

**PINNACLE MUSEUM TOWER OWNERS' ASSOCIATION**  
**BOARD OF DIRECTORS MEETING**  
March 16, 2006

**REGULAR SESSION MINUTES**

**NOTICE OF  
MEETING:**

Upon due notice given and received a meeting of Pinnacle Museum Tower Owners' Association was held March 16, 2006 at the hour of 6:30 p.m. in the Amenity Room.

**ATTENDANCE:**

Directors Present: Jim Roberts, President  
Chris Eddy, Vice President  
Robert Natapow, Treasurer  
Apriano Meola, Secretary  
Rick Bortolussi, Director

Representing The Prescott Companies was Cynthia Gibson,  
Amanda Montour and Rich Giandomenico.

Approximately 45 members were in attendance at the meeting.

**CALL TO  
ORDER:**

Jim Roberts called the meeting to order at 6:37 p.m.

**EXECUTIVE  
SESSION  
DISCLOSURE:**

Jim Roberts informed the membership present of the issues discussed and/or acted upon during an Executive Session Meeting of the Board which took place immediately prior to the Regular Session Board Meeting.

- The Board took action on one owner enforcement matter.
- The Board met with Concierge-at-Large owner, Cynthia Adkins. Concierge-at-Large has been asked to present a revised contract with terms and provisions to better suit the needs of the Association. The Board renegotiated the draft contract to provide an initial (6) six month term to allow for a near-term review of the financial impact and the quality of service provided. The Board support for CAL's option 'C' is based upon Management's financial analysis that the total cost will not impact the yearly budget by more than 5% after offsetting the current independent cost of Heritage Security, Richard Amberry and a substantial over statement in the budget for utility costs.
- The window washing proposals were reviewed and the Board approved the initial service to be provided by Pearce Window Cleaning Services to be completed in conjunction

**Pinnacle Museum Tower OA**  
**Regular Session – 3/16/06**  
**Minutes – Page Two**

with Pinnacle International scheduling a final cleaning and repair of all the exterior frames.

- The Board reviewed a final revision for the CC&R amendments and ballot on homeowner insurance and association maintenance of dryer vents and heat pumps. Additional review and revisions will be made prior to the final mailing within the next week.

**APPROVAL  
OF MINUTES:**

Upon a motion duly made by Jim Roberts, seconded by Robert Natapow and unanimously carried, the Board approved the Executive Session and Regular Session Minutes of the February 16, 2006 meeting as well as the Special Executive Session Minutes of March 3, 2006

**FINANCIAL  
REPORT:**

Robert Natapow presented the financial report. As of February 28, 2006, the Associations' financial status is as follows:

Operating Balance:	\$107,284.08
Reserve Balance:	\$ 26,535.71
Delinquencies:	\$ 24,726.00
Total Assets:	\$133,819.79

Upon a motion made by Jim Roberts, seconded by Robert Natapow and unanimously carried, the February 28, 2006 financial reports were approved, subject to the auditor's year end report.

**COLLECTIONS:** Upon a motion made, seconded and carried, the Board directed Management to proceed with the associations' approved collection policy for the following accounts:

XXXXXXXXXX	\$1,359.00
XXXXXXXXXX	\$1,509.00
XXXXXXXXXX	\$1,359.00
XXXXXXXXXX	\$1,269.00
XXXXXXXXXX	\$1,389.00
XXXXXXXXXX	\$1,389.00
XXXXXXXXXX	\$1,475.00
XXXXXXXXXX	\$1,376.00
XXXXXXXXXX	\$1,463.00

**MANAGEMENT  
REPORT:**

Resident Safety and Concierge Chairperson, Brett Shaffter, made a presentation to the homeowners regarding the Committee's meeting, report and recommendation of Option 'C', which includes CAL taking over supervision and subcontracting the security services of Heritage. The Board also announced its unanimous

**Pinnacle Museum Tower OA**  
**Regular Session – 3/16/06**  
**Minutes – Page Three**

support for the proposal to have CAL provide services for the Association in line with Option 'C' which includes a concierge for 2 shifts daily (equal to 16 hours) between the hours of 7:00am and 11:00pm as well as the management of all onsite safety staff at a maximum of 32 hours per day.

There followed a vigorous discussion with the homeowners of the various alternatives including a less expensive mix of concierge and security personnel, after which a clear majority of homeowners supported the Resident Safety and Concierge Committee recommendation.

Upon a motion duly made by Robert Natapow, seconded by Chris Eddy, and carried, the Board then voted to sign a contract with CAL for option C for a six month trial period.

The Board announced that because of Concierge at Large taking over all concierge and security functions, Richard Amberry would no longer be employed at the Pinnacle. As a severance package, he would be offered 2 months salary plus health benefits and any accrued vacation time in recognition of his dedicated service to the residents of the Pinnacle.

