

**JAMES/KILMER CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
February 22, 2011**

A meeting of the Board of Directors of James/Kilmer Condominium Association (the "Association"), an Illinois not-for-profit corporation, was called to be held on Tuesday, February 22, 2011, in the James House Hospitality Room, 1560 North Sandburg Terrace, Chicago, Illinois, pursuant to By-Laws.

CALL TO ORDER

Duane Hickling, President of the Association, called the meeting to order at 7:03 p.m. A quorum was present in that the following directors were present:

Frances Andrews
Judy Barnes
David Beck
Duane Hickling
Betty Latson
Tom Meyers
Nancy Slattery

Dan McNamara and Dorsey Ruley were not in attendance.

Also present were Richard Vicens, Property Manager, Allan Werth, Site Supervisor, and Diana Cardenas, Administrative Assistant, of DK Condo, A Draper and Kramer Company. Barbara A. Roberts acted as Recording Secretary.

Mr. Hickling removed one item, prioritizing rules needing updating, from the agenda; he and Mr. Meyers agreed that this item may be addressed at the next Board meeting, and Mr. Meyers invited the other Board members to make suggestions about which rules should be reviewed first.

UPDATES: WINDOW REPLACEMENT PROJECT

Mr. Vicens reported on the current status of the Window Replacement Project:

- The windows on the 14th floor were finished today.
- Phase II will begin on March 21 and is expected to be completed on May 27 in time for the start of the pool season; work will be scheduled on Saturdays if necessary to achieve this. The mast climbers for Phase II are being erected now.
- On Monday a tied-off electrical cord worked loose in the wind and broke a window; Mr. Vicens will discuss with U.S. Hoist measures to prevent a recurrence.
- In response to questions from Mr. Beck and Mr. Meyers, Mr. Vicens stated that canopies are being constructed under the mast climber, and that residents will be given a couple of days' notice before their windows will be removed and replaced, in addition to the overall phase schedule postings. Mr. Beck remarked that he has heard much positive feedback from residents about the new windows.
- The Phase II schedule will be posted soon. Some delays have been caused by cold or moisture; no work is done if temperatures are predicted to drop below 20 degrees, or if the concrete sealing surfaces are moist.
- In response to questions from Mr. Meyers and Mr. Beck, Mr. Vicens stated that measures are being taken to deal with concrete dust and that there have been no complaints lately, but that concrete dust is still a concern and will be monitored.

During Mr. Vicens' report, Ms. Slattery stated that the window workers use both freight elevators in the morning, and there is no room for dog owners to board the elevators. She suggested that dog owners be permitted to use passenger elevators for morning dog walking for the time being. It was agreed that this may be done if the dogs are held or otherwise kept under control.

REGULAR OPEN FORUM

A unit owner asked about three items:

- Did Mr. Vicens arrange for the potholes in front of the garage to be filled in with asphalt? Mr. Vicens responded that he did.
- Can garage and door staff members be given name tags? Mr. Vicens stated that this can be done.
- When will Kilmer House owners receive estimates for the work to be done on their windows? Mr. Vicens responded that he has started to create an estimate template for both the North Mall and Kilmer House window projects, and that bids for the window caulking project will be sought soon.

A unit owner suggested that the Board consider appointing a Social Committee, such as used to exist in the Association, to plan social gatherings that could take place in the much improved Penthouse meeting room; she also suggested holding a "project party."

A unit owner reported that many times dog owners allow their dogs to relieve themselves right at the back door, creating an unpleasant mess. Mr. Beck stated that there used to be a sign posted at the door telling dog owners to take their dogs all the way to the dog run. Ms. Slattery suggested fining dog owners who allow their dogs to make a mess at the back door, and that if a dog has an accident, a Maintenance staffer should be summoned to wash down the area right away.

APPROVAL OF MINUTES

Mr. Beck asked if there were any additions or corrections to the minutes of the Board meeting held on January 25, 2011. There were three additions. **David Beck moved that the draft of the minutes of the Board of Directors meeting held on January 25, 2011, be approved as amended. Judy Barnes seconded the motion, and it passed unanimously.**

Mr. Meyers asked if Waste Management will charge the Association for recycling. Ms. Barnes explained that charges are being negotiated, but that to start out, the Association will substitute one day of recycling pick-up for one day of garbage pick-up.

TREASURER'S REPORT

Ms. Latson delivered the Treasurer's Report for the period ending January 31, 2011, as follows.

For the first month of 2011, the Association reported total revenue of \$510,000.00 including the James Direct Charge revenue. Excluding the Direct Charge revenue, the J/K Association reported revenue of \$441,000.00, which exceeded budget by \$6,000.00, due primarily to higher garage net income.

Operating expenses were \$406,000.00, and were higher than budget by \$44,000.00, principally the result of higher gas and payroll costs.

