

**MINUTES
SAN FRANCISCO SUITES
CITY SHARE ASSOCIATION**

BOARD OF DIRECTORS QUARTERLY MEETING

January 11, 2009

The meeting was called to order at 11:05AM by President D'Angelo. All Board members were present: Pat D'Angelo, Jim White, Patti Hoar, Jeff Reichel, and Larry Schwartz. Manager Henry Potter and Bookkeeper Hayden Sims were present. The following owners were in attendance: Cynthia White, Vynn Burg, Ted and Peggy Wellings, Cindy Hayes, and Catherine Reuf-Bernard

Approval of Minutes – minutes from the November 2, 2008, meeting had been approved by email.

Financial Reports

2008 Closing - the 2008 end-of-year reconciliation has yet to be completed; however, no surprises are expected. The reconciliation problems are being worked by Henry and Hayden with our accountant to comply with accounting rules required by new laws. This will be resolved in the near future.

Reserve Account – the Association's reserve account balance was \$316,884 at the end of 2008 including four of the five year assessment for elevator replacement. This is approximately 44% of reserve liability.

Old Business

2009 Budget – expenses will be up significantly for 2009; however, due to management initiatives by our Manager owners' annual assessment increase has been held to ~2%.

2009 Election Procedures – three Board of Directors seats will be up for election at our March, 2009, annual meeting. Two of the incumbents, Patti Hoar and Pat D'Angelo, have served with distinction for the past 5+ years, and have chosen not to run for a third full term. Treasurer (and past President) Jeff Reichel will run for another term. Manager Henry Potter was instructed to send out a request for nominations as soon as possible with nomination closure on February 13; and to send out ballots by February 17. Filled out ballots must be received at SFS by close of business on March 14.

The March 15 Annual Meeting will be formally called to order at 9:00 AM so that ballot tally can begin. The meeting itself will begin at 11:00 AM.

Electronic mailing to those owners who have authorized email notification will be used for this and all future communications where appropriate.

Maintenance and Repair status

Remodeling of the three -04 suites is proceeding. Patti and Henry will obtain specific cost estimates for new furnishings and provide them to the BOD.

Remodeling of the Board Room kitchen is nearly completed.

Window replacement will begin at the end of January. All Suite windows will be fully replaced (except for -04 suites). First floor common area windows will be done later – possible reglazing only. Total cost for the present work is \$86K.

New Business

Exterior/interior painting – Quotes will be obtained.

Breakfast menu – Henry authorized to change items offered to improve quality.

Afternoon wine serving – occasional problems with over-imbibing and taking bottles to room. Henry was authorized to reduce serving from 2 hours to an hour and a half (5:00 to 6:30 PM) and post a sign requesting that bottles not be taken to rooms and glasses be returned.

Interval International exchanges – an owner complained that II's brochure doesn't do SFS justice and that they have received poor accommodations in exchange. This will be communicated to II. Discussion indicated that other exchange companies may provide better exchange accommodations.

Comments – SFS website now has a link to a City calendar of events with ticket purchase possible. sfsuitescsa.com

Adjourned at 1:20PM

Larry Schwartz, Secretary

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**MINUTES
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CITY SHARE ASSOCIATION**

ANNUAL MEETING

March 15, 2009

The meeting was called to order at 9:00AM by President D'Angelo. A quorum of ballots was established. Election Inspectors Mason Brown, Blake Morris and Betty McCoy assisted by Manager Henry Potter and staff commenced ballot validation and vote tally for the election to three Board seats.

The annual business meeting was called to order at 11:05 AM by Secretary Schwartz. All Board members were present: Pat D'Angelo, Jim White, Patti Hoar, Jeff Reichel, and Larry Schwartz. Manager Henry Potter and Bookkeeper Hayden Sims were present. The following owners were in attendance: Ken Werth, Cynthia White, John and Maxine Freeman, Ede Schmidt, Tom Weber, James Walker, Miriam Freedman, Ginny D'Angelo, Betty McCoy, and Masm Benni (???)

Minutes of Board meetings for the past year were approved.

Financial Reports:

Reserve Account – We are working to reconcile our record keeping with our auditor's requirements. A number of capital items that should have been listed on our reserve liability never had been listed (such as window replacement) and shown as liabilities. We are working to make the liability list more realistic. Also, in the future our Reserve Bank Account will be maintained separately from our operating account.

