

March 31, 2003

To: All Unit Owners
2500 Lakeview Association

From: The Board of Directors

Re: Financial Statements for the
Years Ended December 31, 2002 and 2001

Schneider, Cupuro & Associates, Ltd., the Certified Public Accountants for the 2500 Lakeview Association, have completed their examination of the financial statements for the years ended December 31, 2002 and 2001.

The Statement of Revenues, Expenditures and Changes in Fund Balances, indicates that total operating revenues in 2002 were \$1,178,760 and total operating expenses were \$908,463. This resulted in a positive net operating gain of \$270,297. Extraordinary expenses, which are expenses not included in operating expenses, totaled \$161,646 for the second floor renovation architect services, car wash heating system, exhaust fans, sprinkler system, building façade inspection and repair, HVAC system isolation hangers and elevator work. After allocating interest income of \$6,218 to the reserve fund, collecting the final installment of the special assessment and transferring \$255,915 from operations to the reserve fund, the net effect of the year's operations and extraordinary expenses was an increase in the operating fund balance from \$21,702 at the end of 2001 to \$36,084 at the end of 2002, and an increase in the Reserve Fund Balance from (\$39,449) at the end of 2001 to \$139,998 at the end of 2002. As shown on the balance sheet, the Association had cash totaling \$438,153 in the reserve fund at December 31, 2002. The difference between the cash and reserve fund balance reflects an outstanding loan.

The Board of Directors believes the Statements reflect the continuing commitment to containing operating costs and maintaining 2500 as a premier residence. Unit Owners may obtain copies of the Financial Statements from the Building Management Office.