

Owners Meeting - Vanguard Lofts Special Assessment Q & A
March 25, 2004

1. Who said we need this work done? - The team from Larson Engineering and Chicago Critical Exams hired by the Board to perform the City mandated façade inspection.
2. What architectural firm diagnosed the problem? - Actually, it was an engineering firm, Larson Engineering in conjunction with Chicago Critical Exams which is headed by an architect.
3. Can we get a 2nd inspection? - Sure, but it would cost about \$40,000.
4. Can we see a copy of the reports from the city and our inspector? - To begin, there are no reports from the City. We had the reports prepared. The reports are available for inspection in the First Properties office. Because of the potential litigation with the Developer, copies may not be distributed nor may copies be made.
5. Can we see a copy of the contract with Lupo? - As above, it can be made available for review at the First Properties office.
6. Why were we given such short notice of payment due? - Unfortunately, the contractor that was chosen is requiring an April start date. A choice had to be made, time vs. dollars. Had we chosen National Restoration to do the work, they would have started in June, but the contract was an additional \$150,000. Although the extra 60 days would have been helpful, I think it's fair to say owners would not have preferred to pay an average of \$1,500 each for the extra time.
7. Why was the letter dated February 26 (Thursday) and postmarked March 2 (Tuesday)? Why did FP hold onto it for six days? - The letters were hand prepared and double cross-referenced. The letters were mailed on various days, starting the 27th (Friday) and through the weekend. The final letters were put in the mail on March 1 (Monday). We did not "hold onto" the letters.
8. Is there a deadline for correction imposed by the City? Can we get an extension?- The City doesn't set deadlines, they require buildings to ALWAYS be in compliance, and each day a violation exists is a separate violation. Upon completion of the Vanguard Lofts façade report, the building was given a "pass" but it was noted that the issues identified in the report would have to be fixed before our next exam in 2005. Additionally, the longer we wait to do the job, the more money it will cost (the structure will continue to deteriorate).
9. Why is final payment due in June when work won't be done until August at the earliest? To protect the Association by allowing time for collections, should they become necessary. Also, payments ("draw requests") will be made on a monthly basis based on the amount of work completed. We must have the money in hand to fulfill the draw requests.
10. Can we hire a new management company? When is the contract with FP up? The contract is up May, 2005. However, I have given the Board my commitment that if they unanimously feel the FP has not executed its duties responsibly, they just

have to say the word today, and FP will walk away April 1. I am comfortable saying this because first, I am confident in our execution of our responsibilities and second, I view the management and Board relationship as a team effort, not an adversarial "you can't fire me" relationship. I don't want to be the manager of Vanguard Lofts if the Board does not want me to be.

11. Are there other issues that were uncovered by the inspection? No.
12. Is the roof leak (which several owners were told by FP was fixed) being considered in this assessment? I'm not sure to what this question is referring. Water has entered the building from both the parapet wall (on the roof) and various small holes in the roof membrane. The roof membrane has been repaired (and is maintained twice a year, more if needed). The parapet wall issues should be remedied by this repair work.
13. Is 2/3 approval not needed because this is an emergency? Does the fact that we know about this problem two years about but put off doing anything about it until now render this an emergency? To begin, it is inaccurate to say we "put off doing anything." We have been attempting to get the Developer to pay, we have spent the last six months going through the bidding process, we HAVE been putting an immense amount of work into this project. That being said, a 2/3 approval is not needed for a special assessment necessitated by an emergency or to comply with the law. The Association has potential liability of someone being injured by falling façade pieces, (emergency) and the Association must have the façade deficiencies corrected by our next exam (law). Either ONE of these reasons is enough to not require a 2/3 approval.
14. If we recover money from Rezmar what can be done with it? Can we have a written agreement that money recovered be paid back proportionally to those who paid into this special assessment no matter when it is recovered? This is a decision for the Board that is serving at the time the settlement is reached. Given that the date of the settlement, the amount of the settlement, or the financial condition of the Association at the time of the settlement (if any) is not know, it would not be responsible to make such an agreement today. Additionally, any resolution passed by the Board today, could be overturned by a future Board.
15. There is money built into this contract to cover contingencies. If none arise, will that portion be refunded to owners? That is up to the Board, but they have the power to do it. I believe the current Board would is planning on doing this.
16. What payment schedule are we bound to with Lupo? "Pay as we go," via draw requests. Can we hold out 20% to paid upon completion? The Association will be "holding back" 10% to 15% until the project manager has approved the job as completed satisfactorily. Can we pay our second installment to be paid when work is completed? No. The job will be paid in increments, not 50% now, 50% later. Depending on the contractor's progress, the monthly payments will vary. Logistically, we cannot be submitting 100 draw requests each month. What would we do if ONE person didn't pay on time?

17. Why are first floor owners paying for balcony work? They are not, they are paying for façade work. Admittedly, the \$25,000 earmarked for balcony painting perhaps should only be split among the 91 balcony owners and can be paid for out of reserves (Board to discuss). Compare this to those that don't park in the parking garage (or even have a car). If the garage door breaks, everyone pays.
18. How was the Association's lawyer chosen? I don't remember, but he was referred by FP back in 1999.
19. How long will our balconies be unusable? Will we be given a schedule to prepare? It is not know how long each tier will take. However, the contractors will provide progress reports and owners will be given notice as to when their balconies will be unusable. (Note, original plan was to start on south side of building, that may change to north side.)
20. Do the railings have to be painted black? That is a Board decision.
21. Can we get a copy of the reserve study? I believe this report MAY be copied, but have not yet gotten confirmation. If so, any owner willing to reimburse the Association for photocopying may have a copy.
22. Why wasn't the elevator motor included in reserves? I was expected to last over 20 years.
23. Can owners use credit cards to pay special assessment? No.