

**JAMES/KILMER CONDOMINIUM ASSOCIATION
THIRTY-SEVENTH ANNUAL MEETING OF UNIT OWNERS
NOVEMBER 14, 2017**

The Thirty-Seventh Annual Meeting of Unit Owners of the James/Kilmer Condominium Association (the "Association"), an Illinois not-for-profit corporation, was called to be held on Wednesday, November 14, 2017, in the James House Hospitality Room, 1560 North Sandburg Terrace, Chicago, Illinois, pursuant to By-Laws.

CALL TO ORDER

Judy Barnes, President of the Association, called the 37th Annual Meeting of Unit Owners of the James/Kilmer Condominium Association to order at 7:07 p.m. She asked that the unit owners in attendance introduce themselves.

ANNOUNCEMENT OF QUORUM / EXPLANATION OF VOTING PROCEDURES

Ms. Barnes introduced Steve Silberman and James Neumann, of FSB&W LLC, the Association's auditors. Mr. Silberman explained the change from Marcum LLP to FSB&W LLC. Mr. Neumann explained the voting procedures and announced the confirmation of a quorum, either in person or by ballot, of 27% at that point in the meeting.

APPROVAL OF MINUTES

Susan Geffen moved that the minutes of the Thirty-Sixth Annual Meeting of Unit Owners of the James/Kilmer Condominium Association held on November 9, 2016, be approved as presented. David Beck seconded the motion, and it passed unanimously.

TAX RESOLUTION

At Ms. Barnes's request, Mr. Silberman explained that IRS Revenue Ruling 70-604 is for the specific type of tax return that the Association files, and is a tax rule that allows the Association to carry forward any excess membership income for use in future years. He stated that the resolution must be passed at every Annual Meeting. **Betty Latson moved to approve that any cumulative excess of membership income over expenses as defined in IRS Reg. 1.277-1 for the year ending December 31, 2017, shall be applied against subsequent tax year membership assessments, as provided by IRS Revenue Ruling 70-604. Jacque Ehrlich seconded the motion, and it passed unanimously.**

SPEECHES FROM CANDIDATES AND QUESTIONS FROM UNIT OWNERS

Ms. Barnes asked if there were any nominations for candidate from the floor. There were none. She then announced that the candidates, in alphabetical order, would speak to the unit owners present. The five candidates – David Beck, Bruce Kaminsky, Barbara Mueller, Nancy Slattery, and Bill Winter – each provided information about themselves, including their professional credentials and previous Board experience, if any, and stated their intentions to serve on the Board along with their views about the responsibilities of the Board.

Following the candidates' speeches Barbara Mueller thanked Susan Geffen for her service to the Board as she steps down to pursue other commitments.

RECESS AND VOTING

At 7:37 p.m. Ms. Barnes declared a recess to collect remaining ballots.

MEETING RECONVENED

At 7:42 p.m. Ms. Barnes called the meeting back to order, and announced that voting was officially closed.

ANNOUNCEMENT OF PRELIMINARY RESULTS OF VOTING

Mr. Neumann announced that the total percentage of unit ownership voting was 27.8%, and stated that the preliminary, unofficial results of the voting showed that the five candidates elected to the Board were as follows, in alphabetical order: David Beck, Bruce Kaminsky, Barbara Mueller, Nancy Slattery, and Bill Winter. He stated that he and Mr. Silberman would take the ballots back to their office and perform a second check of the vote, in order to provide Property Manager Thomas Kristufek with the official results the next day.

PRESIDENT'S REPORT

Ms. Barnes delivered her report, as follows:

Our JK Association has had a busy year as usual.

We have a reputation in the Sandburg Homeowners Association for stepping forward and 'taking care of business' - whether that is a window replacement effort, a rental cap, or other capital or operating projects and policies we deem important to maintain a higher standard for our Association and culture - as well as an attractive market value for our owners.

Last year in 2016, we changed to Superior Reserve for our important reserve study (which guides us in the timing of our capital projects); we moved to Marcum LLP as our Auditors, now FSB&W; and 2017 marks the 3rd year we have enjoyed Community Specialists as our Management Company. We are truly appreciative of these firms in bringing us great industry knowledge and leadership to help us achieve our JK Association goals and objectives.

