINMENT CENTER RULES AND REGULATIONS

The Entertainment Center is intended for the use and enjoyment of all the Owners of Lake Shore Drive. It is not the purpose of the following Rules and Regulations to impose unnecessary restrictions or limitations, but to assure all Owners an equal opportunity to enjoy its use.

Any Owner may reserve the Entertainment Center for *private* use subject to the following:

1. At least one week prior to date of use, a form shall be filed with the Office of the Building, giving the date and time of the party, the approximate number of guests expected, and the nature of the party (i.e., dance, card party, shower, etc.). Owners reserving room will sign a release of liability.
2. The Building Manager will keep a calendar of reservations.
3. The Entertainment Center may not be reserved for private use on Christmas Eve, New Year's Eve, or other legal holidays.
4. The Entertainment Center may not be reserved more than sixty days in advance of the desired date.
5. The fee for the use of the Entertainment Center is $25.00.
6. The Owner shall inspect the room with a Management representative prior to use, and shall be responsible for any damages caused by his guests to the Entertainment Center, its equipment, or its contents.
7. When the Entertainment Center is used for any gathering of minors, an adult must be present at all times, and be responsible for them.
8. On completion of any private party, the Entertainment Center shall be left in the same condition as found — cupboards, counter, refrigerator, etc., shall be cleaned or proper arrangements made for their cleaning.
9. The Board may modify all open hours and days, and regulate reservations as described herein from time to time for the best interests of the building.
10. Use of the Hospitality Room is limited to no more than sixty people for a sit-down dinner.
11. For a non-sit-down dinner or party, such as a cocktail party, reception, etc., use of the room is limited to no more than 100 people at any one time.
12. Serving of any sort, including drinks, food, etc. is forbidden on the Terraces of the 35th floor and no installations may be made for a party on the Terraces on the 35th floor. This means: No bars, no loudspeakers, no decorations, no musicians, no tables set up on the 35th floor Terraces.
13. No glassware or dishes are to be carried onto the Terraces from the Hospitality Room.
14. No fees for admission or attendance or for food or drinks may be charged to anyone attending an affair in our Hospitality Room. This Room is for the private use of owners and their own guests.
15. The Entertainment Center may be reserved only by the actual owner of the unit and not by his or her household residents or dependents. Said unit owner must be present at the party throughout its duration.
16. Doormen shall be instructed that no guest shall be admitted to the building unless the doorman calls the resident and receives specific permission to admit that particular guest; except that, optionally, in the case of a large party a resident host may provide management with a list of named guests in advance of the party, in which case the doorman can admit the named individuals.
17. Henceforth gross violators of any of the rules and regulations of the Condominium Association shall be requested to appear before the Board of Managers at an official meeting of the Board.
18. All catering companies are required to deposit $100.00 for the use of the 35th floor kitchen. It will be refunded after the kitchen has been inspected and everything is in order.

We would repeat to you the fact that there are 180 apartments and owners in our building. They are all entitled to the same degree of courtesy and consideration. The furniture and facilities are jointly owned; you as well as they have a proprietary interest in the maintenance of the premises and the enjoyment of its facilities.

RECEIVING ROOM RULES OF OPERATION

1) The receiving room and valet shop shall be open from 8:00 A.M. to 6:30 P.M. Monday through Friday and from 9:00 A.M. to 1:00 P.M. on Saturdays.
2) The receiving room shall be operated in part as a security check point for all individuals entering upon the premises for the purpose of making deliveries to or pick-ups from unit owners and each such person entering upon the premises for

that purpose during the operational hours of the receiving room shall enter their name and destination upon the log book maintained in the receiving room and shall be announced to the unit owner when they are at home.

3) The receiving room is *not* required to accept items of dry cleaning and laundry for transmittal to outside vendors nor to accept same from such vendors for delivery to unit owners.
4) The receiving room is not required to accept valuables for owners such as furs, or jewelry. Nor is it required to receive and accept perishables such as flowers, groceries, drugs, candies, foodstuffs.
5) Items arriving in containers with broken seals need not be accepted by receiving room.
6) Furniture and items weighing over 25 lbs. will not be accepted for delivery to unit owners but must be delivered directly.
7) Items which are special in character or for special occasions may be accepted if suitable arrangements are made through receiving room and office.
8) All vendors and service representatives (laundries, dry cleaners, merchants, etc.) will be expected to make deliveries to and pick-ups directly from unit owners. Other than laundry and dry cleaning, these items may be left with receiving room for pick-up and delivery in absence of unit owner.
9) The operators of the valet shop are prepared to offer a first-class laundry and dry cleaning service with pickup and delivery to unit owners. Alteration service is also available.
10) These rules are in effect due to space and liability problems and by approval of the Board pursuant to lease presently in effect.

