

**MINUTES OF THE COMBINED ANNUAL MEETING AND
BOARD OF DIRECTORS' MEETING OF THE
PINNACLE HOMEOWNERS' ASSOCIATION**

**March 5, 2025
Meeting via Zoom**

The Annual Meeting of the Pinnacle Homeowners Association (the "Association") was held, pursuant to notice duly given, on March 5, 2025. The meeting was held via Zoom video conferencing and originated in the office of Burnside Property Maintenance, 1375 Deer Valley Drive, Park City, Utah.

Call to Order, Establishment of Quorum. The meeting was called to order by President Bill Newman at 5:00 pm. A quorum was established by homeowners participating via Zoom and by proxy, constituting representation of more than 50% of the 86 Pinnacle condominiums.

Welcome and Introductions. President Newman opened the meeting by welcoming homeowners participating by Zoom. Board members participating were: Paul Neuhoff, Vice President and Marion Weinstock.

Also participating were Justin R. Shaw, CPA, representing Bountiful Peak Advisors, and Bob, Shanna and Patrick Burnside, representing Burnside Property Maintenance.

President Newman explained that the meeting is a combined Annual Homeowners' Meeting and Board of Directors' Meeting.

The 2025 Budget was approved by the Board of Directors and will be posted on the HOA website, pinnaclehoa.info.

President Newman thanked his board members: Paul Neuhoff, Vice President, Bruce Kink, Treasurer, Marion Weinstock, and Bubba Patton for their dedication and work.

This concludes the Board Meeting portion of the meeting and begins the Homeowners' Meeting.

Approval of 2024 Annual Meeting Minutes

Upon motion duly made and seconded, the Minutes of the 2024 Annual Meeting were approved. The 2024 Minutes are available on the HOA website, pinnaclehoa.info.

Election of Board Members

Current board members, Bill Newman and Marion Weinstock, were re-elected to three-year terms on the board. These new three-year terms will end at the Annual Meeting in 2028. Based on the CC&Rs enacted in 2009, this continues a rotation of officers elected to 3-year terms. All terms begin and end at the Annual Meeting.

President's Report

Good evening. Welcome to the annual Pinnacle Homeowners' Association Meeting, I am Bill Newman, the President of the Pinnacle Homeowners' Association. Let me introduce my fellow board members, Paul Neuhoff, our Vice-President and Marion Weinstock. We are also joined by our property manager, Bob Burnside and Justin R. Shaw, CPA, representing Bountiful Peak Advisors,

I again want to take this opportunity to thank my fellow board members for their dedication and work not just on completing the exterior renovation project and securing property insurance coverage at a

more reasonable price, but also on the day-to-day operation of the HOA board. These board members, who volunteer for no compensation, give of their time and skills to help direct this association, committing countless hours overseeing the HOA's operations and budget for the betterment of the Pinnacle community. I wish to recognize and commend each of them for their generous contribution of time and commitment to our HOA. I also wish to give a shout out to our property managers, Bob, Shanna, and Pat Burnside, who provide invaluable assistance keeping The Pinnacle operating smoothly and efficiently day in, day out no matter what the challenge.

The other board members will have an opportunity to make comments, followed by owners desiring to make comments or ask questions about operations and the budget. Please hold your comments and questions about other than HOA-wide operating or financial issues for the owners' part of the meeting. As usual, the Olson rule applies to this meeting; each owner gets one question and may only ask a second question after all other owners have had a chance to ask a question.

A quick note before I turn to Bob. The Exterior Renovation Project punch list of uncompleted and/or unsatisfactorily completed items has now been completely and satisfactorily finished. We entered into a final retainage fund agreement with Davies last week and the funds we had retained during the construction that were due to Davies were turned over to Davies last week. Owners who find that there is a construction defect, directly attributable to the Exterior Renovation Project, should contact Bob who will confirm and advise Davies. Under the warranty part of the Final Retainage Funds contract, Davies has warranted its work for the project for one year from the date of the contract.

Let me now turn to Bob, who will discuss the HOA's operations.

Property Manager's Report

Property Manager, Bob Burnside, said that he is happy that the Exterior Renovation Project is finished. He will watch for items that may fall under the warranty.

Bob has noticed that some of the decks have joists that are in need of repair or replacement. This work will begin after the snow has melted. There are also handrails that are in need of repair and powder coating. The Trex decking on some units may need to be replaced. We hope to cover it under warranty.

The 2025 Budget includes some items that were addressed in the Reserve Study. These items include fire sprinkler systems, concrete guttering, roof caps, and trees that need to be removed. We will also be cleaning dryer vents. This summer we will be able to work on some landscape issues that have been affected by the last two years of construction. We have begun replacing street lighting with LED lights; we still have some to replace.

There were no HOA-wide questions or comments for Bob.

Let me now turn to Justin, who will discuss the audit of the HOA's financials.

