

**JAMES/KILMER CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
March 14, 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 Thursday, March 14, 2013, 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 7:13 p.m. A quorum was present in that the following directors were present:

Frances Andrews
Judy Barnes
David Beck
Peter Cremer
Barbara Fiacchino
Barbara Grodzins
Betty Latson
Dorsey Ruley (via telephone)
Nancy Slattery

Also present was Richard Vicens, Property Manager, of DK Condo, A Draper & Kramer Company. Barbara A. Roberts acted as Recording Secretary.

The agenda was changed to include a discussion about the northeast Penthouse room, a motion arising from the Executive Session that preceded the meeting, and a discussion about how many fan coil units to order in advance.

PROJECTS UPDATE AND MANAGEMENT REPORT

Mr. Vicens reported on the following:

- The second Town Hall Meeting concerning the Lateral HVAC Pipe Replacement Project will be held on Tuesday, March 19, at 7:00 p.m.; this will be posted on March 15.
- Mobile Phone Signal Investigation: Test antennae will be set up in the Penthouse and in the Management Office area.
- FHA Recertification and VA Certification: All of the necessary documentation will be submitted to the FHA and the VA on Monday, March 18, and the certifications should be received shortly thereafter.
- Reserve Study: Reserve Advisors will begin work on the study on site on March 21; Ms. Latson and Mr. Vicens will meet with them on March 22.
- Lateral HVAC Pipe Replacement Project: An information table was set up in the lobby for several days last week and this week, many information hand-outs were distributed, and many of those who read the material seem to be prepared for the project and the financing. A preconstruction meeting was held on March 13 to discuss numerous issues and to answer questions raised at the information table sessions. The Board has been given an update by our consultant, David Krc of Cotter Consulting, who will be the Project Manager. It is planned to start work on Tier 1 on April 15, with drawings being distributed to each owner in the tier 30 days in advance showing what will need to be moved to facilitate the pipe replacement; in addition, 48 hours before work on any unit, the unit will be visited to check that the work area has been cleared.

- James House Roof Deck: Bid specifications are 90% complete, with the complete package to be submitted for review no later than March 19. Discussion ensued as to the content and purpose of bid specifications, the function of the Design Task Force in the process, and the process to be followed by Klein and Hoffman in submitting proposed specifications to the Board for review.
- James House Metal Sheathing: The contract has been approved and the materials have been ordered; when they arrive, the installation will begin. Discussion ensued.

There was discussion among Board members and Mr. Vicens about the leak from the North Pool into the garage which is to be addressed by HOA, about pigeon control measures, and about the need for SofterLite to replace the revolving entrance doors.

REGULAR OPEN FORUM

Ms. Slattery 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:

- The pipe replacement and fan coil replacement surveys and the fan coil commitment letters.
- Engaging someone to rent out the party room for additional revenue, and advising residents about the availability of the party room.
- Odors in water coming from bathroom faucets.
- Objections to the direct charge for the HVAC lateral pipe and fan coil replacements, and the Finance Committee's consideration of other options for payment.
- The excellent appearance and function of the new windows, and the beneficial effect of infrastructure improvements on unit sales.

APPROVAL OF MINUTES

Ms. Andrews asked if there were any additions or corrections to the minutes of the Board meeting held on January 22, 2013. There being none, **Frances Andrews moved that the draft of the minutes of the Board of Directors meeting held on January 22, 2013, be approved as presented. Barbara Fiacchino seconded the motion, and it passed, with Ms. Barnes and Mr. Beck opposed, and Mr. Ruley abstaining.**

TREASURER'S REPORT

In place of the Treasurer's Report, Ms. Latson invited Brad Cesario of Constellation to address the Board about gas and electricity pricing. Mr. Cesario presented information about a market update on prices for natural gas and electricity, stated that the Association's current pricing agreement continues through December 2013, distributed pricing updates for electricity, briefly addressed James/Kilmer's demand-response program that generates some revenue for the Association, and spoke at length about gas and electricity pricing patterns, and the reasons for them, as they affect the Association. Board members and Mr. Cesario then discussed the Association's pricing history, past and projected future energy use, and feasible price lock-in or stop-loss strategies to be considered for the future. Ms. Latson stated that no decision needed to be made at this meeting, that she and Mr. Cesario will continue to communicate about pricing, and that, if necessary, the Board can vote on pricing between meetings, with ratification of its decision at the next succeeding meeting.

The Board thanked Mr. Cesario, and he left the meeting at 8:20 p.m.

COMMITTEE REPORTS

Finance Committee

Ms. Latson reported that the 2011 audit is complete, that the final cost allocation information and the investment tax credit letter are being worked on, that the 2012 audit will begin shortly, and that the commissioning of the reserve study is being initiated.

Garage Committee

Ms. Andrews reported that two events at the Germania Club on the previous Saturday resulted in a record revenue day for the garage, owing to good signage and especially to excellent performance by the staff, particularly Eddie Main, the garage manager, who was present for the entire day. She stated that Mr. Main will investigate the reported upcoming parking tax increase and inform the Committee as to his findings, noting that the tax is applied to guest parking fees only; Mr. Vicens added that it would be a flat tax on the amount rather than the stepped rates that exist now.

Website Committee

Ron Miller reported that the James/Kilmer website is functioning well, and that he would like to see the website include information provided by Management, various committee chairs and Board members on all the current major projects taking place in the Association. There was a brief discussion of the Association's landing page on the Draper and Kramer website, and about possible password-protected areas on the Association's website. Mr. Miller suggested the use of a software program to file-protect PDFs sent back and forth between Board members.