As a result, for the first month of 2011, revenues over expenses were \$35,000.00 before capital reserve contributions. After the provision for capital reserves of \$111,000.00, the Association generated an operating deficit of \$76,000.00, which exceeded the budgeted deficit by \$38,000.00.

At January 31, 2011, the operating reserve stood at \$186,125.00. The capital reserve fund stood at \$6,321,325.00, and the loan balance stood at \$2,964,316.00.

The Reserve Study is in process. Feedback on the first draft has been given to Reserve Advisors. We hope to have a revised draft back that can be shared with the Board and Finance Committee.

The audit should begin in March.

Finance Committee Report

We hope to begin Finance Committee meetings soon. We will post meeting dates as soon as we have the information we need.

Mr. Beck noted the high capital reserve balance and asked if all of the concrete repair bills have been paid. Ms. Latson responded that the expectation was that the balance was to remain fairly high in 2010 but will be much lower by the end of 2011, after the completion of several projects. Mr. Meyers asked about schedules of payments due or made to Softer Lite and other contractors. Mr. Vicens stated that he will supply such information.

COMMITTEE REPORTS

There was some discussion about recruiting efforts by committee chairs to attract new committee members, including a notice in the newsletter asking for volunteers.

Garage Committee

Ms. Andrews announced that the Garage Committee now consists of herself, Judy Barnes, Jim Ehrlich and Barbara Grodzins.

Mr. Beck stated that he and Mr. Meyers plan to review material in the Declaration about leasing.

Communications Committee

Ms. Barnes reported that the February newsletter was published during the first week in February, and that readers were asked to submit ideas that she, Mr. Vicens and Ron Miller could consider to improve reporting about Association matters. Diana Cardenas reported that no one has as yet submitted any suggestions.

Mr. Hickling stated that he and Mr. Vicens have identified several people whom they would like to invite to be on an RCN Task Force, of which Ms. Slattery has agreed to be the chairperson.

MANAGEMENT REPORT

Mr. Vicens reported briefly on the following:

- One of the lateral HVAC pipes in Unit #2609 burst on February 6. Mr. Kruger was able to stop the leak with a special tool that injected rubber into the burst pipe.
- Management has been working with representatives from Suite Solutions, a consultant in the cable industry, who aver that residents can receive 200 channels for the same price that they now pay for 65 to 70 channels; he added that more information will be available this week. Mr. Beck noted that Cummings-Dickinson receives cable service from DirecTV and that he intends to talk to a C-D resident about the service tomorrow at the HOA Board meeting. Mr. Vicens stated that there are other suppliers also available and that the investigation is still in its preliminary stages, and added that he is composing a timeline for action on the contract.
- The AIA contract for the ComEd vault repairs is in hand and is being reviewed. Mr. Beck asked if work on the vault can be conducted while the HOA North Mall Project and east-side window replacement are under way. Mr. Vicens responded that there should be no conflict with the window replacement project but that he will discuss the stages of the North Mall Project with the engineers from Wiss Janney Elstner to see if scheduling adjustments will have to be made.
- Klein and Hoffman have taken soundings of the garage deck and ramp concrete, and will examine the cores and submit a report on the condition of the deck.
- Mr. Beck stated that first-floor Kilmer House unit owners who have installed wooden decks on their patios must be advised soon that the decks must be removed to allow for work on the patio expansion joints.
- Mr. Meyers mentioned what he perceives as a problem with parking on the east side of the building in the mornings. Mr. Vicens and Ms. Barnes stated that there is no ongoing problem, and Mr. Vicens agreed to investigate to make sure.
- Mr. Vicens reported that the back door near the Receiving Room can now be opened automatically. He stated that a similar door will be installed at Kilmer House. Discussion ensued about some problems with some of the automatic doors.

ACTION OR DISCUSSION ITEMS

Approve Remodeling Request

Upon motion duly made by David Beck and seconded by Tom Meyers, the following resolution was made:

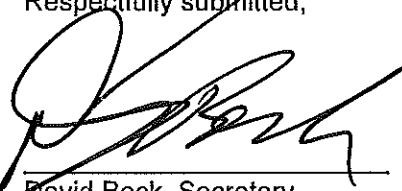
BE IT RESOLVED, that the Board of Directors approve the remodeling of Units #711, #1612, #3102 and #4108, according to the requests submitted by the unit owners that have been reviewed and found to be in compliance with the Association's rules, regulations and conditions, and that will be subject to ongoing inspection by the Association's Chief Engineer. After a brief discussion, the motion passed unanimously.

Before the vote, Ms. Barnes asked if the Chief Engineer performs inspections before remodeling begins, as well as during and after a project. Mr. Vicens stated that he will investigate the situation.

ADJOURNMENT TO EXECUTIVE SESSION

There being no further business to come before the Board in Open Session, the meeting was adjourned to Executive Session at 7:45 p.m.

Respectfully submitted,



David Beck, Secretary