

**JAMES/KILMER CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
April 23, 2013**

A meeting of the Board of Directors of the James/Kilmer Condominium Association (the "Association"), an Illinois not-for-profit corporation, was called to be held on Tuesday, April 23, 2013, in the James House Hospitality Room, 1560 North Sandburg Terrace, Chicago, Illinois, pursuant to By-Laws.

CALL TO ORDER

Barbara Fiacchino, Vice 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
David Beck
Peter Cremer
Barbara Fiacchino
Barbara Grodzins
Betty Latson

Judy Barnes, Dorsey Ruley and Nancy Slattery were not in attendance.

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

PROJECTS UPDATE AND MANAGEMENT REPORT

Mr. Vicens reported on the following:

- Mobile Phone Signal Attenuation Investigation: 360RF will be on site soon to install a test antenna set-up in the Penthouse and in Mr. Vicens's office.
- FHA Recertification and VA Certification: James/Kilmer has been recertified by the FHA and will soon be certified by the VA.
- Reserve Study: The Reserve Study was delivered on April 19 and is being reviewed in house.
- Lateral HVAC Pipe Replacement Project: A meeting about the project is scheduled for April 29, prior to which a series of answers to questions composed by Mr. Vicens and David Krc will be door-dropped to residents on April 25 and 26 in hopes that many questions will thus have been answered before the meeting. In addition, the schedule posted in the lobby will be changed to reflect actual conditions. Discussion ensued about scheduling and other aspects of the project.
- James House Roof Deck: The due date for the bids has been changed to April 25, after which Klein and Hoffman will present the bids to the Infrastructure Committee for its review and recommendations, and the bids will then be presented at a Board meeting.
- There was a small cooking fire in Kilmer House on Monday.
- Work is being performed on a gas main on Clark Street, requiring a deep excavation.

There was discussion among Board members and Mr. Vicens about repairing a hole in front of Kilmer House and about SofterLite replacing the James House revolving doors.

REGULAR OPEN FORUM

Ms. Fiacchino opened the floor to comments and questions from unit owners, reminding them that once the Board moves forward with its meeting agenda, discussion will be limited to Board members. The following issues were discussed:

- Protecting unit carpeting and moving and protecting furniture during the Lateral HVAC Pipe Replacement Project.
- No fire alarms sounding in the event of small fires, and announcements by Chicago Fire Department personnel in the event of a fire.
- Concerns about the entry vestibules in Kilmer House, the budget-driven decision not to have 24/7 door staff at Kilmer House, how well James House door staff can monitor the Kilmer House entries via camera views, installing a security camera outside the Kilmer House back door, reinstating full-time door staff at Kilmer House, and reviewing how the cameras are positioned.
- The number of fan coil units that were ordered.

APPROVAL OF MINUTES

Ms. Andrews asked if there were any additions or corrections to the minutes of the Board meeting held on March 14, 2013. There were a few changes. **Frances Andrews moved that the draft of the minutes of the Board of Directors meeting held on March 14, 2013, be approved as amended. Barbara Grodzins seconded the motion, and it passed unanimously.**

Ms. Andrews asked if there were any additions or corrections to the minutes of the Board meeting held on April 14, 2013. There being none, **Frances Andrews moved that the draft of the minutes of the Board of Directors meeting held on April 14, 2013, be approved as presented. David Beck seconded the motion, and it passed, with Betty Latson abstaining.**

TREASURER'S REPORT

Ms. Latson delivered the Treasurer's Report for the period ending March 31, 2013, as follows:

The 2011 audit, the 2011 cost allocation study, and the annual investment tax basis letter have been completed and will be mailed to all unit owners by the end of the week. We apologize for the delay in completing the package of information. We expect to receive the first draft of the 2012 audited financials from the auditors by the end of April. The Finance Committee and Board will review the draft in early May. The goal will be to finalize the audit by the end of June 2013.

At this time, we can report on the Association's preliminary unaudited 2012 financial results. The Association reported strong results for 2012 with total revenue of \$6.2 million. Revenues net of direct charge payments totaled \$5.3 million, and were higher than budget by \$60,000.00, due primarily to higher garage income.

