



APPROVED MINUTES

THE PIERRE CONDOMINIUM ASSOCIATION BOARD OF DIRECTORS MEETING MINUTES

I CALL TO ORDER:

The Board of Directors meeting of October 16, 2002 was called to order at 7:35 p.m. by Board President Adam Landsman. A quorum was noted. Attendance was recorded as follows: Directors: Wayne Lau, Bob Doak, Randy Mehrberg, Adam Landsman, Edward Burnes, Denise Antonucci, Bill Waterston, Barbara Sherman, Bob Zabors (8:50 p.m.). Others: Michele Hoch and Sandi Spellman, Otis Elevator Company: Brett Laureys, Wiss, Janney Elstner Associates, Inc.; Joe Bright, Wolin-Levin; Recording Secretary, Debra Russo; Aaron Jewell – Chief Engineer, Pierre.

II SECRETARY'S REPORT:

a) Minutes of September 18, 2002 Motioned by Mr. Burnes, seconded by Mr. Landsman, and unanimously carried, the following resolution was approved:
RESOLVED That the Board of Directors of the Pierre Condominium Association, hereby, approve the Board of Directors Meeting minutes of September 18, 2002.

*In Favor: Mr. Lau, Mr. Doak, Mr. Mehrberg, Mr. Landsman, Mr. Burnes, Ms. Antonucci, Mr. Waterston, Ms. Sherman.
Note: Mr. Zabors was not present for this resolution.*

III OTIS ELEVATOR COMPANY:

a) Elevator Modernization Process Update and Scheduling Ms. Hoch and Ms. Spellman, representatives from Otis Elevator Company were present to update the Board on the modernization process and review the scheduling for completion. They reported that modernization of the first elevator took longer than expected, however work on the second is proceeding ahead of schedule and Otis plans to complete work on the second Passenger Elevator by November 7, 2002 and start work on the Service Elevator Monday, November 11, 2002. Otis will work with W.J. McGuire Company and Management to schedule necessary use of the freight elevator in advance, so that the façade project can continue without any interruption and be completed on schedule.

THE SERVICE ELEVATOR IS EXPECTED TO BE OUT OF SERVICE FROM MONDAY, NOVEMBER 11, 2002 THROUGH WEDNESDAY, JANUARY 29, 2003.

Moves or deliveries that will require the Service Elevator should be scheduled for before November 11th and after January 29, 2003. Otis has agreed to make the Service Elevator available for limited periods (one hour increments prescheduled under special circumstances only), prior to December 1st. Avoid using the Service Elevator between November 11th and December 1st, because it needs to be controlled by an Otis elevator operator and Otis will assess the Association charges.

After December 1st, the Service Elevator will be considered unavailable. *Otis may be able to make the Service Elevator available after December 1st, but any requirement during this time period will only be allowed in extreme circumstances and will result in a charge to the unit owner/tenant for the cost of the operator provided by Otis.*

During the shutdown period of the Service Elevator, delivery of larger and or quantities of items will be allowed through the front Lobby Elevators that would normally be restricted to the Service Elevator, but some larger items will not fit in the front elevators. Any use of the front elevators for deliveries must be prescheduled with the building manager with at least 48 hours notice. Contact Management to discuss any needs for the Service Elevator with Joe Bright, the Building Manager, at 312-335-1950 or by email at jbright@wolin-levin.com

b) Call Button and Sensor Panels The Otis representatives discussed options and answered questions on elevator call buttons and fire sensor panels that will be installed in the lobby. Otis agreed to work with Ms. Antonucci the Board representative, to recommend to the Board an appropriate finish for the panels.

IV WISS, JANNEY, ELSTNER ASSOCIATES:

a) Façade Examination Report and Repairs Presentation Mr. Brett Laureys, Senior Architect/Engineer from Wiss, Janney, Elstner Associates was present to update the Board on the façade repairs and presented to the Board the results from the first 7 swing stage drops on the building. W.J. McGuire Company has completed repairs to 4 of the 7 drops and discovered severe corrosion of steel lintels/shelf angles, improper lintel support, deteriorated portion of the parapet wall and cracked limestone cladding.