Infrastructure Committee

Ms. Grodzins reported that Project Manager David Krc is very organized and is doing a good job, holding weekly meetings and moving the Lateral HVAC Pipe Replacement Project along well. Discussion ensued about Mr. Krc's remarks about the advance order of convector units and how they would be placed in units.

Social Committee

Ms. Fiacchino reported that the Committee has not met as yet, but that three unit owners have volunteered to serve on the Committee, and that she has created and distributed a first draft of the Committee's charter to the volunteers for review.

HOA Report

Mr. Beck reported that the landscaping on the north and south sides of Kilmer House will be installed as soon as the weather becomes warmer, and that some of the James House plantings that have failed will be replaced at the landscaper's expense. Ms. Johnson reported on the discussion about the pergola for the North Pool, and about the second shade study presentation made to unit owners and the HOA Board by the architects of the new Jewel Food Store and the proposed high-rise rental apartment building at Clark and LaSalle. There was a brief discussion about the fence to be installed on the north side of Kilmer House.

Communications Committee

Ms. Barnes reported that the next bimonthly newsletter will be published in March and asked the committee chairs to send reports to her about their committees' activities. Ms. Slattery asked that information be included from the March 19 Town Hall Meeting, and Ms. Barnes explained the publication schedule.

ACTION ITEMS

Approval of J&L Cooling Towers Proposal

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

BE IT RESOLVED, that the Board of Directors approve awarding a contract to J&L Cooling Towers, Inc., to replace the cooling tower transmission and motor, in the amount of \$18,495.00, in accordance with its proposal dated January 23, 2013. The motion passed unanimously.

Approve Board Policy for Construction Delay

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

BE IT RESOLVED, that the Board of Directors adopt a policy stating that if Emcor or its subcontractors performing the Lateral HVAC Pipe Replacement Project are denied access to any unit on any day of the construction process, the cost of disrupting the schedule and returning to the unit at a later date shall be passed on to the owner of that unit. The motion passed unanimously.

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 #408, #2312, #3102, #114K, #208K, #316K and #509K, 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.

Approval of Fines, Penalties and Actions Against a Unit Owner

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 following fines, penalties and actions against a unit owner as discussed in Executive Session:

1. A \$200 fine for the unit owner's barking dog.
2. The dog shall be removed from the building within three days from the time the unit owner receives notice of this penalty.
3. \$500 fine for threatening another unit owner.
4. \$200 for harassing individuals in the lobby.
5. \$250 for unsanitary conditions in the unit.
6. A \$25-per-day continuing fine until the unit is cleaned.

BE IT FURTHER RESOLVED, that the Board of Directors authorize the Association's attorney to take appropriate legal action if the unit owner fails to clean his unit and/or remove the dog. The motion passed unanimously.

Approve Purchase of 60 Fan Coil Units

Upon motion duly made by Betty Latson and seconded by Frances Andrews, the following resolution was made:

BE IT RESOLVED, that the Board of Directors approve the purchase on March 15 of 60 fan coil units in advance. After discussion, the motion passed, with Dorsey Ruley opposed.

Before the vote, Ms. Latson explained why the fan coils must be ordered on March 15 to be available on site for installation in any Tier 1 units that request them, in order to save the affected unit owners additional expense. A lengthy discussion ensued about the reasons for the proposed purchase, cost to the Association and reimbursement by unit owners, timing of the project, and options to be considered, including reducing the number of the advance purchase from the 80 recommended by the Project Manager to 60 fan coil units to reduce the cost, to which the Board agreed.

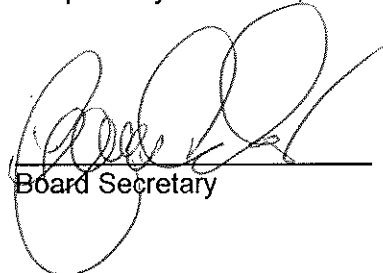
Discuss Northeast Penthouse Room Update

Ms. Barnes stated that she had been appointed to head the Northeast Penthouse Room Update Project, and that she and Mr. Cremer, who was appointed to head the James House Sundeck Project, have been in discussions about how best to upgrade the northeast Penthouse room, which opens onto the sundeck. Referring to illustrative materials that she distributed to the Board, Ms. Barnes stated that the room needs only some relatively inexpensive furniture to make it a pleasant amenity for residents. In response to a comment by Ms. Slattery, Mr. Vicens stated that at the next construction meeting, there will be some discussion about the use of the room by Mr. Krc as an office as he manages the Lateral HVAC Pipe Replacement Project. Ms. Barnes explained her recommendations for furniture and how much it would cost. Ms. Latson stated that the proposed cost for the suggested furniture is manageable, and that she is in favor of an eventual cohesive plan for all of the Penthouse rooms, including furnishings, window treatments, etc. Further discussion ensued about the use of the room by residents, use of the sundeck, and the possibility of renting the northeast room for small parties. Ms. Slattery thanked Ms. Barnes for her efforts, and concluded that nothing further should be done until it is determined whether or not the room will be used for office space, materials storage or both for the Lateral HVAC Pipe Replacement Project. The Board agreed.

ADJOURNMENT

There being no further business to come before the Board, upon motion duly made by David Beck and seconded by Frances Andrews, the meeting was adjourned at 9:32 p.m.

Respectfully submitted,



Board Secretary