

**Minutes of Meeting
Board of Directors
Villas of South Commons Condominium Association
August 26, 2008**

A meeting of the Board of Directors of the Villas of South Commons Condominium Association, Deerfield, Illinois was called to order by the President at 7:05 p.m. at the Deerfield Library in Deerfield, Illinois.

Board Members Present

Jacob Rosenfeld, President
Stuart Cook, Vice President
Beth Levine Erickson, Secretary
Jen Vaikus, Treasurer

Also present was Robin Marcus of Chicagoland Management, Debbie Riley, Recording Secretary and the following guests:

Bill Jaggard	Unit 360	Mary Rothslag	Unit 542
Larry Nordell	Unit 471	Les & Vicki Masoner	Unit 473
Ken Leone	Unit 488		

Approval of Minutes -

There were no minutes presented to approve.

Treasurer's Report – The financial report was read.

Balance as of 7/01/08		\$ 13,629.40
Receipts through 7/21/08	24,887.58	\$ 24,887.58
Disbursements through 7/31/08		
Vendors	16,718.38	
Bank Transfer	<u>892.50</u>	
		\$ 17,610.88

Ending Balance 7/31/08		\$ 20,906.10
		=====
Villas of South Commons		
Reserve Balances – Morgan Stanley		<u>\$ 71,640.15</u>
Total Reserves		<u>\$ 71,640.15</u>
		=====
Total Cash and Equivalent		\$ 92,546.25
		=====

Management Report – Attached is a copy of all monies spent up to date to repair water leaks throughout the property. Management has asked Redmond Construction to email any outstanding bills.

On two different days Management met at the property with representatives from KGH, Klein & Hoffman and Gary from Redmond Construction to walk the property and discuss the water infiltration. Enclosed is a letter from KGH stating, based on Jim Erickson's visual inspection, the repairs appear to be reasonable methods to address the current leak situations. He further states that he cannot determine the cause of the leaks as KGH had no part with any previous inspections or water testing while the work was being performed. Klein and Hoffman said to inspect the property would take 4 days and their billing rate is included in their proposal.

Robin then reviewed both proposal letters and went over the billing rates Klein and Hoffman provided.

Grounds Maintenance -- Pond: Management met with a representative from Aquatic Weed to discuss the contract and the algae problem. All three neighboring Associations approved the maintenance agreement which runs for a two year period. Aquatic weed is coming out on a weekly basis in order to help control the growth of algae.

Management is also receiving weekly status reports from Aquatic Weed. The representative recommended adding chemicals which darken the water color so that algae become less visible. At the same time the Manager from the Condos asked the engineer to rake out as much algae as possibly can. Board discussion requested.

Enclosed was a quote from Rocco Fiore & Sons for the replacement of a tree in front of 515 South Commons. Management will contact the unit owner explaining that they can contact Rocco Fiore and contract with them to have the tree installed.

At a recent inspection of the property the following are Robin's findings:

The curbs are chipping by 481

The shutters are fading and will need painting

Light is on by 468 (day time)

Recycling bins left out either 511 or 513 (not sure who they belong to)

Children's Hot Wheels toys in mulch by garage of 511

Large "W" banner in window above garage of unit 521.

Violation notices will go out to those owners for rule infractions. All others will receive a courtesy call asking them to clean or remove other items from the common element.

Budget: The 2008 budget is enclosed. Management would like to begin some discussion to ascertain what the Board is looking forward to.

Management Contract: Per Milena the revised Management Contract was mailed to all Board Members. Board action is requested.

President's Report and Budget Discussion – Mr. Rosenfeld informed the audience that the Board and their attorney met with E.R. James to address relief to the Association for the numerous repairs due to leakage, etc. Prior to the meeting the Association's attorneys commended the Board on their organization and historic data that as collected concerning past repair issues. The attorneys feel that the Board is well ahead of the ball game.

Mr. Rosenfeld stated that last year the association repaired leakage emergencies and depleted reserve balances by around \$50,000.00. This year emergency repairs total close to \$40,000.00 with a possible \$20,000.00 more that could occur.

The reserve balance will need to be rebuilt either by significantly raising assessments or having a special assessment. Because of the depleted reserve, landscaping repairs for drainage mulch which totaled approximately \$9,000 and general property clean up came to approximately \$20,000. The Association was not able to afford the mulching unless it was over a 2-year period. Rocco Fiore represented tremendous good will in this effort as they felt the mulching was necessary and performed the entire repair this year and allowed the Association to make payment over a 2-year period. This was extremely generous on Rocco Fiore's part.

Without these extraneous leakage repairs the reserve balance would be somewhere in the \$160,000 range.

After numerous attempts to get E.R. James to respond to a meeting with the Board the attorney sent a letter to them stating that if they did not hear from E.R. James within 14 days the Association would proceed with litigation. E.R. James responded and a meeting took place.

High level management at E.R. James was not aware of the extensive repairs to the property and after coming into the meeting semi-adversarial, became almost apologetic and admitted that they were very

uncomfortable and had never sat in a meeting where the repair issues had been so extensive. The other properties in the complex, i.e. Rowhomes and Commons do not have any of these issues. At the end of the meeting, E.R. James left convinced that the Board definitely has a case against them. The Board's attorney made it clear to E.R. James that he would defend the Association if litigation did occur.

The Board would ultimately like to recoup, reimbursement for past repairs and insurance against future repairs to the property. If this is accomplished then other projects can be commenced such as tuck pointing and landscaping, sidewalk repair, etc.

A member of the audience then addressed the pond issue and the safety of adding chemicals to the water to fish and wildlife, drainage into the sewer system, etc. Robin to check into further.

Mr. Rosenfeld addressed renewing the management contract. He expressed that the Board has not had sufficient time to review the contract. The contract goes from July 1st to June 30th of the following year, but the Board was just provided a restructured contract per their request and is not ready to renew until it has more time to review it. Mr. Cook asked for more time in the future to review contracts.

Mr. Rosenfeld then asked for comments or questions from the Board and audience. Mr. Cook thanked Harvey Rosenfeld for his extensive organizational help preparing for the meeting with E.R. James. Mr. Rosenfeld was able to obtain the pipe that was clogged with concrete at the time of construction. That pipe is being held in Mr. Rosenfeld's garage and will represent a significant visual display of lack of communication between E.R. James and it's workers if the case were to go to litigation.

Next Meeting of Board – The next meetings of the Board of Directors will be on October 28, 2008 and December 16, 2008 at 7 p.m.

Adjournment – Mr. Rosenfeld moved to adjourn the meeting at 7:45 p.m.

Respectfully submitted,
Deborah Riley, Recording Secretary--