WJE stated that a portion of the parapet wall was so severely deteriorated and unstable that it required immediate removal and replacement. Estimated additional costs for the immediate façade repairs are \$50,150 for lintel/shelf angle replacements, \$32,000 for the parapet wall replacement, and \$8,350 in additional limestone repairs for a total cost of \$90,500.

WJE presented their recommendations for future repairs to the lintels/shelf angles. The estimated costs of replacement for the remainder of steel lintels/shelf angles and installation of through-wall flashings is \$425,000. WJE stated that all of the lintels must be replaced prior to any window replacement project. WJE will provide a quote for additional field observations based on the increased scope of work and W.J. McGuire and Company will be asked to re-bid based on the total cost of all lintel replacements.

V TREASURER'S REPORT:

a) Financial Report Board Treasurer Bob Doak presented the Treasurer's Report.

(The Pierre Condominium Association Treasurer's Report Board Meeting 10/16/2002 is attached.)

Mr. Doak supplemented the statement about garage income in the attached Treasurer's Report, stating that due to Standard Parking reporting garage income on a cash basis, deposits and prepaid revenue of about \$6,000 year-to-date are included in income. On an accrual basis these amounts would not be included in income and the year-to-date income would then be a loss of about \$2,000 instead of the \$3,949 cash basis profit referred to in the Treasurer's report.

Mr. Doak agreed to check and see whether Harris Bank is willing to reduce the interest rate on our line of credit given the general decline in market interest rates since the line of credit was contracted for.

VI MANAGEMENT REPORT:

Joe Bright, the property manager gave a management report including:

a) 9D-ES Unit Renovation The renovation plans for unit 9D-ES were turned over to Eskenazi, Farrell & Fodor for review. A preliminary report by EFF was submitted to the Board for approval, indicating no plumbing changes were proposed. Motioned by Mr. Mehrberg, seconded by Ms. Sherman, and unanimously carried, the following resolution was approved:

RESOLVED That the Board of Directors of the Pierre Condominium Association, hereby, approve the renovation plans as submitted for 9D-ES provided the work does not require any plumbing changes and subject to obtaining a permit from the City of Chicago.

In Favor: Mr. Lau, Mr. Doak, Mr. Mehrberg, Mr. Landsman, Mr. Burnes, Ms. Antonucci, Mr. Waterston, Ms. Sherman, Mr. Zabors.

b) Common Area Debris The building staff was asked to notify Management if any construction debris from contractors is noticed in any of the common areas.

c) Wipe Board The wipe board has been installed in the building office so unit owners can indicate areas in the building that need repairs or cleaning.

d) Garage Ceilings Management indicated that the garage ceiling cleaning and repairs will be postponed and completed when the painters can no longer work outside due to cold weather.

e) Reserve Study Reserve Advisors, Inc. responded to the Board's inquiry indicating there would not be a reduction to complete the reserve study by excluding review of elevators and garage.

f) Elevator Alarm and Emergency Phone Management indicated that the elevator alarm devices were fixed and tested and that SBC Ameritech made the phone hookup to the doormen.

g) Laundry Machine Contract The existing laundry room machines service contract/lease was given to Mr. Burnes for evaluation. He noted that the current lease contains a 6-year automatic renewal unless cancelled in a limited time frame in 2004. Management agreed to diary the date and to give the appropriate notice. A check received for the laundry income was deposited and the auditing procedure will remain in effect for the next few months.

h) Cleaning Schedule The Chief Engineer and building staff have received instructions on all cleaning expectations from Management. The new cleaning schedule will be implemented and monitored by Management on an ongoing basis. Staff was asked to pay special attention to the aesthetic appearance of the corridors, including touch-up painting and wallpaper patching.