Financial Report by Justin R. Shaw, CPA

Justin R. Shaw, CPA, representing Bountiful Peak Advisors, presented a summary of the Audit of the Pinnacle HOA Financial Statements for 2024. Mr. Shaw worked with the HOA's management company, Burnside Property Maintenance, in gathering the information for the audit. The audit process evaluated whether documentation is being kept correctly, accounts are properly coded, and whether proper approvals and internal controls are in place. The audit did not see any holes in the

internal control structure, and a clean opinion was given. Revenue recognition was straightforward. Management was responsive to all questions. The Financial Statements will be posted on the HOA website, pinnaclehoa.info.

The owners were asked if they had any questions or comments for Justin. Arne Olson commented that it would be helpful to have a copy of the Financial Statement so it could be reviewed prior to the meeting.

Bob and Justin, thank you for your reports.

As I noted earlier, following the retainage funds transfer, the Exterior Renovation Project work is under warranty for one year. We are to provide Davies notice of any items we believe are under warranty at the six-month interval and again at the one-year interval, based on what we hear from owners of issues and are then confirmed as having directly grown out of the work done on the Exterior Renovation Project. If you think you have a warranty issue--one arising from, and only from, the Exterior Renovation Project, please contact Bob with the specifics.

Insurance Issues

Let me give an update on our property insurance situation. Our current policy will expire at the end of May. First, owners will begin to see a diminution in dues in the 2nd quarter of 2025 statement. That said, we do not know what exactly we will be paying for property insurance after May 28, when our current coverage lapses. Our broker has advised that we should expect to pay 0-10% more for our coverage after May 28. The 2025 budget has an increase of 10% over the \$515,000 annualized cost of this year's property coverage. Given the wildfires in LA and other catastrophic events in the past year, such an increase is not surprising, even though Amalgamated was not directly impacted by the LA wildfires. All of that is to say that the dues may increase in subsequent quarters because of the new property insurance premium. Second, we have arranged for General Liability and Umbrella coverage to expire on the same date, May 28, as it will be easier to renew coverages at one time. Next year we plan to have the D & O insurance expire on the same date. Our general liability insurance premium increased 9.4% this year, going from \$9,650 to \$10,558 on an annualized basis, even though we made no claims. Third, we have reduced our umbrella coverage from \$25m to \$15m since the Exterior Renovation Project is now finished. On an annualized basis, this coverage increased 14%, going from \$4383 to \$4992. The total for our non-property coverage is roughly \$18,000 on an annualized basis. Our total insurance expense is 40% of our total expenses in the new budget. We will keep you posted as we get closer to the property coverage renewal date.

Other HOA Issues

With respect to repaving our roads, we have been told informally that the Park City government has begun a study of not less than one year of the city's mainline water pipes in our area. We have been trying to get Park City to give us a date certain when it will be doing its work on its mainline water pipes under our roads so that we can plan our paving after Park City is finished digging up our roads. That said, since we do not have a date certain from Park City and have been told there is a one-year or more study underway, we will not be repaving our streets and driveways and there will be no assessment for that capital improvement this year.

The preliminary decision from the litigation we joined challenging Park City's approval of Deer Valley's Snow Park project is posted on The Pinnacle HOA website and was recently sent to owners. We recently circulated the judge's partial summary judgment for both the plaintiffs, which includes The Pinnacle, and the defendants, Park City. According to our lawyer, Deer Valley has shown no

interest in negotiating a settlement. Accordingly, there will be depositions followed by a brief trial later this year. Recall that we capped our contribution to the litigation at \$5,000 so there are to be no further Pinnacle expenses related to this litigation. We have heard nothing from Deer Valley to date about its plans regarding its desire to acquire a parcel of our land.

Finally, as noted, we are in a strong position financially with our reserves now at \$1.472m. This year's budget is down 20% largely due to the substantial decrease in the property insurance premium. As I mentioned, the budget already includes a 10% increase in the premium, which may or may not come to pass, and hopefully will not be more than that.

A couple more housekeeping issues. Marion and I have been reelected to another 3-year term. Shanna will be posting information about our current insurance coverage as soon as she gets it from USI, our insurance broker. Owners should take time to review the coverage especially the property insurance coverage. Finally, every document mentioned in both the directors' meeting and owners' meeting this evening will be available on the Pinnacle HOA website shortly.

That concludes my remarks. I now turn to my fellow board members for any comments they might wish to make.

The floor is open to owners wishing to make comments or ask questions.

Paul Neuhoff commented that he will be moving from his Pinnacle Unit 1309, to Park Meadows. This will require his resignation from the Board.

Marion Weinstock expressed her appreciation to Bill Newman for the huge amount of time he spent on the insurance, the Exterior Renovation Project and various other HOA projects. She also thanked Bob for his work.

That concludes our owners' meeting. As always, we thank you for your participation, patience and understanding. Good evening.

The meeting adjourned at approximately 5:41 pm.

Shanna A. Burnside