

**JAMES/KILMER CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
February 28, 2012**

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 28, 2012, in the James House Hospitality Room, 1560 North Sandburg Terrace, Chicago, Illinois, pursuant to By-Laws.

CALL TO ORDER

Nancy Slattery, President of the Association, called the meeting to order at 7:15 p.m. A quorum was present in that the following directors were present:

Frances Andrews
Judy Barnes
David Beck
Barbara Fiacchino
Barbara Grodzins
Betty Latson
Tom Meyers (by telephone)
Dorsey Ruley (by telephone)
Nancy Slattery

Also present were Richard Vicens, Property Manager, and James Losik, Site Supervisor, of DK Condo, A Draper and Kramer Company. Barbara A. Roberts acted as Recording Secretary.

RE-ELECTION OF BOARD OFFICERS

Ms. Slattery announced that, owing to questions that were raised about the election of a slate of officers at the Board's December 6, 2011, meeting and after consultation with the Association's attorney, the Board agreed to hold another officer election at this meeting, this time nominating and electing officers position by position.

Ms. Slattery called for nominations for the position of Board President.
Ms. Andrews nominated Nancy Slattery for the position of Board President.
Ms. Grodzins seconded the nomination.
Ms. Slattery called for other nominations. There being none, Ms. Slattery declared the nominations closed.
Nancy Slattery was elected Board President by acclamation.

Ms. Slattery called for nominations for the position of Board Vice President.
Ms. Grodzins nominated Frances Andrews for the position of Board Vice President.
Ms. Barnes seconded the nomination.
Mr. Meyers nominated David Beck for the position of Board Vice President.
Ms. Latson seconded the nomination.
Ms. Slattery called for other nominations. There being none, Ms. Slattery declared the nominations closed.
Mr. Vicens distributed ballots to the Board and collected the completed ballots.
Mr. Losik tallied the votes and announced that Frances Andrews was elected to the position of Board Vice President.

Ms. Slattery called for nominations for the position of Board Treasurer.
Ms. Fiacchino nominated Betty Latson for the position of Board Treasurer.
Ms. Grodzins seconded the nomination.
Ms. Slattery called for other nominations. There being none, Ms. Slattery declared the nominations closed.
Betty Latson was elected Board Treasurer by acclamation.

Ms. Slattery called for nominations for the position of Board Secretary.
Ms. Andrews nominated Dorsey Ruley for the position of Board Secretary.
Mr. Meyers seconded the nomination.
Ms. Grodzins nominated Barbara Fiacchino for the position of Board Secretary.
Ms. Barnes seconded the nomination.
Ms. Slattery called for other nominations. There being none, Ms. Slattery declared the nominations closed.
Mr. Vicens distributed ballots to the Board and collected the completed ballots.
Mr. Losik tallied the votes and announced that Barbara Fiacchino was elected to the position of Board Secretary.

Ms. Slattery declared the elections closed, and announced for the record that the elected officers are: Nancy Slattery–President, Frances Andrews–Vice President, Betty Latson–Treasurer, Barbara Fiacchino–Secretary.

Following the re-election of Board officers, Mr. Meyers left the meeting at 7:24 p.m.

PROJECT UPDATE

Mr. Vicens reported on the current status of several projects:

- Windows, Concrete and Painting Work – Meetings have been held with Jim Swint of Klein and Hoffman. Concrete work on Kilmer House is expected to start in mid-March. Painting and balcony work on James House is expected to start at the end of April. Klein and Hoffman has approved the shop drawings for the James House Penthouse windows, with installation scheduled to begin on April 2.
- James House Roof – Work on the roof is expected to start on April 2. Klein and Hoffman will coordinate among Golf Construction, SofterLite and the roofing contractor so that the various projects do not interfere with each other. The remaining mast climber, which has been leased by the Association from U.S. Hoist, will also be used by the roofing contractor to transport old roofing material to the ground and new roofing material to the roof.
- Association Newsletter – The Management Office staff will assume the responsibility of publishing the bi-monthly newsletter in April. Ms. Slattery added that volunteers are welcome to assist, and she thanked Ms. Barnes for her past work on the newsletter. Her remarks were greeted with applause.

