

San Francisco Suites
Annual Meeting
March 12, 2007

Board Members present: Jeff Reichel, Larry Schwartz, Pat D'Angelo, Patti Hoar and Ben Hart. Also present were: Tony Holder, General Manager; Linnea Juarez, Inspector of Elections.

Secretary Ben Hart called the meeting to order at 10:00 a.m. He asked everyone there to introduce themselves and welcomed the owners who were present.

Verification of Quorum and Tabulation of Ballots for Election of Board Members

Linnea Juarez, Home Owner's Association consultant to SF Suites, was appointed by the Board as one of the inspector of elections. She stated that it is a requirement to open the ballots related to the election of the Board of Directors during a Board meeting, when owners have an opportunity to observe the counting and vote tabulation. She said that the Board meeting could proceed but could not be officially adjourned until the vote counting was finished. A majority of board members must remain until the count was finished and the meeting adjourned.

In addition the Board had also elected two owners as inspectors of election. These individuals were: Greg Ohannason and Ed Kennedy. Linnea, Greg and Ed then proceeded to open and tabulate the ballots. Inspector of elections, Linnea announced that she had established there was a quorum. No nominations allowed from the floor because the deadline for nominations had passed.

Secretary Ben Hart then turned the meeting over to Board President Jeff Reichel who conducted the business meeting.

Approval of the Minutes of the January 7, 2007

A motion to approve the minutes of the last year was seconded and passed unanimously.

The meeting minutes are available on our website as well as at the Suites.

Financial Report

Treasurer Pat D'Angelo handed out and reviewed two summary sheets for financial statements for 2006. He said that all accounts are reconciled with the Balance Sheet. Income billing reflects all 816 units, eleven of which are currently foreclosed for long term delinquency and not generating yearly assessments. Additionally the City holds tax liens on these shares. In the future the city tax dept. will offer these shares as part of a tax sale (City Hall steps auction). At completion of the auction all Deeds will than be clear of past encumbrances.

With regard to financial assets, owner Don Thomas commented that our list of assets do not reflect the value of the land and building. President Reichel mentioned that while we would not want the value of the building and land to obscure other, more relevant working figures, the total assets should be shown.

President Reichel said that there is a list of projects we want to accomplish and we need owner input on choices so that financial decisions can be made in the near future.

Manager's Report

General Manager Tony Holder reported that Interval International renewed their Five Star status for the SF Suites.

In return our owners are offered choices at other Five Star properties if exchanging with Interval International.

Samples of the new beds will be installed in the near future. King size beds are scheduled to go into Suites 25, 35 and 45.

There is still pooling of water on the roof during big storms. The contractor will come back to fix this at no additional charge. The entire roof will be painted the same color once it has been dry for several weeks. There is a separate contract for the Gazebo work.

The majority of the outside brass has been refinished. The ivy has been trimmed back and the posts on the Powell sidewalks have been painted. The manager is getting another bid for the trim repair but it may be done in-house.

Planning with regard to the upgrade of toilets to a new low-flow, quiet and efficient model (Toto) is proceeding, and a plumber has just looked over all units to be able to prepare a bid for installation. Plans are for a demonstration toilet to be placed in the reception bathroom, before proceeding with the installation process.

There was discussion about the rust stains on the reception bathroom floor and how to remove these and prevent future stains. The floor may have to be replaced when the new toilet is installed. The manager was authorized to go ahead with a cost estimate.

New microwaves have been installed in many units with an attractive stained wood panel trim where needed.

There have been questions about the amount of insurance coverage on the building; currently at \$4 million. Our insurance agent suggested an increase of \$1 million in coverage for an additional \$1,400 per year in the insurance rate. There was a question about coverage on the antiques. President Reichel said we will attempt to get a full report about our insurance coverage for the next meeting, including deductibles and coverage on antique and artwork.

The manager reported that \$10,000 was spent in 2006 on repairs and replacements from the operating account, of which \$4000 was spent for sheets, towels and bathroom supplies.

Demonstration of Windows for Replacement

A representative from the Anlin Company described the double hung windows with vinyl frames that would be an appropriate replacement and upgrade. The double hung feature allows for interior cleaning and installation. They are hollow core vinyl frame windows. Sound is reduced more than with other double pane windows. The outside surface can be color coated with a special paint that would have a ten-year warranty. There is a lifetime warranty on the frame, parts, seal, glass, etc. The warranty is processed by Anlin but goes through Custom Exteriors. The average rate of replacement would be two suites a day. There is an example of their work on a recently completed job at 3400 Broadway. One design feature are the mullions in the lower sash with an option to change the design to angular mullions which would coordinate with other window features of the units and make the new windows look less “added on.” This would add a cost of about \$200 per window.

Because there may be difficulty with the City regarding a permit (might not allow vinyl windows due to the vintage of the building), the contractor would try to get the permit prior to ordering materials. With regard to the greenhouse windows a special glass would be used to obscure the building next door.

End of Business Meeting

The business portion of meeting was recessed at 12:05 pm, and resumed for

announcement of the vote for board members. Reelected were Jeff Reichel, Pat D'Angelo, and Patti Hoar.

The next board meetings were set for:

June 25, 2007 at 11:00 am

October 22, 2007 at 11:00 am

January 21, 2008 at 11:00 am

March 9, 2008 at 11:00 am (Annual Meeting)

The meeting was adjourned at 1:30 pm

Respectfully submitted,

Benjamin L. Hart, Secretary