

SAN FRANCISCO SUITES CITY SHARE ASSOCIATION

BOARD OF DIRECTORS QUARTERLY MEETING MINUTES

August 28, 2011

Executive Session

The Executive session was called to order at 9:00 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.]

- Discussion of action to be taken re. Former owner whose unit was foreclosed by the city allegedly without notice to him. The Board instructed President Weber on response to the claimant's attorney.
- Discussion of a moratorium on major construction/refurbishment projects pending review of our reserve situation and to give Henry a break from nearly constant disruption. Board members Schwartz and Meibeyer volunteered to participate in a detailed reserve review with a new professional firm (as yet to be determined).

General Meeting

Pre-meeting Owners' forum: Compliments on the recent review of our building's history (see below).

The open meeting was called to order at 10:10 AM by President Tom Weber. All Board members were present as well as General Manager Henry Potter. Other owners present: Ede Schmidt, Cynthia White, and Larry Goldman.

After introductions, the minutes for the June 5 meeting were approved.

Treasurer's report:

Operations – first half operations are on target. Several expenditures charged to operations have yet to be transferred to reserve accounts. These will roughly compensate for owner delinquent accounts not indicated in our accrual accounting system balance.

Reserves – reserves are generally in line with guideline requirements. Several large projects have been undertaken in the past year (redecorating suites, new windows, manager's office, etc.) and several are yet to be charged to the reserve

account. We will be undertaking a comprehensive review of our reserves with a new professional firm (as yet to be selected) in the near future.

2012 Draft Budget – A very preliminary draft budget has been prepared assuming a \$5 increase in assessment for operations and no change in reserve contributions.

General Manager's Report

Remodeling of office, storage and employee areas – proceeding on schedule – looks great.

Property Management System – Larry Goodman, who wrote the current File Maker 6 system, is modifying it to improve security and provide more information to owners – designated File Maker 11. This should be in place by October 1. Subsequently it will be linked to Quick Books and provide website information to owners on reservation availability and their individual reservation status.

Delinquent Accounts/Foreclosures – Seven of the delinquent units are in Phase 2 of the foreclosure process. These should be completed by February. Three unit's owners were in bankruptcy. The bankruptcies have been discharged and we will now proceed with our claims.

Disposition of Units – the four SFS-owned units available for sale or adoption (noted in the June 5 BOD meeting) have as yet had no action taken. The Board voted to offer these for purchase with a minimum bid of \$1500 – back taxes and any required bonds to be paid by the SFS association. Bidding to close by September 30.

New Business

Exterior Renovation

Architect Kevin Hackett was retained to review our building's exterior and consider possible future options for renovation. He presented his findings to the Board. He reviewed the history of the building. It was built in 1910 by a respected architect. He described the original design as having "Italianate roots with Edwardian sensibilities". A 1930's photo shows no turret structure at the corner or gazebo. There was at least one remodel in the 1950's prior to the 1980's conversion as it appears today. The current facade he described as "vintage '80's retro style". Redwood siding underlies the asbestos shingles applied in one of the remodels.

Kevin described several of his design ideas to accentuate and enhance some of the original design features of the structure.

Kevin will provide an estimate to carry design modifications through to City approval.

The Board voted unanimously to retain an engineer to review the structure's earthquake safety and adherence to current earthquake safety codes – costs not to exceed \$2000.

Old Business

Building Improvement Projects – Security system – proceeding with proposals and bids. Henry will get costs and recommendations to the Board for a decision to proceed.

Decorating Committee Report – Cynthia White reported selection of carpet for the reception area and hardwood flooring for the remainder of the common first floor area. Total cost \$12000. The Board voted (four aye, one abstain) to proceed with the carpet only at a cost not to exceed \$5400. This will include the reception area carpet and a bound area rug of the same carpet for the piano area.

Owners' Forum

It was noted that we need to have an inventory and videos of the content of each suite as a reference in case of damage or missing items.

Meeting adjourned at 1:54 PM.

Larry Schwartz, Secretary