Operating expenses of \$3.9 million were \$128,000.00 less than budget. Utility savings of \$170,000.00 more than offset higher maintenance, repair and payroll expenses. After the provision for capital reserves of \$1,200,000.00, the Association generated excess revenues over expenses of \$190,000.00.

The Association continued to have healthy reserve levels. At December 2012, the operating reserve fund stood at \$598,213.00. The capital reserve fund stood at \$5,317,640.00, and the loan balance stood at \$2,117,341.00.

We have also received the results through the first two months ending February 2013. Revenues totaled \$957,000.00 including direct charge income and \$873,000.00 excluding direct charge income. Revenues were below budget by \$18,000.00 due to lower garage income. Operating expenses were reported at \$705,000.00 and were on budget. After capital reserve provisions of \$228,000.00, the Association reported a deficit of expenses over revenues of \$61,000.00, which compares slightly unfavorably to a budgeted deficit of \$43,000.00.

At February 28, 2013, the Association reported an operating fund balance of \$537,000.00 and a capital reserve fund balance of \$5,132,000.00. The loan balance was \$2,040,000.00.

We are in the process of updating the Reserve Study. We hope to review the Reserve Study draft with the Finance Committee and the Board in May 2013.

COMMITTEE REPORTS

Finance Committee

Ms. Latson reported that the Finance Committee has not met recently. She stated that she and Jim Losik had been working on completing the commitment letter related to the J/K Association loan associated with the HVAC project, adding that the commitment letter has been finalized and is currently being reviewed by the Association's attorney, David Sugar. Upon receipt of the commitment letter, Harris Bank will be ready to prepare loan documents, with a loan closing expected by mid-May.

Website Committee

Mary Occhipinti reported that she attended the Committee meeting on April 8, referred the Board to the Webmaster, Ron Miller, and stated that the Committee discussed ways of furthering communications to residents. Mr. Beck asked Mr. Losik about connecting the Association's website to the Draper and Kramer website.

Communications Committee

Ms. Fiacchino conveyed a message from Judy Barnes that the next bimonthly newsletter is scheduled for May, and stated that she will be sending out an email no later than Friday, May 3 with suggested articles, with the deadline for submission the following Friday, May 10, so that the newsletter can be published on May 15. Discussion ensued about pushing the publishing date back to June.

Social Committee

Ms. Fiacchino reported that she hopes to have a meeting on May 8 in order to start planning some social functions, specifically one to inaugurate the sundeck, and also a holiday party.

Roof Deck Task Force

Mr. Cremer reiterated Mr. Vicens's remarks about forwarding bids to the Infrastructure Committee to review the recommendations and anticipated costs, with the goal of finishing the deck by August 1, in time for the Air and Water Show.

HOA Report

Mr. Beck reported pool membership registration will start on May 5. Marcie Johnson stated that it is likely that no pergola will be built at the North Pool this year, owing to its expense and to concerns about the proposed size and design of the structure. She added that there will be no additional shade study with regard to the new Jewel and the high-rise building that are proposed to be built at Clark and LaSalle, that more information about the project is being sought from the developers, and that further information will be forthcoming at the North Dearborn Association Annual Meeting in early May. A brief discussion ensued about residents' concerns about the proposed development.

ACTION ITEMS

Approval of Remodeling Applications

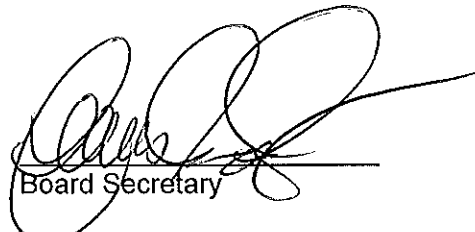
Upon motion duly made by Barbara Grodzins and seconded by Frances Andrews, the following resolution was made:

BE IT RESOLVED, that the Board of Directors approve the remodeling of units #504J, #1806, and #501K, 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 inspections by the Association's Assistant Chief Engineer. The motion passed unanimously.

ADJOURNMENT

There being no further business to come before the Board, upon motion duly made by Frances Andrews and seconded by Barbara Grodzins, the meeting was adjourned at 7:45 p.m.

Respectfully submitted,


Board Secretary