

President's Remarks  
Board Meeting/Annual Homeowners' Meeting  
March 3, 2026

Good evening. Welcome to the Pinnacle Homeowners' Association Board of Directors' meeting, which will be followed by an owners' meeting. I am Bill Newman, the President of the Pinnacle Homeowners' Association. Let me introduce my fellow board members, our Vice-President, Marion Weinstock, Bruce Kink, our Treasurer, and Jay Varon. We are joined by our property manager, Bob Burnside.

I again want to take this opportunity to thank my fellow board members for their work on 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 at large. I wish to recognize and commend each of them for their generous contribution 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.

During the board part of this meeting, Bob will review the HOA's operations, Justin will review our audit and Bruce will review our financials and present our budget. I will then make remarks about a number of pending and future issues.

The other board members will then have an opportunity to make comments, after which owners may ask questions or make comments about operations, the budget, or any other Pinnacle HOA matter. As usual, the Olson rule applies to this meeting; each owner gets one question or comment and may only ask a second question or make a second comment after all other owners have had a chance to ask a question.

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

Are there any comments or questions for Bob?

I will now turn to Justin to review our audit.

Are there any comments or questions for Justin?

I now will ask Bruce to review our financials and the budget.

Are there any questions or comments for Bruce?

I have one last thing before we adjourn the board meeting. I want to report that Jay has been reelected. Bubba decided he did not want another term on the board. I thank him for his service. If there is any owner is interested in joining the board, please let any of the board members know.

We are now in the Owners' meeting. I am going to talk about upcoming expenses, some imminent and some in the future. We have learned that later this year Park City intends to repair its main water line that runs through The Pinnacle. Bob has advised that such work

requires a period of time to settle so we will not be repaving our roads until next year. We will get proposals for this work early next year. In the meantime, Bob will be arranging for the worst places on our roads to be fixed. When the repaving is done next year, the board will determine how much of that cost will come from the \$1.75m in reserves and how much from an assessment.

The next capital expenditure the HOA may have is the replacement of the fire-suppressant systems on 48 Pinnacle Drive units. For those who are new, there are 48 units, slightly more than half of the Pinnacle in 19 buildings that had fire-suppressant systems; 9 have glycol, 24 have nitrogen and 15 have a compressor. They were installed when the units were built and they are old and some leak. One of our owners of one of those 48 units noted during the last meeting that his unit was leaking and could not be fixed.

Bob is in the process of evaluating the condition of each of these fire suppression systems and reviewing possible options. Bob has identified 5 so far that need repairing or replacing. One of the options that we have already initiated is the possibility of abandoning these systems. Bob has discussed this possibility with the Park City Fire Chief, who is to meet with other Park City officials to discuss next week. I am not optimistic that our request will be granted. Were we get the approval to abandon these systems, our insurer has advised that will not affect our insurance premium.

If some or all of the units need replacing, this project will be expensive; the first replacement proposal we got was for \$37,500 and that proposal did not include restoring the interior, including drywalling and painting, nor electrical work, suggesting that the all-in cost per unit would come at roughly \$45,000 per unit. When the board has the results of Bob's evaluation and after we hear back from the Fire Chief, it will develop a plan for these units, including a plan how to finance them and will advise owners.

Looking into the future, some insurers have advised us that they will not insure our buildings when the roofs are 50 years old, which for some of the buildings is in 2032. If the insurers continue to maintain this policy, we will develop cost estimates to replace the roofs, the timing of such replacements, presumably over several years, and how we will finance these replacements, again presumably over several years to ease the financial impact.

We have begun discussions with three insurance brokers for the renewal of our current insurance coverage, with the property insurance being the most expensive and the main subject of our focus. In addition, we have asked the Utah Farm Bureau to give us a quote, which they have been unwilling to for the past few years. Last year, we were able to procure property coverage for \$440,000, with a \$25,000 deductible.

For those who are new to The Pinnacle, we had had coverage with Nationwide for about a decade, paying roughly \$85,000 in our last year. When Nationwide withdrew, the best our broker could come up with was for a plan through the excess and surplus market at \$1.3m. We scrambled, switching brokers and bought insurance for \$1.1m that year. We switched brokers again later that year, securing comparable coverage at a better price. The brokers are telegraphing that the market for property insurance is improving and we may be able to reduce our premium 5% below last year's level. We shall keep you advised as events unfold.

One last budget matter. We will be switching to a calendar year budget beginning next January with the budget being approved in late December no longer in March. We do

not anticipate any problems from this switch and in fact, have been advised by our bookkeeper that it will simplify matters.

This winter there have been several construction projects at units where vehicles associated with the work were blocking the road and even using the driveway of another owner not affiliated with the work. We had a call from Deer Valley about these vehicles blocking the ski shuttle.

In light of these occurrences and with the recognition that there will continue to be construction projects at The Pinnacle, we have put up signs at both ends of The Pinnacle, at the Gatehouse and where DayStar meets The Pinnacle on Amber Road, to advise outsiders that if, as and when necessary to assure passage of our roads, we will tow these vehicles if necessary. Owners should advise their contractors about the possibility of work vehicles being towed if passage is impaired and ask them to take measures to minimize the number of vehicles at a project at the same time, including asking subs to carpool to The Pinnacle if feasible, or control how many subs be at the worksite at one time. Parking in a driveway in which the owner has not approved such parking is likely to result in the vehicle being towed.

Now a pet peeve, pun intended. When my family and I were there over the holidays, I found 6 dog poops off to the side of my garage. This is a prayer to ask that if you have a dog at The Pinnacle, please be courteous and pick up after your dog. If you rent your unit, tell renters to do the same; it is we expect when they stay in The Pinnacle. I have a dog and it is not a burden to pick up after your dog's poops, but a simple courtesy as well as a public health issue.

Deer Valley has told us that it is no longer interested in The Pinnacle property that several years ago they had previously spoken to us about for purposes of enlarging Deer Valley Drive. There is nothing new to report on the litigation we joined challenging Park City's approval of Deer Valley's Snow Park project. There is to be a hearing on April 1. According to our lawyer, Deer Valley has shown no interest in negotiating a settlement. We capped our contribution to the litigation at \$5,000 so there are to be no further Pinnacle expenses related to this litigation.

Finally, the change in The Pinnacle Plat needed to accommodate the building of a connection between units 1456 and 1470 was approved by owners, with 60 owners voting in favor of the Plat amendment, or 70.08% of the voting interest of The Pinnacle, with 22 abstentions and 4 votes in opposition. The owners will now need to secure Park City approval before beginning construction.

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

Marion? Jay?

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

