

**2500 LAKEVIEW ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
WEDNESDAY, NOVEMBER 20, 2002**

A regular meeting of the Board of Directors of the 2500 Lakeview Association was held on Wednesday, November 20, 2002, at 7:00P.M. in the Hospitality Room, pursuant to notice. The following directors were present:

Mr. Gatz
Mr. Gould
Mr. Hall
Mr. Klein
Ms. Tama Oblander
Mr. Schneiderman

Also present at the invitation of the Board was:

Wallis Weinper, Property Supervisor, LaThomus Property Services, LLC. and Lottie Bell, Property Manager, LaThomus Property Services, LLC.

There were 12 Unit Owners present.

OPEN FORUM

Mr. Robert Komie of Shaw Carpeting was scheduled to speak regarding carpet selection for the Hallway Renovation Plan. More information will follow under Old Business.

CALL TO ORDER

Ms. Tama Oblander, President, noted that there was a quorum and called the meeting to order at 7:10 P.M.

APPROVAL OF MINUTES

On motion duly made and seconded the following motion was unanimously approved:

RESOLVED, to approve the Board of Directors Meeting Minutes of October 16, 2002.

WAIVER OF RIGHT OF FIRST REFUSAL

The Board tabled the Sale of Unit 1205 from Ms. Rotskoff to Mr. & Mrs. Angelopolous and the Sale of Unit 1304 from Mr. & Mrs. Kolln to Ms. Finwall until a complete Thomas Credit Report is available.

TREASURER'S REPORT (attached)

Mr. Gatz reported that the balance in the operating account as of October 31, 2002 is \$38,451.03. The balance in the reserve account is \$375,869.49. A Certificate of Deposit will mature on 12/23/02 in the amount of \$141,000.00. The Association's total funds are \$555,320.52. The complete Treasurer's Report is attached to, and forms a part of, these minutes.

The scavenger rebate should come out of account 3201 and not shown as income in the 2003 budget. Management shall follow up on the status regarding receipt of the funds. There is a shortfall because of the window/façade repairs. With the surplus from funds not spent on the 2nd floor we should be within budget at year-end.

2003 BUDGET

On motion duly made and seconded the following motion was unanimously approved:

RESOLVED, to adopt the 2003 Budget distributed to Owners on October 18, with a minor change reflecting the deletion of the Scavenger Rebate Income resulting in an income reduction.

MANAGEMENT REPORT

The Management Report is attached and shall be included as part of these Meeting Minutes.

A request from an Owner regarding the combination of units was discussed. This Owner will be contacted with the preliminary requirements necessary for such a request. The Board has no comment at this time on the legal aspects or board approval of the request.

The Janitor's Union (Local #1) contract expires November 30, 2002. ABOMA has been negotiating with them regarding an upcoming strike. Management has contacted other employment alternatives, if necessary, in case of a strike. A discussion took place regarding a plan of action in the event of a strike. More to follow when the new contract has been finalized.

Our present auditor, Schneider Cupuro, have forwarded an Engagement Letter to be approved by the Board of Directors for the upcoming Audit.

On motion duly made and seconded the following motion was unanimously approved:

RESOLVED, to hire our present auditor, Schneider Cupuro, to perform the audit for the year ending December 31, 2002 in the amount of \$4,050.

A proposal from Construction Technology Laboratories, Inc. to develop floor plan drawings for our website was presented.

On motion duly made and seconded the following motion was unanimously approved:

RESOLVED, to hire CTL to develop necessary drawings for the Association website at a cost not to exceed \$2,500.00.

The Holiday Party is scheduled for Sunday, December 15, 2002. Also, no board meeting is scheduled for the month of December.

The Laundry Room Renovation is scheduled for January 2003. The Decorating Committee submitted material for the countertops and also colors for the paint. No new flooring was suggested at this time. Management will coordinate this work with the laundry contractor and the countertop contractor.

The ongoing Window Repair Program and Critical Facade Inspection report was submitted to the Board for review. All necessary information has been filed with the City of Chicago. This item will be reviewed when the Reserve Study is updated. Management will monitor any new problems. Management will forward a notice stating what work was completed to all Units who reported water leak complaints.

Management submitted exhibits regarding the chiller system sound levels related to the noise in unit 204. It was the Board's conclusion that the association has done all we can do to reduce the levels. We have made a reasonable effort.

Recycling bins for newspapers were purchased for 5 floors as a test sample. The Board approved the purchase of larger bins for the entire building.

Management updated a list of all registered pets in the building along with the respective dog walkers. An updated Pet Registration Form was approved which would require a picture of the pet along with a Veterinarian Certificate to verify a maturity weight of thirty-five pounds or less. This form will be included in the Sales Packet for new residents. After the holidays, management will start to update this information with present residents.

The Universal machine in the Exercise Room needed some repairs again. Since this equipment is old, some parts are obsolete. A proposal for new equipment was presented but was tabled at this time.

LaThomus Property Services, LLC, will have a new billing and payment processing system as of December 1, 2002. Credit card payments will be made available for a 3% fee to the Owner. It should be noted that neither the Association nor LaThomus receives any portion of this fee. As always, Direct Debit will still be available. Again, assessment checks should be mailed in the enclosed envelopes, and may no longer be left in the building office. This information was distributed with the November assessment statements and also posted on the website.

A Maintenance Report was attached to this Management Report. The balance of this report was informational.

OLD BUSINESS

The 2003 budget was approved with the elimination of the scavenger rebate as an income item.

There was a request for maintenance to change "burned out" bulbs within the garage.

The Board, at the request of the Decorating Committee, decided to have carpet samples for the Hallway Renovation located in the lobby for viewing. A ballot will be designed for distribution to Owners for a poll to be reviewed by the Board.

