

PINNACLE MUSEUM TOWER OWNERS ASSOCIATION

BOARD OF DIRECTORS MEETING

June 1, 2006

REGULAR SESSION MINUTES

**NOTICE OF
MEETING:**

Upon due notice given and received a meeting of Pinnacle Museum Tower Owners Association was held June 1, 2006 at the hour of 6:00 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 Amanda Montour and Rich Giandomenico.

Approximately 37 members were in attendance at the meeting.

**CALL TO
ORDER:**

Jim Roberts called the meeting to order at 6:05 p.m.

**SPECIAL
EXECUTIVE
SESSION**

DISCLOSURE:

Jim Roberts informed the membership present of the issues discussed and/or acted upon during a Special Executive Session Meeting of the Board which took place on May 17, 2006.

- Pinnacle International has offered \$100k for certain items presented by the homeowner board members, as listed below:
 1. Locking audio cabinets for the Kitchen, Gym and Theater, plus kitchen supplies \$2,000.00
 2. Parkade mirrors (20 mirrors total to be placed throughout the parking garage) \$2,000.00
 3. Three additional surveillance cameras \$15,000.00
 4. Lobby upgrades \$37,000.00
 5. Landscaping upgrades \$22,000.00
 6. Window Washing – for construction debris \$5,850.00
 7. Additional monies to be allocated as the Association sees fit \$16,150.00

The Board appreciated Pinnacle's offer but cannot accept it as it is inadequate compensation for all of the issues originally presented to Pinnacle. Instead, the Board asked Pinnacle to consider a piece

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meal settlement of issues to hopefully resolve as many issues as possible in the near future. The Board also requested that Pinnacle use their buying power as a developer to help achieve better/lower cost bids on several of the major items such as the kiosk and the building office; to help bridge the gap between the Pinnacle offer and the anticipated costs.

- A request to temporarily provide parking for onsite staff was agreed to by the Children's Museum.
- The Children's Museum has expressed willingness to work with the Association with making arrangements to correct traffic flow in the garage.
- Signs have been placed in conspicuous places throughout the property warning owners of the potential of being towed if they are not parked in their deeded spaces. One incident has already occurred.
- The Board proposed a rule prohibiting any animals on the 2nd floor. The members will be receiving notice of intent to add this rule.

**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 reviewed the current Fine Schedule and has decided to amend it. The members will be notified in accordance with the Governing Documents.
- The Board decided to implement architectural review fees based on what types of changes are being requested by the homeowner. The members will be notified in accordance with the Governing Documents.
- Common area punchlist is completed to the 15th floor with the cooperation of the Building and Landscape Committee and Pinnacle International. Pinnacle is working diligently to complete these items.
- A filming proposal was presented for a television show during the month of June. Negotiations are under way for use fees to be donated to the Social Committee to use toward events throughout the year. Legal Counsel will be consulted to formalize an agreement between the Association and the production company for use of the common areas and insurance waivers.
- The commercial trash issue is being reviewed by the Board for potential resolution. A temporary bin has been placed on the loading dock for exclusive use by the restaurant until a permanent solution can be reached.

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- The Board held three hearings with homeowners regarding violations of the Governing Documents.
- Homeowner correspondence regarding the CC&R amendments was presented for review and discussion. Further discussion will be held during the regular session.
- The Board reviewed the possibility of a special assessment to take care of all the items requested of Pinnacle. However, the Board would reserve the right to pursue the developer later all costs to complete these items in a timely manner.

**APPROVAL OF
MINUTES:**

Upon a motion duly made by Chris Eddy, seconded by Jim Roberts and unanimously carried, the Board approved the Regular Session minutes of the April 20, 2006 meeting as presented.

**FINANCIAL
REPORT:**

Robert Natapow presented the financial report. As of April 30, 2006, the Associations' financial status is as follows:

Operating Balance:	\$ 59,026.54
Reserve Balance:	\$ 53,151.54
YTD Delinquencies:	\$,7,985.00
Total Assets:	\$112,178.08

Motion: Upon a motion made by Robert Natapow, seconded by Rick Bortolussi and unanimously carried, the April 30, 2006 financial reports were approved as presented.