VII OLD BUSINESS:

a) Common Element Joint Repairs Common element hallway joint repairs and several of the AN or BN unit joint repairs were completed earlier this year in the first phase of repairs performed by Berglund Maintenance per approved specifications from Wiss, Janney, Elstner. In an effort to proceed with the common element repairs the Board decided to authorize necessary repairs to the door frames and adjacent drywall and continue with the common element joint repairs in the AN and BN units. Motioned by Mr. Landsman, seconded by Mr. Lau, and carried, the following resolution was approved: **RESOLVED** That the Board of Directors of the Pierre Condominium Association, hereby, approve reimbursement for the 2120 Construction Project damages of the common element slab joint repairs and adjoining drywall repairs for the AN and BN units, limited to the amounts contained in the Travelers damage estimate.

Management will solicit proposals for the replacement of common element hallway door frames and necessary adjoining drywall repairs.

In Favor: Mr. Lau, Mr. Doak, Mr. Landsman, Mr. Burnes, Ms. Antonucci, Mr. Waterston, Ms. Sherman.

Abstaining: Mr. Mehrberg.

Note: Mr. Zabors was not present for this resolution.

VIII OWNERS COMMENTS/QUESTIONS:

a) Façade Staging Notices Unit owners asked if Management could provide more advanced notice for any of the exterior drop staging work that is being done on the exterior of the building.

IX RECESS/CLOSED SESSION/ADJOURNMENT:

The Board recessed into a closed session at 10:35 p.m. The purpose was for review of an ongoing suit and legal action concerning the second floor rental unit. The closed session reconvened into open session at 10:55 p.m., motioned and unanimously carried, the meeting adjourned at 10:55 p.m.

Respectfully Submitted,

Wayne Lau, Secretary, The Pierre Condominium Association

Debra Russo, Recording Secretary

THE PIERRE CONDOMINIUM ASSOCIATION
TREASURER'S REPORT
BOARD MEETING 10/16/02

For the nine months ended September 30, 2002, the association has a net cash deficiency of \$32,864 before consideration of Special Assessments received and Special Project costs paid out. This cash deficiency was caused by a \$65,288.07 payment in August to the attorneys representing us in the Baker litigation. About \$62,000 of this amount was expensed in the year ended 12/31/01 audit report.

Special assessments received through 9/30 totaled \$568,539 and garage revenue totaled \$61,416 against which \$382,394 was expended for garage work, \$211,479 was expended for elevator work and \$12,023 was expended for façade work. The first invoice to the façade contractor is in process with Harris Bank and will result in the first draw down on the special project line of credit that we put in place 9 months ago.

At 9/30, The Pierre Condominium Association had the following cash/ investment balances:

Wolin-Levin	\$ 1,439.91
Harris Bank Special Projects A/C	\$ 3,637.14
Salomon Smith Barney- general reserves	\$230,989.39
Salomon Smith Barney- Baker damage insurance A/C	\$639,010.74
Midamerica Bank- Baker damage insurance A/C	\$ 95,610.15
Invest Financial- Baker damage insurance A/C	<u>\$996,487.60</u>
Total- Cash and Investments	\$1,967,174.93

My current forecast for the year ending 12/31/2002 is that operating income, in total, may be about \$15,000 below budget. The reduction of \$5,000 from the most recent forecast is primarily due to an increased forecast for pool supplies & equipment and general supplies.

The garage operation's finances had another good month in September with a reported income of \$3,636. This brought the year-to-date income from the garage to a positive \$3,949. Total revenue was \$1,241 ahead of budget, driven by monthly parking revenue. Since this is a cash basis report, cash received for future month's parking and deposits from non-resident parkers are included in current income. About \$750 of the September increase over budget is due to an increase in the amount of prepaid parking and \$1,050 is from an increase in deposits. Without these amounts, net income for the month would have still been about \$1,800. The total prepayments in year-to date income are now about \$1,900 and deposits total \$4,020. Monthly overnight parkers in September were about 109 compared to a goal of 116-120. Expenses were over budget by \$67 with Liability Insurance and Utilities combined being \$705 over budget, continuing the same trend we have seen all year. In addition Health, Welfare & Pension was over budget by \$927. This was due, in part, to some prior month costs not previously recorded.

Respectfully submitted,
Robert Doak
Pierre Treasurer