

BOARD OF DIRECTORS MEETING

ONE EAST SCOTT CONDOMINIUM ASSOCIATION

SEPTEMBER 13, 2006

The Board of Directors of the One East Scott Condominium Association, an Illinois not-for-profit corporation (the "Association"), was called to order at 6:10 p.m., September 13, 2006 at One East Scott Street, Chicago, Illinois.

Directors Kay Dembski, Jay Hinshaw, Michael Schwanderlik and Nicki Weeden were present. Also present was Teresa Lee, Property Manager and Phil Carter, account supervisor representing Community Specialists. Jay Hinshaw acted as Chair of the meeting and Teresa Lee kept the minutes. Director John Seastone was absent.

The first order of business was the approval of the minutes from the Board of Directors meeting held on July 25, 2006. On a motion duly made (Nicki Weeden) and seconded (Kay Dembski) the minutes of the July 25, 2006 Board Meeting were unanimously adopted.

The next order of business was the adoption of the 2006/2007 Proposed Operating that was distributed to the unit owners for their 30-day review and comments. The Budget calls for a 15% increase in assessments. Jay Hinshaw explained to the owners that half of the anticipated increase in assessments will be used to cover anticipated increased operating expenses, primarily electricity, gas and to a lesser extent, payroll and benefits. The other half of the additional increase will go to build the reserves. Discussion followed. After discussion, Jay Hinshaw asked for a motion to approve the proposed budget. On a motion duly made (Nicki Weeden) and seconded (Kay Dembski) the following resolution was adopted:

RESOLVED: The Board of Directors ratified the 2006/2007 Operating Budget with a 15% increase in assessments as submitted to the unit owners for their 30-day review.

The next order of business was the Financial Report for the period ending August 31, 2006 presented by Phil Carter:

CASH & Investment Balances as of August 31, 2006 were as follows:

Lakeside Bank Operating Cash \$44,200

Lakeside Bank Money Market 154,920

Park National Bank Money Market 21,251

Certificates of Deposit 999,760

Total \$1,220,131

Total year to date Building Operations is favorable in the amount of \$70,614.00 reflected as "Net Operating Income/Loss" on the Budget Comparison Report. The Net Income after reserve interest income, reserve funding and expenditures is \$163,289.00 for the month.

Total revenue for the month is \$190.00 favorable to budget. Total operating expense for the month is \$693.00 over budget and \$98,878.00 under budget year to date.

The Replacement Reserve Funds as of August 31, 2006 were:

Façade Repairs Reserve \$191,663

Window Replacement Reserve 114,587

Capital Replacement Reserve 676,164

\$961,627

Next order of business was the Building Insurance Renewal. Jay Hinshaw discussed the Insurance Comparison Spreadsheet and Renewal Program from Mesirow Financial. The current Insurance program will expire on September 29, 2006. After discussion Jay Hinshaw asked for a motion to approve the renewal policy. On a motion duly made (Michael Schwanderlik) and seconded (Kay Dembski) the following motion was unanimously adopted:

RESOLVED: That the Board of Directors ratifies the renewal of the building's insurance policy with Mesirow Financial based on their proposal.

The next order of business was the Garage Concrete/Membrane Repairs. Jay Hinshaw explained that Postle Yore and Associates, another engineering company had reviewed the Parking Garage Evaluation report submitted by Kellermeyer Godfryt Hart. The purpose of the review was to provide the Board with a second opinion regarding the need for repairs, and to provide a preliminary architect's estimate of probable construction costs for the repairs. Postle Yore's report came in lower. Postle Yore did not undertake an independent examination of the garage. After discussion, Jay Hinshaw said that he is discussing the next step with Kellermeyer Godfryt Hart and work in the garage should begin in the Spring of 2007.

Jay Hinshaw then opened the meeting to discussion with unit owners.

The next meeting of the Board will be the Twenty-ninth Annual Meeting of the Unit Owners and is scheduled for November 16, 2006 at 6:00 PM.

There being no further business to come before the Board, on a motion duly made (Nicki Weeden) and seconded (Kay Dembski) the meeting was adjourned.

Secretary of the Meeting