The Reserve Account balance was \$348,933 at the end to 2008.

The Board voted unanimously to transfer \$104,492 from the reserve account to operating to cover expenditures for reserve items (including window replacement) paid from operating funds.

Operating – Year-end results for 2008 should be completed in about a month – approximately \$10K positive balance is expected. Current year operations at the end of January are positive.

Foreclosures – two last year; will be auctioned by Stewart Title in May. This year to date there are ~40 delinquent accounts. Notifications have been sent and late fees assessed.

Other Business:

Window replacement for all but ground floor nearly completed; trim painting is yet to be completed at a cost of ~\$10K. Ground floor windows will be considered later.

Parlor units 24, 34, and 44 – Murphy beds have been moved ~one ft. closer to the wall; some furniture purchased; remainder of work temporarily on hold.

Adoptions – Time for the 11 units owned by SFS will be available for adoption by owners again this year for the adoption year beginning April 1, 2009. Henry will get details to owners.

Election Results – The Election team, having completed vote counts reported the results. Three Board seats were open and seven candidates ran. Those elected:

Jeff Reichel – incumbent

Mary Lou Dion

Thomas Weber

The many contributions of out-going Board members Patti Hoar and Pat D'Angelo were recognized. Both were instrumental in carrying through the recall of the old board in 2003 and have served with distinction on the Board since. We will miss them.

The meeting adjourned at 12:55 PM.

The new Board (Mary Lou Dion was absent) met in executive session to elect officers for the coming year. New Officers are:

Jim White – President

Tom Weber – Vice President

Jeff Reichel – Treasurer

Mary Lou Dion – Secretary

Larry Schwartz, Secretary

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MINUTES

SAN FRANCISCO SUITES

CITY SHARE ASSOCIATION

Meeting

Sunday, July 19, 2009

The meeting was called to order at 10:45 AM by President, Jim White. All Board members were present: Jim White, Tom Weber, Jeff Reichel, Mary Lou Dion and Larry Schwartz. Manager, Henry Potter and Bookkeeper Hayden Sims were also present. The following owners were in attendance: Cesar Carneri, Jan Moore, Leigh M. Moore, Jan Carneri, Patti Hoar, Cynthia White, Fred Levine, and Ede Schmidt. Also in attendance was a representative from RCI, Kathryn McEntire.

Introductions of new Board were made and all in attendance also introduced themselves.

Financial Reports:

(Please see attached Summary**)

A motion was made by Jeff Reichel and Tom Weber to make Patti Hoar the Decorating Committee Head. Motion was seconded by Larry Schwartz. The decorating committee will become a regular item on future agendas. Patti will work on forming a committee of not more than 5 members which will include someone from Parlor as well as Master Suite ownership. The Board will establish a scope of responsibilities.

Regarding the new windows, there have been issues raised with the ability to fully open the windows. The screens also "pop out" fairly easily. For issues of safety, Henry is going to look into the cost of acquiring brass stops that can be adjusted by an adult, should the windows need to be raised higher than 5 inches (the height that was established by the Board for safety reasons). There are presently plastic stops in place.

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With regard to the 2009 assessment delinquencies, there are 22 delinquent shares facing foreclosure, plus 3 more that are on a payment schedule. The process is in motion according to the rules and regulations of the Suites.

A question was addressed regarding reservations. Henry advised that confirmation letters were always sent to share holders. It is the responsibility of the share holder to look at the confirmation letter and follow through should there be human error made on a confirmation. All previous rules and regulations are followed regarding use of time. There can only be one weekend on the books at any time. Reservations can be made no sooner than 270 days prior to use.

In addition to the Board Meetings that were previously scheduled on March 15, July 19, and November 1, an additional meeting was added on October 4 (this meeting will deal exclusively with the budget) to better prepare for the Budget Meeting on November 1. In the future, there will be an "open forum" in the first 30 minutes of every meeting. During this time, membership is allowed to make comments. The general session will begin after the first 30 minutes, during which time the Board will conduct business without comment from membership. There will be a few minutes after the general session wherein membership can again ask questions or make comment.