This year was no different! We have accomplished the following 2017 Projects:

- Replacement of the final remaining heat exchanger (from a 2016 plumbing project) by AMS which provides heat for the domestic water supply.
- Replacement of the Horizontal Domestic Water Pipes by LS/AMS, and engineered by Elara Engineering above Floor 43 and above James House Lobby.
- Service Elevators (#4 and #5) modernization by Urban Elevator Company.
- Installation of Roof Anchoring Systems (Davits/Tie-backs) on both James and Kilmer - as required by OSHA. This was an OSHA regulation and is now being fully implemented and enforced. Boson chairs are no longer allowed for use on buildings over 300 feet in height.
- Air balancing project completed in Kilmer by Murphy Miller. The make-up air is now at an increased level and more consistent with design. James House was completed prior to Kilmer.
- JK Corridors and Kilmer Lobby Renovation project was initiated in 2015 but put on hold for necessary immediate JK plumbing/infrastructure projects. However, the JK Corridor Task Force (which is chaired by Nancy Slattery and Lynn Connor) has been busy this year working with Gooch Design Systems to move us to a 2018 installation of complete new corridor schemes for both buildings. Also under consideration is a minor update for the James Lobby to provide color coordination with the new corridor schemes.
- In conjunction with the planned update of the JK Corridors and Kilmer Lobby, the James House Lobby travertine walls are being repaired/cleaned/polished by Stuart Dean. This is making a **remarkable improvement** in their surface finish and

appearance. You should all take a look. The 'upper half' of the walls have been completed so far and the lights in front of the elevators were installed today.

- Early in 2017 (after our experiences in 2016 - which I kindly characterize as the 'Year of the Water') i.e. our plumbing infrastructure challenges and unit fan coil leaks, JK Management offered residents the opportunity for fan coil unit cleaning and repairs. This was important and done as a preamble to the start of an ongoing HVAC preventative maintenance program, wherein our maintenance staff would (twice/year), replace the filters and check smoke detectors, and annually inspect drip pans for leaks in the fan coil units and utilize tabs in the drip pans (in particular on the older McQuay units) prior to the cooling season.
- Staffing changes in our JK newsletter editorship have occurred recently with our director, Susie Geffen, taking on new professional responsibilities and stepping down from the board and the newsletter editorship. Thank you, Susie, for your service on the Board and serving as Editor of the Newsletter. A new November News Brief is just 'off the press' with Dave Beck as Editor and Sherie Presta (a JK resident) as Creative Director. They've done a concise, informative and attractive edition, which allows greater ease in "getting it out" so to speak, both electronically and in hard copy.
- Speaking of working electronically - JK still works toward the goal of being 100% electronic in its delivery of communications. We have accomplished above a 90% email address list for residents - which allows greater ease. I think we all have appreciated the excellent, speedy e-blast communication from the management office on a variety of topics.
- A couple final topics in the immediate area outside our building: The HOA North Mall Project was a 'project in our front yard' that greatly impacted us - as there was no other feasible area around the North Mall for the equipment to be staged for this project - except in our circle drive in front of James House. The project is nearly finished with the new railing above our garage finally getting installed this week. We thank you for your patience and greatly thank our garage attendants for their hard work in serving our residents while 'stacking cars' wherever they could find room. They put many miles on their shoes during this long project. But as always, they continue to cordially serve us and continue in my book to be 'the best garage staff in the City of Chicago'.
- One final brief update on the 1550 N Clark project: Tom, Andy and I met last week with the Golub development team and this project is progressing. **Please see the JK November newsletter for a more detailed update.** But for tonight, let me say: "An updated schedule shows demolition starting in early 2018 and full construction beginning soon afterwards. Golub expects this to be a 16-17 month construction project with completion near the fourth quarter of 2019. Expect to see fencing along Clark Street soon.

Thank you to our owners/residents, our JK employees, our CS Management staff, and to our JK Board for a successful, productive year. Have a wonderful 2018!

OPEN FORUM

Unit owners and the Board briefly discussed the 101 North project.

ADJOURNMENT

There being no further business to come before the unit owners, upon motion duly made by David Beck and seconded by Jacque Ehrlich, the meeting was adjourned at 8:02 p.m.

Respectfully submitted,


Board Secretary