



March 1, 2009

TO: ALL RESIDENTS
VANGUARD LOFTS CONDOMINIUM ASSOCIATION

FROM: The Board of Managers & Property Management

RE: 2008 Accomplishments and 2009 Activities

As we enter the end of Q1 2009 we are very excited to provide updates on recent business items and explore new opportunities to improve the quality of living here at Vanguard Lofts. This letter outlines the many items that the Board of Managers has been working on over the past year and will hopefully provide some insight as to what lies just over the horizon.

2008 Accomplishments

Balcony Decking Replacement

In the second quarter of 2008, a project was scheduled to replace the wood decking on all 91 balconies on the building. A contract was signed with Alpine Construction to remove and replace all deteriorated wood decking with new treated lumber. The project was delivered on time and under budget.

Video Security System Upgrades

In the second quarter of 2008, a project was scheduled to upgrade the video security system by adding additional cameras to monitor the remote parking lot, visitor parking, the mailroom, and other common area elements of the building. The project was delivered on time and on budget.

As a reminder, all residents can view the video security cameras via the internal cable/satellite system, or by accessing the private area of the Vanguard Lofts website. <http://www.1250westvanburen.com>

Exterior Lighting Upgrades

In an effort to promote security and keep our residents safe, the Board of Managers approved a project to upgrade the exterior light fixtures on the building and install new lights on the south and west elevations. The new lights help illuminate the dark areas around the building and provide additional security for all residents. The project was contracted to Eurocrafters and was delivered on time and within the budget.

Front Lobby Renovations

The front lobby on Van Buren and Throop has received some serious wear and tear over the years and was beginning to show its age. To give the building entrance a fresh new look, the Board of Managers approved a front lobby renovation project to revitalize the lobby. The project was contracted to Eurocrafters and was delivered on time and within the budget. The board would like to thank resident architect Brian Stankos for donating his time to create the project drawings and specifications for the project. We would also like to thank Michael Peterman for creating the new address numbers that adorn the front columns of the building next to the entrance.

Parkway Project

In order to promote beautification of the property and increase the curb appeal of Vanguard Lofts, the Board of Managers approved a project to renovate the parkways on Van Buren and Throop. Lifeless sections of grass were removed and replaced with stamped concrete. Landscaping timbers were utilized to create garden planters around the trees that line the parkways. Seasonal flowers and greenery will adorn the garden planters beginning in late spring of 2009.

The board of managers would like to thank all residents who participated in the parkway renovation project. Your time and generous donations made this project possible.

Special thanks to: Tom Kikta, Mary Deskovich, Dave DeSommer, Marty Platen, Jim Thomas, Deborah Compagner, Jason Wolf, Leticia Magallanes, Dom Shurba, Brian Stankos, Ed Kurek, and Chris Lattimer

Dish Network Satellite Service

The board of managers approved a new 5 year contract with Dish Network to provide satellite television service to the building. All units with new or existing accounts were converted over to the new Dish Network system.

Front Lobby Heaters

The electric space heaters located in the front lobby were determined to be broken. The cost of parts and labor to repair the heaters and return the units to normal operation rivaled those of brand new electrical heaters. The Board of Managers and Property Management instructed AMS Mechanical to install new electric space heaters to help us get through the cold winter months.

Recycling Program

The Vanguard Lofts recycling program has been a tremendous success. Due to the heavy usage of the blue recycling bins, the Board of Managers has approved two additional large recycling bins located behind the building next to the dumpsters.

The recycling bins are for mixed material recycling and will accept glass, aluminum, paper, and plastic. Please use the blue bins and produce less waste by practicing the three Rs... reduce, reuse, and recycle.

Trash Disposal

Under no circumstances should anyone leave garbage in a trash chute room located on the east end of floors 2 thru 7, or the trash compactor room located on the first floor. All refuse must be sealed in a plastic garbage bag and deposited into the trash chute, or the refuse must be taken to the dumpster behind the building.

Under no circumstances should anyone leave garbage in the hallway outside a unit. All refuse must be immediately taken to trash chute room and deposited into the trash chute, or the refuse must be immediately taken to the dumpster behind the building.

Anyone found in violation of this policy will be issued a violation letter and fined accordingly. Please dispose of your trash and be respectful of other residents in the building. If you created the trash, it is your responsibility to dispose of it properly.