RECREATION ROOM RESERVATION REQUEST

EVERY OWNER IS REQUIRED TO EXERCISE REASONABLE CARE AND TO TAKE PROPER PRECAUTIONS IN USING THE ROOM AND ITS FURNISHINGS AND EQUIPMENT, AND SHALL BE RESPONSIBLE FOR CIGARETTE BURNS, BREAKAGE AND OTHER DAMAGE WHILE USING THE ROOM, THE EQUIPMENT AND FURNISHINGS. THE BUILDING MANAGER WILL CHECK FOR DAMAGE.

OWNER AGREES TO BE BOUND BY THE RULES AND REGULATIONS FOR USE OF THIS FACILITY.

THIS FORM RELEASES LAKE SHORE DRIVE CONDOMINIUM AND ITS AGENTS FROM ALL LIABILITY.

NAME _____ UNIT NO. _____
PHONE NO. _____
DATE REQUESTED _____ HOURS REQUESTED: FROM _____ TO _____
NATURE OF PARTY OR GATHERING _____
NUMBER OF GUESTS EXPECTED _____ GUEST LIST WILL BE PROVIDED _____
WILL ALCOHOLIC BEVERAGES BE SERVED? _____

I (WE) HEREBY CERTIFY THAT WE FULLY UNDERSTAND AND ARE FAMILIAR WITH ALL OF THE RULES PERTAINING TO THE USE OF THE ENTERTAINMENT AND HOSPITALITY ROOM AND FURTHER CERTIFY THAT NO FEES OR DONATIONS FOR ADMISSION OR ATTENDANCE NOR FOR FOOD OR DRINKS MAY BE CHARGED TO OR COLLECTED FROM ANYONE ATTENDING THE ABOVE SPECIFIED OCCASION AND FURTHER THAT I (WE) WILL BE PRESENT AT THE ABOVE EVENT THROUGHOUT ITS DURATION. THE ABOVE EVENT IS A PERSONAL GATHERING AND NOT FOR THE BENEFIT OF OR UNDER THE AUSPICES OF ANY ORGANIZATION.

SIGNED: _____
UNIT OWNER OR LESSEE

RESERVATION APPROVED _____
BUILDING MANAGER

DATE OF REQUEST _____

LAKE SHORE DRIVE
SWIMMING POOL RULES

WE REQUEST ALL OWNERS, THEIR FAMILY, AND THEIR GUESTS TO BE THOUGHTFUL OF ONE ANOTHER, AND MINDFUL OF UNNECESSARY NOISE, THE APPEARANCE AND CLEANLINESS OF OUR POOL, THE SUN DECK, AND THE GOOD NAME OF OUR BUILDING.

THE HOURS, GENERAL CONDUCT, AND GUESTS WILL BE COVERED BY SUCH POSTED RULES AND REGULATIONS THAT THE BOARD MAY PASS, AND MODIFY, FROM TIME TO TIME. VIOLATIONS OF THE FOLLOWING RULES WILL NECESSITATE CLOSING OF THE POOL BY THE ENGINEER OR HIS ASSISTANTS.

1. POOL HOURS WILL BE FROM 7:00 A.M. TO MIDNIGHT EVERYDAY.
2. THERE WILL BE NO "ADULT ONLY" HOURS. HOWEVER, ALL CHILDREN UNDER THE AGE OF 12 MUST BE ACCOMPANIED BY AN ADULT.
3. APPROPRIATE BATHING SUITS MUST BE WORN BY EVERYONE USING THE POOL.
4. *ALL* PERSONS WITH LONG HAIR STYLES MUST WEAR BATHING CAPS WHICH WILL COMPLETELY COVER THE HAIR. THIS MEANS BOTH MALE AND FEMALE SWIMMERS.
5. NO ONE SHALL APPEAR IN THE HALLS, LOBBY, OR ELEVATORS IN BATHING SUITS ONLY, BUT SHALL WEAR APPROPRIATE BEACH ROBES OR CASUAL WEAR TO AND FROM THE POOL.
6. STREET SHOES MAY BE WORN ON THE SUN DECK, BUT NOT PERMITTED AT POOLSIDE.

SINCE THESE FEW RULES WERE MADE SOLELY FOR THE CONTINUED ENJOYMENT OF OUR POOL, ALL VIOLATIONS SHOULD BE REPORTED TO THE ENGINEER ON DUTY, THE OFFICE OF THE BUILDING, OR THE BOARD OF MANAGERS.