REGULAR OPEN FORUM

Ms. Slattery asked that unit owners review the agenda and make comments about agenda items at this time, stating that because this is a meeting of the Board, following the Regular Open Forum, discussion will be limited to the directors and Management.

Unit owners, the Board and Mr. Vicens discussed the following:

- The timely repair of the damaged pipe hanger in the garage.
- The HVAC pipe replacement project and the need to test the vertical pipe samples to determine if the vertical as well as the lateral pipes will need to be replaced; it was noted that vertical pipe replacement will be funded from the reserves.
- The pipe replacement will start with tiers 1, 2, 12 and 15, which have seen the most damage, but the project plan will be decided after a contractor is chosen; further, if the vertical pipes require replacement, there will be two bid packages, and the pipe replacement project will begin before work on the James House Penthouse and lobby windows and roof commences.
- The Infrastructure Committee's discussions about and actions regarding the roof repairs, including that the repairs are listed in the Reserve Study and have been budgeted.
- Information about committees has been posted, volunteers are encouraged to join committees and those interested should contact the Management Office, and committee meeting agendas will be posted.
- Posting details of the Kilmer House façade work in the Kilmer House lobby.
- Problems with dogs urinating in areas other than the dog runs, especially outside the James House back door, various ways of dealing with the problems, and the need for residents to report dog owners who are in violation of the Pet Rules to the Management Office.
- The City of Chicago ordinance requiring automatic door closers or spring-loaded hinges on unit doors, and how the Association will supply the closers or hinges to unit owners whose front doors were found not to be so equipped after a recent inspection.
- The Association's smoke detector inspection process, and advice to residents to change their smoke detector batteries at least twice a year.

Mr. Vicens stated that he will deal with questions or concerns brought up by the unit owners.

APPROVAL OF MINUTES

Ms. Slattery asked if there were any additions or corrections to the minutes of the Board meeting held on December 6, 2011. There was one correction. **Frances Andrews moved that the draft of the minutes of the Board of Directors meeting held on December 6, 2011, be approved as amended. Barbara Grodzins seconded the motion, and it passed, with David Beck opposed.**

Ms. Fiacchino asked if there were any additions or corrections to the minutes of the Board meeting held on January 24, 2012. There was one correction. **Barbara Fiacchino moved that the draft of the minutes of the Board of Directors meeting held on January 24, 2012, be approved as amended. Judy Barnes seconded the motion, and it passed, with Barbara Grodzins abstaining.**

TREASURER'S REPORT

Ms. Latson presented the Treasurer's Report for the period ending January 31, 2012, as follows:

For January 2012, the Association reported total revenue of \$483,000.00 including the Direct Charge revenue, and \$440,000.00 excluding the Direct Charge revenue. Revenues were \$3,000.00 lower than budget due primarily to timing. The increase to the monthly assessments was budgeted, but will not be billed to unit owners until March 2012.

Operating expenses were \$377,000.00, which was \$7,000.00 higher than budget owing primarily to payroll and fire-related repairs, but partially offset by lower utility costs. The provision for capital reserves was \$111,000.00. As a result, the Association reported a deficit of revenues over expenses of \$47,000.00, which is slightly over the budgeted deficit of \$36,000.00.

At January 31, 2012, the Operating Reserve Fund stood at \$254,197.00. The Capital Reserve Fund stood at \$6,083,592.00, and the loan balance stood at \$2,533,327.00.

COMMITTEE REPORTS

Finance Committee

Ms. Latson reported that the Finance Committee met on January 10 to review the draft of the Cost Allocation Study for 2010 and to continue to make progress on the planning of the Kilmer House Direct Charge for the Kilmer House exterior limited common element capital expenditures. A number of follow-up items were identified. She stated that Management has just completed most of the follow-up, allowing the Association to continue down the path to completion of the Kilmer House Direct Charge calculation.

Following Ms. Latson's report, Mr. Ruley left the meeting at 8:02 p.m.