RCI Representative, Kathryn McEntire was in attendance and addressed membership. Discussion ensued. There was a proposal made by RCI to offer a rental program to augment operating income. It was decided that we would look at the information provided and make a decision at a future date.

As we are a self managed business, Vice President, Tom Weber, believes that all Board members need to be informed as to what is going on at San Francisco Suites at all times. Henry advised that he and Hayden will provide a monthly synopsis/update on a more consistent basis.

Regarding the identification of planned improvements for the remainder of the year, Henry will provide to the Board, the cost of remodeling of 3 remaining Suites. In conjunction with the 4 Suites that have been (or will be) remodeled, Henry is working on the remodel of the office. At a future Board meeting, we will discuss the value and sale of SFS antiques.

On an "ongoing basis" we will establish a Forward Planning Committee which will determine the long-range goals for the future at SF Suites and will begin a review of the Bylaws.

The meeting was adjourned at approximately 2:05PM.

Respectfully submitted,

Mary Lou Dion, Secretary

Summary

Revenue

Bonus Time income up \$3600
 Late Fees income up \$7560
 F&B- down \$850 (we've changed the breakfast menu to a la cart eliminating excess cost/ food waste) should show increase of revenue thru yr

Total 4000 Revenue	\$	\$
	396,620.76	385,990.00

Administration

no consulting, legal, extra management support used this yr-10k saved

Total 5000 Administration	\$	\$
	34,213.03	44,349.00

Payroll

We're 33k under budget for payroll

Total 5800 Payroll Expense	\$	\$
	238,683.17	263,724.00

Maintenance

All major repair expense to reserves

Total 6000 Repairs & Maintenance	\$	\$
	9,975.51	19,132.00

Supplies

supplies for upkeep of suites

Total 7000 Supplies & Services	\$	\$
	19,897.13	21,918.00

Utilities

We're on track ...garbage bill will be reduced for additional savings approx 2k per yr

Total 8000 Utilities	\$	\$
	27,625.21	30,981.00

Total

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MINUTES

SAN FRANCISCO SUITES

CITY SHARE ASSOCIATION

Meeting

Sunday, October 4, 2009, 2009

The meeting was called to order at 10:15 AM by President, Jim White. All Board members were present: Jim White, Tom Weber, Jeff Reichel, Mary Lou Dion and Larry Schwartz. Manager, Henry Potter and Bookkeeper Hayden Sims were also present. The following owners were in attendance: Steven and Marilyn Firestone as well as Ede Schmidt.

Minutes from the July 19 meeting were read and approved.

The implementation of the process for an "open forum" in the first 30 minutes of every meeting was put in to force. During this time, Mr. and Mrs. Firestone expressed the desire for the Board to accept Diamond Resorts International as an exchange program. Board member, Tom Weber asked the Firestone's what San Francisco Suites would have to do in order to affiliate with Diamond Resorts. Would it cost other Suites owners to belong? The matter will be agendized for the November 1 meeting and further discussion will ensue at that time.

Status on foreclosures and delinquencies were discussed. There are currently 13 shares in foreclosure, down from the 22 reported at our July meeting. The shares will go to auction in December, 2009. There are 4 shares currently on a payment schedule. Henry will report at the November meeting on status of the schedule for payment. Henry was commended for aggressively pursuing delinquencies.

Tom Weber expressed the desire for Board members to be reimbursed for direct costs of travel to Board meetings. There would be a \$250.00 cap. This matter will also be agendized for further discussion at the November meeting.

There was lengthy discussion on the annual budget and balance sheet provided by Hayden (copies attached). Tom Weber requested that Henry provide a breakdown of proposed salary increases for employees (already reflected in budget). Henry Potter, Hayden Sims and Jeff Reichel will remove the items that are clearly reserve or capital projects prior to finalization of the budget next month and will list them separately.

The Board approved Henry's choice of contractor for the 3 rear parlor suites and the office and employees' room.

By-Laws will be discussed at the November meeting, which will primarily focus on the budget for 2010. In addition to By-laws, the Board will go over the Reserve Study to pick out any obvious (to us) questions.

The meeting adjourned at approximately 2:10 p.m.

The next meeting will take place on Sunday, November 1, 2009.

