

SAN FRANCISCO SUITES CITY SHARE ASSOCIATION

BOARD OF DIRECTORS QUARTERLY MEETING MINUTES

June 5, 2011

Executive Session

The Executive session was called to order at 10:00 AM by President Tom Weber. All Board members were present: Tom Weber, Jim White, Bernie Mikell, Chuck Meibeyer, and Larry Schwartz. Manager Henry Potter was also in attendance.

[These brief notes record policy discussions and action taken (if any) for the record without revealing details or sensitive information.]

- Evacuation Plan has been completed and will be posted in each suite and in hallways.
- Discussion of an owner issue with the City regarding sale of his unit (allegedly without notification) for delinquency in payment of taxes while continuing to pay his assessments and using his time. This is an issue between the owner and the City since the SFS Association is not involved in billing or paying owner's taxes. We will review city records to ascertain ownership of the unit.
- We will contact our title company to update our record of ownership for all units.
- Exchange company agreements – we will review and modify agreements as they come up for renewal to incorporate modifications with provisions to serve our best interests.

General Meeting

Pre-meeting Owners' forum: compliments to the Decorating Committee and Henry for their hard work and effective execution of the redecorating projects.

The quarterly meeting was called to order by President Tom Weber at 11:08 AM. All five Board members and manager Henry Potter were present. Owners present: Victoria Horton, Ede Schmidt, Medsie Bolin, Ramona Martinez, Mary Lou Austin, and Cynthia White.

After introductions, the minutes for the March 13 Annual Meeting were approved.

Treasurer's Report:

Operations to date – slightly ahead of budget, but expenses include ~\$45k of capital improvements to be reimbursed from the reserve account. This will make the balance even more positive.

Reserve Funds – Total of \$938k of projected liabilities; \$531k in funds. This is considered to be a healthy level of funding in the community ownership industry.

General Manager's Report:

Property Management System – The new system, Filemaker 11, will provide improved checks and balances, interface with QuickBooks, automatically generate confirmation letters, etc. The reservations portion of the system will be installed and staff trained by the end of June. The interface with QuickBooks is expected to be in place in three to four months.

Delinquent Accounts – There are currently 14 units delinquent in assessment payment and have been referred for foreclosure. Three are in bankruptcy and cannot be foreclosed at this time. For the others foreclosure should be complete by next spring.

SFS Association-Owned Units – three (possibly four) of the units have been sold by the City for tax delinquency. (These now become dues-paying units.) Four other units (Parlors) are available to sell or adopt. The Board unanimously voted to offer these units for sale to our owners for a minimum bid of \$1500 (with back taxes to be paid by the SFS Association.) If not sold by August 31, the units will be put up for adoption.

Building Improvement Projects:

Manager's Office/Employee Locker Room – An architect was consulted to design these areas. After review of the plan, a bid of \$38,775 was submitted by our contractor. The Board voted unanimously to approve the project not to exceed the bid. (The projects had been previously approved at ~\$26k.)

Building Exterior – The building exterior will need to be painted in the near future. Current estimates are that this will cost \$60k to \$80k. In anticipation of this major project the Board unanimously approved up to 30 hours of architect consultation (~\$4500) to provide options and alternatives in design and colors to update the façade consistent with its history.

Security System – Henry has obtained two bids for systems with exterior and interior cameras and door interlocks. He is considering these or some combination. The Board deferred decision to a future meeting.

Awnings and Brass Poles – Replacement will be deferred until exterior painting is completed.

Elevator – Repair of recent problem has been completed; however, conversion to AC from DC appears to be necessary for improved reliability. Henry is seeking expert advice on conversion.

Decorating Committee Report:

Common area flooring – The committee has concluded that the Board Room, reception area, and piano area should have the carpeting replaced with parquet flooring with area rugs for ease of maintenance and aesthetics. Estimates for

prefinished engineered flooring are \$16 - \$18k for these areas. No action by Board.

Seating – The committee’s recommendation for common areas: replace couches in reception area with four upholstered chairs with two matching chairs at entry to piano area; recover the short chairs; replace the 20 Board Room chairs with new rather than recovering; and recover the settees in the piano area. The committee also recommends recovering 12 straight chairs and 16 dining chairs in the suites. Total cost: \$14k. The Board unanimously approved this expenditure.

Stair and Hall Carpeting – The committee will obtain bids.

Comments from Owners:

Discussion of present reservation system for reserving specific suites.

Meeting Adjourned at 2:25 PM.

Larry Schwartz, Secretary