HOA Report

Mr. Beck reported that painting of the fences in the area of James/Kilmer, including along LaSalle Street, will begin in the early spring, and that the installation of landscaping around James House will depend on when the various James House exterior projects are completed, most likely in July or August. Marcie Johnson stated that according to her conversations with Alderman Reilly, it is not yet known when Sandburg Village will become part of the 2nd Ward – possibly in November 2012 or not until 2015 – adding that it is also not known who the Village's new alderman will be. She added that Village residents should continue to contact Alderman Reilly's office for service needs. Ms. Johnson announced that the G-8 Summit will begin on May 19 and end at noon on May 20, and that the NATO Summit will begin immediately afterward on May 20 and continue until 2:00 p.m. on May 21. She noted that there is a website, chicagognato.org, that has more information about the summits. Ms. Andrews mentioned that there is also information about the summits on the Chicago Police Department website.

Pet Committee

Carol Abrioux reported that there is one current member on the Committee and that it is seeking new members. She stated that she has several times included articles in the Association newsletter warning dog owners not to allow their pets to urinate or defecate anywhere except the dog runs, and that she will continue to do so. Ms. Grodzins added that the condominium information packet should include the current Pet Rules.

Infrastructure Committee

Ms. Slattery announced that the Committee will meet after the laboratory results on the vertical HVAC pipes are received.

Recycling

Ms. Barnes reported that a waste container for junk mail has been installed in the mailbox area in James House and that another has been ordered for Kilmer House. Ms. Grodzins suggested that a sign be posted on the container to indicate its purpose so that only paper waste is discarded in it.

Garage Committee

Ms. Grodzins reported that the Alcott-Bryant garage is undergoing construction and that no guest parking will be permitted. She reported that she and Eddie Main, the James/Kilmer garage manager, discussed rates to be charged to Alcott-Bryant guests to park in the J/K garage, and that Mr. Main suggested charging the same rates as those posted for J/ K guests except for the 12-to-24 hour period, for which he suggested a charge of \$22.00. Ms. Grodzins stated that the Alcott/Bryant doorman will stamp the A/B guests' parking coupons to validate them for J/K parking, and that the guests will pay cash. She added that garage operations are on budget except for payroll.

MANAGEMENT REPORT

Mr. Vicens reported on the following:

- Speakers have been installed on the cab roofs of all seven elevators, thus satisfying the last City of Chicago life/safety requirement remaining for the Association to fulfill.
- RCN representatives held an informational meeting with residents in the James House lobby on Wednesday, February 22; the meeting went well and another is scheduled for Wednesday, March 7.
- RCN will begin its "Tier Refresh" activities on Monday, March 12, checking wiring, cables, fittings, etc., in every unit for proper condition and functioning; the process is expected to take four weeks to complete.
- As a first step in the process of determining the reason for poor cell phone reception in some units, Verizon will send engineers to James House to measure signal strength inside and outside of the building. Another firm will be engaged to install signal expanders, if needed. Verizon representatives state that they know of no reason for the poor reception. Ms. Slattery asked if AT&T will also perform tests, and Mr. Vicens responded that he did not know that at this time, adding that the poor reception is sporadic and that not all cell phone users in the building experience it.

Ms. Barnes thanked Mr. Vicens for the excellent appearance of the refurbished laundry rooms. Ms. Fiacchino asked that a short stool be provided for those who have difficulty reaching into the washers.

ACTION OR DISCUSSION ITEMS

Approve the 2010 Allocation Study

Upon motion duly made by David Beck and seconded by Judy Barnes, the following resolution was made:

BE IT RESOLVED, that the Board of Directors approve the draft 2010 Allocation Study prepared by Picker and Associates and transmitted to the Association on January 12, 2012. After a brief discussion, the motion passed unanimously.

In the discussion, in response to a suggestion from Mr. Beck that future studies be performed every other year, Ms. Latson explained that only annual studies permit the accurate tracking of the allocation of expense and capital funds between James House and Kilmer House, thus justifying the expense of the studies to the Association.

Approve Engaging Picker and Associates for Auditing Services for 2011 and 2012

Upon motion duly made by David Beck and seconded by Frances Andrews, the following resolution was made:

BE IT RESOLVED, that the Board of Directors approve engaging Picker and Associates to provide auditing services for 2011 and 2012 for a fee of \$9,700.00 for 2011 and \$9,700.00 for 2012, in accordance with its proposal dated September 22, 2011. The motion passed unanimously.

Approve Banning the Use of Slates to Elect Officers, and Electing Officers Position by Position

Upon motion duly made by Frances Andrews and seconded by David Beck, the following resolution was made:

BE IT RESOLVED, that the Board of Directors approve banning the use of slates to elect officers and henceforth to elect officers position by position. After discussion, the motion was withdrawn.