COLLECTIONS: Upon a motion duly made by Chris Eddy, seconded by Robert Natapow, and unanimously carried, the Board directed Management to proceed with the Associations' approved collection policy for the following accounts:

	<u>Balance</u>	<u>Action</u>
535-042-09-08	\$3,635.10	Lien
535-042-09-33	\$3,635.10	Lien

BUDGET

REALLOCATION: Management presented the Board with a proposed reallocation of the budget to more accurately reflect operating trends through the end of the fiscal year. Jim Roberts and Elizabeth Berg presented the budget to the homeowners highlighting that the allocation indicates a 15-20% increase the assessment rates for 2007, however, a mid year increase in assessments for 2006 was not recommended. During the presentation, Jim Roberts informed the homeowners present that this is a draft budget which will be

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finalized in the near future after further review from the Finance Committee.

HVAC SERVICE

PROPOSAL: This item was tabled for discussion at the next monthly meeting.

RULES AND REGULATIONS

COMMITTEE: Charters were presented to the Board for adoption.

Motion: Upon a motion duly made by Robert Natapow. Seconded by Chris Eddy, and unanimously carried, the Board adopted the charters as presented. Management was directed to have the Website Committee post a notice soliciting volunteers for the new committee.

TRASH ROOM

LIGHTS: The Board tabled this item for discussion at the next monthly meeting.

UNFINISHED BUSINESS

WINDOW WASHING

UPDATE: Jim Roberts informed the members present that the window washing was currently in process and will continue for approximately four to six more weeks as this was the first service for the building. Pinnacle International has purchased additional equipment in order to get the washing under way. Updates will be posted on community message boards and on the website as areas to be cleaned are scheduled.

HOMEOWNER

CORRESPONDENCE:

Jim Roberts presented an overview of correspondence received from Mr. Link regarding his protest of the insurance requirements as proposed in the CC&R amendments.

Mr. Link wrote the Board because he inquired with his current insurance company about the subrogation waivers which would be required should the amendments pass. Mr. Link's insurance company, USAA, wrote that they would no longer be able to insure Mr. Link's unit under those requirements.

During discussion, it was brought up by Chris Eddy that he contacted his current company, Farmer's, and he was informed his insurance would be written with a subrogation waiver should the Governing Documents require it. Chris also pointed out the CC&R's currently require a subrogation waiver to the Association.

The Board informed Mr. Link they would not withdraw the proposed amendment.

NEW BUSINESS

GARAGE CLEANING

MACHINE: During review of the reallocated budget, the Board noted that there is an annual allotment of \$8,400 for cleaning the garage. The one time cost of purchasing a cleaning machine is approximately \$15,000.00 - \$16,000.00. Management advised the Board that it would be possible to borrow the additional funds needed to purchase the machine from the reserves and the borrowed funds would be reimbursed to the reserve funds within one year.

Motion: Upon a motion duly made, seconded and unanimously carried, the Board directed Management to purchase the garage sweeping machine with the 2006 annual cleaning allotment as well as additional funds to be borrowed from the reserves for the balance. (The \$8,400.00 2006 cleaning allotment had not been used.)

HOMEOWNER FORUM:

The floor was opened to the membership for questions and comments. There were a few questions presented. A suggestion was presented to purchase meeting room chairs to eliminate the need for future rental fees. The Board directed Management to obtain costs to purchase 50 chairs to compare with the rental cost of \$150.00 per meeting and see if the Horizons HOA would share their chairs with us.

Additionally, questions about the steamer timer and the proposed interim budget were presented. The Board deferred questions about the budget to allow the Budget/Finance Committee to thoroughly review the matter and will address all budget issues at either the August or September HOA meeting.

ADJOURNMENT: With no further business to come before the Board, the meeting was adjourned at 8:38 p.m. The next open session Board meeting will be scheduled.

ATTEST: _____

DATE: _____