Respectfully submitted,

Mary Lou Dion, Secretary

MINUTES

SAN FRANCISCO SUITES

CITY SHARE ASSOCIATION

Meeting

Sunday, November 1, 2009

The implementation of the process for an "open forum" in the first 20 minutes of every meeting was put in to force. Ramona Martinez expressed a desire, as a member of the decorating committee, for chandeliers to be installed in parlor suites that do not have one at this time (three parlors now in process of remodel). Mary Lou Austin also agreed. Decorating Committee chair, Patti Hoar, will check on cost. The Firestones are requesting some action re: Diamond timeshare. Henry will be working with our attorney to get the answers. Cynthia White commented about voting on things that were not mentioned in the budget information or anywhere on the agenda. Mary Lou Austin was concerned that it would be a burden for people bringing their grandchildren, if there was a surcharge for extra people in a suite.

The meeting was called to order at 10:07 AM by President, Jim White. The following Board members were present: Jim White, Tom Weber, Mary Lou Dion and Larry Schwartz. Board member Jeff Reichel was unable to attend. Manager, Henry Potter and Bookkeeper Hayden Sims were also present. A quorum was established. The following owners were in attendance: Steven and Marilyn Firestone, Ede Schmidt, Cynthia White, Ramona Martinez, Mary Lou Austin, Patti Hoar, and Bernard Mikell.

Minutes from the October 4, Board meeting were read and approved without amendments (*), which are addressed as follows:

- Amendment #1: Several Board Members expressed the desire for Board members to be reimbursed for direct costs of travel to Board meetings (cap of \$250.00). **It is Tom Weber's feeling that reimbursement would encourage out-of-state owners to run for the Board.*
- Amendment #2: **The costs of remodeling reflect only the Parlor Unit and not the costs for the Office and Employee Storage area*

which should be done at the same time by the same contractor. Therefore, the total for the Wine Cellar/Storage area is \$787.50 and the total for the storage under the stairs is approximately \$4,643.75 were not reflected in Minutes of 10/4/09 (copy of estimate provided).

With regard to Amendment #1, Tom Weber moved and Larry Schwartz seconded that there would be reimbursement to Board members for cost of travel to Board meetings (not to exceed \$250.00) in order to encourage out-of-state owners to run for the Board. Motion carried.

With regard to the budget, the salary increase for employees will be 10% per year in 2010, 2011, and 2012.

Henry reported that there are currently 11 foreclosed units that will be auctioned in December.

There was lengthy discussion on the annual budget and balance sheet provided by Hayden (available upon written request). Henry provided a breakdown of salary increases for employees (already reflected in budget). Henry Potter, Hayden Sims, and Jeff Reichel removed the items that were clearly reserve or capital projects which was requested at the October 4, 2009 meeting. Larry Schwartz moved and Tom Weber seconded the motion that we approve the budget as projected and amended. Motion carried.

There was discussion regarding the total number of people that can stay in the rooms at SFS. Additional costs are incurred due to the need for staff to work longer hours cleaning, as well as in preparation for additional guests (i.e., beds turned down, linens and towels, etc.). Parlor suites can accommodate 2 people and Master suites can accommodate 4 people at this time. It was decided by Board members that an additional charge of \$10.00 per person would be implemented in the future for additional guests. Larry Schwartz moved and Tom Weber seconded that immediate implementation would be enforced. Motion carried.

Additionally, the current cost of bonus time is reflected at \$75.00 for a Parlor suite and \$85.00 for a Master per night. It was decided by the Board that there would be an increase of \$10.00; a Parlor suite bonus time rate of \$85.00 per night and Master suite bonus time rate of \$95.00. Larry Schwartz moved and

**Tom Weber seconded that immediate implementation would be enforced.
Motion carried.**

The annual meeting will be held March 14, 2010.

Prospective dates for meetings in 2010, as follows:

**January 24, March 14, June 20, September 19, October 3, and November 1,
2010.**

The meeting adjourned at approximately 1:10 p.m.

The next meeting will take place on Sunday, January 24, 2010.