Approve a Mandate Requiring Operable Door Closers and Smoke Detectors In All Units No Later Than May 1, 2012

Upon motion duly made by David Beck and seconded by Barbara Grodzins, the following resolution was made:

BE IT RESOLVED, that the Board of Directors approve a mandate requiring that all units that do not have operable door closers and/or smoke detectors installed have such devices installed no later than May 1, 2012; and further that Management shall so notify all unit owners who have previously failed to comply with the requirement to install such devices; and further that if such unit owners do not comply by May 1, 2012, Management shall be authorized by the Board to install the devices at the unit owners' expense. After discussion, the motion passed unanimously.

The discussion included the process for ensuring compliance, the necessity to enforce compliance with the City of Chicago ordinances requiring door closers and smoke detectors in units, how noncompliant unit owners will be billed if Management must install the devices, and the need to provide adequate notice of the mandate and the consequences of noncompliance to unit owners. There was also a brief discussion about reminding residents to replace their smoke detector batteries regularly.

Approve Awarding a Contract to Replace the James House Roof

Upon motion duly made by Judy Barnes and seconded by Barbara Fiacchino, the following resolution was made:

BE IT RESOLVED, that the Board of Directors approve awarding a contract to Riddiford Roofing Company to replace the James House roofing system in the amount of \$484,609.00, in accordance with its proposal dated February 10, 2012. After discussion, the motion was withdrawn

Approve Writing Off Assessments Due

Following a brief explanation by Ms. Latson, upon motion duly made by Frances Andrews and seconded by Barbara Fiacchino, the following resolution was made:

BE IT RESOLVED, that the Board of Directors approve writing off \$15,887.07 in assessments previously due that were extinguished by a Deed in Lieu of Foreclosure signed on September 1, 2011. The motion passed unanimously.

Approve Remodeling Applications

Upon motion duly made by David Beck and seconded by Barbara Grodzins, the following resolution was made:

BE IT RESOLVED, that the Board of Directors approve the remodeling of Units #312J, #201K and #305K, 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 Assistant Chief Engineer. The motion passed unanimously.

Approve Parking Rate for Alcott-Bryant Guest Parking

Upon motion duly made by Barbara Grodzins and seconded by Judy Barnes, the following resolution was made:

BE IT RESOLVED, that the Board of Directors approve a special parking rate of \$22.00 for the 12-to-24-hour period to be charged to guests of Alcott-Bryant residents during construction in the Alcott-Bryant garage. The motion passed unanimously.

Approve Fine for Over-Weight-Limit Dog

Upon motion duly made by David Beck and seconded by Frances Andrews, the following resolution was made:

BE IT RESOLVED, that Board of Directors approve fining the owner of a unit on the second floor of Kilmer House \$100.00 for having a dog on the premises whose weight is over the limit permitted in the Association's Pet Rules; and further that said unit owner be assessed a fine of \$50.00 per day for each day beginning May 1, 2012, that the said dog remains on the premises. The motion passed unanimously.

RECESS TO EXECUTIVE SESSION

The Board recessed to Executive Session at 8:58 p.m.

RECONVENE TO OPEN SESSION

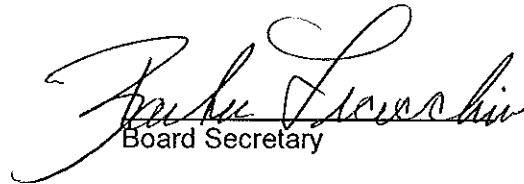
The Board reconvened to Open Session at 9:25 p.m. Upon motion duly made by David Beck and seconded by Barbara Fiacchino, the following resolution was made:

BE IT RESOLVED, that the owner of a unit of the fifth floor of Kilmer House who appeared before the Board in Executive Session on February 28, 2012, be required to have her dog muzzled and leashed at all times while on Association property. The motion passed, with Barbara Grodzins abstaining.

ADJOURNMENT

There being no further business to come before the Board, upon motion duly made by Barbara Fiacchino and seconded by Judy Barnes, the meeting was adjourned at 9:33 p.m.

Respectfully submitted,


Board Secretary