On motion duly made and seconded the following motion was unanimously approved:

Resolved, to provide a presentation of hallway carpet and painting selections by the Decorating Committee for the owners to review and indicate their preferences by ballot. The board will consider the owner's preferences prior to final selection.

Mr. Gatz reviewed the Fire & Safety Study for 2500 Lakeview and has forwarded this information with his changes to management. Management is requested to review and make the necessary changes and upon completion forward it to the appropriate city officials for approval.

NEW BUSINESS

A request from an Owner for reimbursement of funds due to window leak repairs was suggested. After some discussion, the Board decided against payment due to prior building policy.

ADJOURNMENT

A motion was made and seconded to adjourn the meeting at 9:15.M. and enter into Executive Session. The Executive Session adjourned at 10:00P.M. The next Board meeting is scheduled for Tuesday, January 21, 2003 at 7:00P.M.

Respectfully submitted:

Sanford Klein, Secretary

THE NOVEMBER 20, 2002, BOARD OF DIRECTORS MEETING TREASURER'S REPORT

As of October 31, 2002, 2500 Lakeview Association had \$38,451.03 in the operating account, \$375,869.49 in a money market account and \$141,000 in a certificate of deposit. Thus, the Association had total funds of \$555,320.52.

The following comments were noted concerning the Comparative Income Statement for the period ending October 31, 2002:

Account Number (No.) 3201-0000, Total Income – Positive variance of \$7532, or .71%. This positive variance should be greater. While the Comparative Income Statement indicates that there are still unpaid special assessments of \$6253, the Aging Report only identifies one outstanding Special Assessment payment of \$1459.75. Management should resolve this discrepancy. Also, the Scavenger Rebate of \$11,850 has not been paid. Management should advise of the status of collecting the unpaid special assessment and the scavenger rebate. These two items should be resolved by the end of the year.

Account No. 7299-0000, Total Payroll Expenses – Positive variance of \$6383, or 2.25%, even with the negative variance in Doormen's Salaries and Workmen's Compensation.

Account No. 7399-0000, Total Utility Expense – Positive variance of \$68,449, or 32.57%, due to significant positive variances in both gas and electricity.

Account No. 7591-0000, Total Building Services – Positive variance of \$7613, or 12.27%, mainly due to positive variances in Scavenger, Landscaping Exterior, and Window Washing. The Scavenger positive variance is due to timing of payments. The Landscaping Exterior and Window Washing positive variances will probably be reduced by the end of the year.

Account No. 8499-0000, Total Repairs and Maintenance – Negative variance of \$40,832, or 41.22%, due to several negative variances including HVAC Repairs, Doors/Keys & Locks, Elevator Maintenance – Contract, Metal Maintenance and Refinishing, Painting and Decorating Interior, Plumbing, Swimming Pool Furniture and Repairs and Window Repairs. Some of the negative variances are incorrect because Management has not allocated the full expenditures as the Year to Date (YTD) budgets. However, based on previous Treasurer's Reports, this account will have a significant negative variance at the end of the year due, in part, to the cost of Window Repairs exceeding the budget.

Account No. 9391-0000, Total General and Administrative – Positive variance of \$649, or .18%, mainly due to Legal Fees – Regular, which reflects the fact that we have not contributed the full \$15,000 amount budgeted for the Diversey Harbor Lakeview Association (DHILA), and timing on Repayment of Loan No.

1. This category may be on budget this year if the Association does not make any additional contributions to DHLA.

Account No. 9499-0000, Total Taxes – Positive variance of \$1693, or 38.48%, due mainly to an apparent credit of Real Estate Tax Attorney's Fees. Management should explain the source of this credit.

Account No. 9591-0000, Total Reserve Contributions – Negative variance of \$5102, or 19.75%, due to a reserve fund interest income entry. Management should explain this entry. Nevertheless, this is a good negative variance because the Association put more money in the reserve fund than budgeted.

Account No. 9900-0000, Total Operating Expenses – Positive variance of \$38,853, or 3.7%, due to the positive variances discussed hereinbefore.

Account No. 9902-0000, Net Operating Income – Through October 31, 2002, the Association collected \$87,704 more than it spent (\$56,769 + \$30,935 Reserve Fund Contribution).

Account No. 9990-0000, Total Extraordinary Expense – The YTD Budget for Locker Room/ Toilet Renovation should be shown as \$5525, the YTD Budget for Garage Coping Stones should be shown as \$909, The YTD Budget for Car Wash Heating System should be shown as \$12,542, the YTD Budget for Sprinkler System should be shown as \$7000 and the YTD Budget for Building Façade Inspection /Repair should be shown as \$11,830. Several previous Treasurer's Reports have given similar guidance to Management but they have not yet made these corrections. With these corrections, the negative variance for this category would be \$44,936, or 118.86%, due to unanticipated expenditures related to the garage and "Elevator Comp;" the car wash heating system and the sprinkler system being higher in cost than budgeted; and, no budget shown for the exhaust fans. Management should explain why no budget was shown for the exhaust fans, because this work was clearly contemplated last year, and what are the expenditures for "Elevator Comp."

As stated in the Construction Technology Laboratories, Inc. (CTL) November 13, 2002, 2002 Building Exterior Work Summary, CTL estimated that the total project expenditures will be \$163,489.90. That amount would be \$73,489.90 above the \$90,000 budgeted for Window Repairs and Building Façade Inspection/Repair. That negative variance will be covered by postponing the renovation of the second floor common elements until next year in accordance with the proposed 2003 budget.

Submitted by James G. Gatz, Treasurer, 2500 Lakeview Association