2009 Pet Registration

Per the Vanguard Lofts rules and regulations, all residents are required to register their pets annually and pay a \$50 pet registration fee for each animal.

All residents harboring a pet are required to fill out the pet registration form and submit it to the Board of Managers via Chris Lattimer in unit 301. Simply slide the completed form under the door. DO NOT SUBMIT MONEY OR CHECKS! Once the completed form has been processed by property management, the \$50 pet registration fee will be added to your monthly assessments.

The pet registration form is available as an attachment to this letter, it can be found on the Vanguard Lofts website, or it can be obtained from First Properties. If you have any questions please contact Property Management or the Vanguard Lofts Board of Managers.

All pets that are found not registered after April 15, 2009 will be subject to fines and pet registration fees per the Vanguard Lofts

rules and regulations. *Please ensure your pets are registered for 2009.*

2009 Bicycle Registration

Per the Vanguard Lofts rules and regulations, all residents are required to register their bicycles. Any bicycle found in the storage room without proper registration and tags will be removed and discarded.

All units are entitled to the use of one bike hook in the bike/storage room on a first come, first serve basis. Additional bike hooks may be available to unit owners upon request and/or availability on a first come, first serve basis.

If you have previously registered your bicycle in 2008 with First Properties or the Board of Managers, your registration is still valid for 2009.

All new registration forms must be submitted to Chris Lattimer in unit 301 by April 15, 2009.

Any bicycle discovered during the 2009 audit without proper registration will be removed and discarded. *Please ensure you bicycle is properly registered for 2009.*

The bicycle registration form is available on the Vanguard Lofts website, or it can be obtained from First Properties. If you have any questions please contact Property Management or the Vanguard Lofts Board of Managers.

2009 Activities

Annual Budget and Assessments

The Board of Managers has reviewed the annual budget and operating costs for Vanguard Lofts and determined that an assessment increase is necessary in 2009. The increase in assessments is crucial in order to maintain operation of the facility, provide capital improvements to the building, and strengthen cash reserves.

The 2009 budget has been approved and is available on the Vanguard Lofts website, or by contacting Property Management.

Roof and Parapet Repair Project

The reserve study conducted in 2001 indicated a total roof replacement in the year 2015, but due to ongoing problems with the roof membrane, the Board of Managers has decided to accelerate the replacement schedule by 5 years from the originally planned date.

The current roof was installed during the conversion of the building in 1998/1999 and is showing signs of age. Numerous problems have been reported to the Board of Managers and First Properties in late 2007 and throughout 2008.

Related to the roof and are the brick parapet walls that extend above the roof level around the perimeter of the structure. These walls are original to the building and show signs of structural damage due to freeze/thaw action of the masonry. Problems with the parapet walls were first noted in the bi-annual Chicago Critical Facade Inspection. Some immediate repairs will be required in 2009 in order for Vanguard Lofts to pass the next inspection.

The roof membrane is directly fastened to the parapet walls at the perimeter base, so any project that addresses one must also address the other.

The Board of Managers has obtained some early estimates developed in late 2008 with cost projections around \$460K for the roof replacement and parapet wall repairs.

In order to obtain and secure a contractor for the job, an architect will be engaged to develop drawings and specifications as well as assist in bidding the project. The architect will provide the standards of quality our association desires and express all the requirements for the project in the form of drawings and technical specifications. Contractors will then bid the project from the drawings, and their bids will be comparable and competitive because all parties involved are bidding the same type of system and details.

Approximate Project Timeline:

- Roof and Parapet Repair committee formation: Q3 - 2009
- Develop project estimate and design guidelines: Q3 - 2009
- Architectural drawing and specification creation: Q4 - 2009
- Bid project: Q1 - 2010
- Begin construction: Q2 - 2010

The Board of Managers is planning on funding the Roof and Parapet Repair Projects through the association reserves and annual operating budget. The Vanguard Lofts Condominium Association will open a line of credit to cover any potential unforeseen costs during this project. Should any unforeseen costs arise; the Board of

Managers will communicate those cost impacts to residents and take the necessary actions to facilitate completion of the project.

Status updates on the "Roof and Parapet Repair Projects" will be made at each board meeting. Special meetings will be held before and during the construction. All 7th floor residents are encouraged to attend all meetings and participate through the "Roof and Parapet Repair Committee", as their units will be most affected by the upcoming construction in 2010.