Respectfully submitted,

Mary Lou Dion, Secretary

MINUTES

SAN FRANCISCO SUITES CITY SHARE ASSOCIATION

Meeting

Sunday, January 24, 2010

The meeting was called to order at 10:07 AM by President, Jim White. The following Board members were present: Jim White, Tom Weber, Mary Lou Dion and Larry Schwartz. Board member Jeff Reichel attended via the internet. Manager, Henry Potter was also present. The following owners were in attendance: Cynthia White, Ramona Martinez, Mary Lou Austin, and Patti Hoar.

The implementation of the process for an "open forum" in the first 20 minutes of every meeting was put in to force. Mary Lou Austin expressed a concern that we needed to have working nightlights in the bathrooms. Henry will see that this is accomplished. Cynthia White commented that Marlena from housekeeping is doing a fantastic job. Larry Schwartz commented that the instant hot water in suite #42 is missing. Henry will see that this is replaced. Patti Hoar suggested that the meeting time be changed to 1:00 p.m., however, Board members responded that travel time must be considered and that the meetings must start at 10:00 a.m. or 11:00 a.m. at the latest. Cynthia White also commented that she was thrilled with the remodel of the "4" suites.

Minutes from the November 1, 2009, Board meeting were read. Tom Weber moved and Larry Schwartz seconded that the minutes from the November 1, 2009 meeting be approved as written.

A quorum was established.

Jeff Reichel reviewed the budget. Funds spent in 2009 (with the exception of \$67,000.00) have been transferred from the reserve account to the operating account. The final results will be determined as soon as possible with input from Alyssa and Levy.

Jeff Reichel moved to ask Levy to give advice as to handling of end of the year profit so that we don't face a large tax liability.

Henry reported that all foreclosed units were sold at auction to owners, family of owners, or friends of owners. Parlor suites sold for \$1,580 to \$2,200. There were two Master Suites sold; one for \$2,800 and the other for \$7,100.

The City of San Francisco will hold a tax auction in March/April, of 6 units that have met the city's criteria for delinquency. They may add 5 others to the list. Henry will provide information as it is received. One Master and 10 parlors are in tax default at the present time. Larry moved that Henry attend the auction and have the ability to bid up to \$1,000 each for parlor suites and up to \$3,000 for the Master at the upcoming auction, if there are no other bidders. If the City sets the minimum bid

higher, the Board can authorize Henry to raise his bid. Jeff seconded the motion. Motion carried. The goal is to create dues paying membership.

Renovation of the 3 rear parlor suites is near completion, as reported by Patti Hoar, the Chair of the Decorating Committee. Six chairs will be re-upholstered with fabric purchased at a substantially reduced cost. (Decorating Committee Recommendations for Parlors, #24, #34, and #44 attached as part of Minutes). Larry Schwartz moved to accept the recommendations at a cost of \$6,930.00. Tom Weber seconded the motion. Motion carried.

12 units need window seats re-upholstered and there is a great fabric available at the present time for that purpose. Henry will get bids for labor to reupholster. Tom Weber moved and Larry Schwartz seconded that Patti Hoar to spend \$1,500 for the fabric. Motion carried.

The remaining prospective dates for meetings in 2010, as follows: March 14, May 23, August 29, and November 7, 2010.

Henry has mailed the board nomination information to membership. A motion was made by Jeff Reichel and seconded by Tom Weber, that we not vote tax default shares. Motion carried.

It was reported that currently, we are contracted to work with RCI, Interval International and San Francisco Exchange. Contracts are automatically renewed. Any contract can be cancelled with proper notice. Henry will inquire as to changes in contract, if any, to prevent San Francisco Suites potential liabilities.

There was a clarification to the Minutes of November 1 to reflect a \$10 charge for a roll-away in either Parlor or Master suites. There was a motion by Tom Weber and a second by Larry Schwartz to adjust the wording in the Minutes of November 1 to reflect "a per person" charge to "per extra bed per day charge." Motion carried.

The new rates for bonus time shall remain as stated in the November 1 Minutes; \$85 Parlor/\$95 Master.

Closing Comments from Owners

Cynthia White commented that all committee reports need to be more precise at presentation. There should be meetings called and dates pre-determined so that all committee members will have an opportunity to attend.

The meeting adjourned at approximately 1:10 p.m.

The next meeting will be the annual meeting on Sunday, March 14, 2010.

Respectfully submitted,

Mary Lou Dion, Secretary

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