Jim Roberts then presented the balance of the Management report:

Meeting with Children's Museum on March 13, 2006: At the February board meeting, Karen McElliott was appointed head of the Children's Museum liaison committee and asked to initiate dialogue with them regarding our combined use of facilities. Mrs. McElliott set up a meeting on Monday, March 13, 2006, with Kay Wagner, Executive Director and Carolyn Clark. Also in attendance were Board members Jim Roberts, Chris Eddy and Apriano Meola, Resident Safety and Concierge Committee Chair, Brett Shaffter, and Building and Landscape Committee Chair, Ken Hawkins, as well as Mario Canelas of Parking Management Systems, a parking consultant.

While both groups agreed that the meeting was very helpful to identify issues that need to be resolved, there was strong criticism of Pinnacle's failure to build out and equip the facility with suitable safety and security infrastructure:

- a) There is no security/parking kiosk on the main motor court to control traffic into and out of the facility.
- b) There are no security gates to control traffic into the main motor court.

**Pinnacle Museum Tower OA**  
**Regular Session – 3/16/06**  
**Minutes – Page Four**

- c) There are no security cameras in the garage on P2 or P3 and only one camera on P1 that covers a small portion of the total area around the P2 lift gate.
- d) There are no interactive voice systems on P1, P2, or P3 tied into our security system to deal with crime or parking problems.
- e) Signage and mirrors are non-existent.
- f) Pinnacle has sold the Children's Museum parking spaces and a parking plan on P1 guarantees that proper traffic flow will be permanently blocked on the east side of P1 and the entire structure rendered unsafe because of head-on two-way traffic on the west side of P1.

Several conclusions were reached subject to further input from experts and for which both groups will be looking to Pinnacle International to pay the cost:

- (i) For construction of a kiosk in space we have immediately inside the Union Street entrance.
- (ii) For electronic traffic control arms at both Union and Front Street.
- (iii) Reimbursement for the 4 Children's Museum spaces on P1 that must be removed to avoid blocking proper traffic flow. (Spaces Children's Museum paid for originally)
- (iv) Installation of mirrors, proper signage, and striping throughout.
- (v) Resurfacing and restriping of P1 at an appropriate time to repair damage and unsightly conditions to the coating caused by Pinnacle construction activity.

Pinnacle Response to HOA Letters Requesting Completion of Build-Out, Deed to Visitor Parking Spaces and Safety Concerns:  
Jim Roberts summarized at homeowners' request, the various letters sent Pinnacle (posted on our website) regarding completion of build-out, deed of visitor parking spaces and safety concerns. These letters were drafted and delivered to Mr. Meola as Pinnacle's San Diego representative the last week of January 2006 and then formally signed and mailed to Pinnacle in Vancouver, Canada on February 21, 2006.

- (1) Lobby – the lobby has not been properly completed with suitable furniture, potted plants, and carpeting. The Board has demanded proper completion of the lobby in response to near unanimous and vocal complaints from homeowners.

**Pinnacle Museum Tower OA**  
**Regular Session – 3/16/06**  
**Minutes – Page Five**

- (2) Garage Safety – see discussion above re: Children’s Museum. The key point being as Jim Roberts related, that Mr. DeCotiis knew he was designing a uniquely complex, multi-use building and utterly failed to provide proper security infrastructure and traffic flow.
- (3) Parking – the Board discovered for the first time in January that Mr. DeCotiis had kept title to all parking spaces on the motor court level (except approximately 5 provided to the Children’s Museum) and had kept title to approximately 50 spaces in the underground parking structure but was refusing to provide parking for the Association visitors, staff or repair/service personnel.

In its letter, the Board asked Pinnacle to deed all spaces on the motor court and a suitable number on P1. The Board has been advised that Pinnacle intends to give spaces on the motor court to the purchasers of the remaining commercial units, and intends to keep for itself or sell to individual homeowners who want parking for their own personal vehicles.

During a vigorous discussion, it was determined that Pinnacle sales staff told only approximately 5 of the 45 homeowners in attendance that this was Pinnacle’s intention before they purchased their units. Mr. Roberts commented that this “selective” disclosure would present a serious legal problem for Pinnacle. The homeowner board members (Roberts, Eddy, and Natapow) reaffirmed their demand for Pinnacle to deed an appropriate number of spaces to the HOA.

- (4) Inferior Landscaping, Inadequate Business Office and Refusal to Provide Garage Sweeper: Because of widespread dissatisfaction with the landscaping and lighting, the Board and the Building and Landscape Committee will be working with Larry Sheehan, a landscape architect, on a new landscape design, including potted plants for the lobby. Pinnacle has thus far refused to address the problems with the landscaping, contending that it “was installed per design.”

Pinnacle has refused the Board’s request to provide a garage sweeper even though Bosa has provided them on all of its upscale projects as part of the normal fitting out of the building. Pinnacle contends that it is

preferable to hire an outside service to periodically clean the garage. Mr. Roberts, on behalf of the Board, pointed out that the Pinnacle prepared budget does not provide sufficient funds to hire such a service as needed nor would that work as a practical matter, without great inconvenience to the owners. With a sweeper, ResCom can spot clean spaces while owners have their cars at work, but a cleaning service would require all cars on P1 or P2 be moved at the same time and there are no suitable alternative parking spaces for so many cars.

There was also a discussion about the building office being totally inadequate for staff. The Board has asked Pinnacle to expand and build out the office in the existing recycle area and to move the recycle bin to the “Trash Storage” area on the loading dock behind C5 and C6, as designated on the condo plan. Pinnacle refuses to acknowledge anything is inadequate about the building office and Mr. Meola, in Pinnacle’s defense, said Prescott approved the site and size of the existing building office before it was instituted. (Rich Giandomenico, on behalf of Prescott, vigorously denied doing so)

- (5) Pinnacle’s Refusal to Fix Elevator Problems Created by Penthouse Construction: Mr. Roberts briefly summarized both of his letters on the elevator problems (posted on our website) and Pinnacle’s response, which rejects the Board’s request to fix the problem by creating separate controls for the freight elevator.

There followed a vigorous question and comment period by the homeowners which can be summarized as follows:

- (i) Pinnacle’s position on these issues is unacceptable.
- (ii) For some reason, Mr. DeCotiis has decided to stop short of properly finishing the building, leaving a sizable and still to-be-determined substantial monetary burden for the homeowners.
- (iii) The building currently does not conform to representations in their (Pinnacle LLC’s) public website, marketing materials presented to

prospective purchasers or as represented by sales staff. Mr. McArron presented a chart of representations made on the Pinnacle LLC website that were relied on by homeowners in purchasing their units.

- (iv) The homeowners should consider action to recall the Pinnacle Board members and sue Pinnacle immediately (in view of their refusal to deed parking spaces and their stated intention of selling them or giving them to future commercial owners).

In the meantime, it was suggested by several homeowners that the developer members immediately confirm in writing that they have a conflict of interest in participating in any of the necessary pre-litigation meetings with the Board's legal counsel and recuse themselves, so that the homeowner-elected board members can seek and obtain confidential advice from counsel and, if necessary, institute legal action.

- (v) Several homeowners suggested that in addition to suit, the HOA should contact CCDC to complain about Mr. DeCotiis and contact the local newspapers and trade publications to inform them of Mr. DeCotiis' inappropriate and deceptive business practices.

- (vi) In response to homeowners who expressed hope that Mr. DeCotiis was just engaging in the "typical" "preliminary" "stonewalling" tactics of developers and that Pinnacle would probably want to reach a good faith compromise resolution of all of these issues. Mr. Roberts suggested and all present agreed that the fair and reasonable approach would be to invite Mr. DeCotiis to personally attend a closed session of the board sometime before the next board meeting for the purpose of negotiating a fair settlement of all these issues.

- (6) The Basic Building Punch List of Typical Construction Deficiencies in Common Areas: To date, the developer has offered a repair for the lobby partition and has undertaken to fix the ground water leaks in the parking

**Pinnacle Museum Tower OA**  
**Regular Session – 3/16/06**  
**Minutes – Page Eight**

garage. The developer (through Mr. Meola) also acknowledged the other punch list items and confirmed that plans are being made to work with the Building and Landscape Committee to do a final repair and cleaning of the common area halls, five floors at a time. In addition, stairwells 1 & 2 are being scheduled for final cleaning and repainting. It was conveyed that upon completion of the halls and stairs, these specific areas will thereafter be the responsibility of the HOA. Ken Hawkins reminded homeowners that once this process was complete, anyone found to have damaged any of these areas will be liable for all repairs.

Other punch list items will be addressed by Pinnacle as time permits.

Commercial Parking Spaces: This item was tabled for a later date.

Contractor Noise: This item was tabled for a later date.

Trash Disposal: This item was tabled for a later date.

**COMMITTEE  
REPORTS:**

It was noted that all Committee Reports were posted for review on the website and further discussion was tabled for a later date.

**UNFINISHED  
BUSINESS:**

Defibrillator Annual Maintenance: This item was tabled for review at a later date

**HOMEOWNER  
FORUM:**

The floor was opened to the membership for questions and comments. There were none presented.

**ADJOURNMENT:** With no further business to come before the Board, the meeting was adjourned at 10:04 p.m. The next open session Board meeting will be held at a date to be determined in the future as the current meeting ran so late.



**Pinnacle Museum Tower OA**  
**Regular Session – 3/16/06**  
**Minutes – Page Nine**

**ATTEST:** \_\_\_\_\_

**DATE:** \_\_\_\_\_