

**PINNACLE MARINA TOWER ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY, FEBRUARY 15, 2012 MINUTES**

NOTICE OF MEETING:

Upon due notice given and received, a Regular Session Meeting of the Pinnacle Marina Tower Association Board of Directors was held on Wednesday, February 15, 2012, at 6:00 p.m. in the Amenity Room.

ATTENDANCE:

Directors Present: Chris Eddy, President
Steve Sparta, Vice President
Melanie Branca, Treasurer
Vikram Monder, Director-at-Large

Absent: Joe Mansolillo, Secretary

Also Present:

Bill Lawrence and Melissa Vaughan representing The Prescott Companies

CALL TO ORDER:

The Regular Session Meeting was called to order at 6:23 p.m. by President, Chris Eddy.

ORGANIZATIONAL MEETING:

On January 18, 2012, Melanie Branca, Joe Mansolillo and Vikram Monder were elected to the Board of Directors at the Association's Annual Meeting.

Motion: Upon a motion made by Vikram Monder and carried, the Directors were nominated and elected as follows:

President – Chris Eddy
Vice President – Steve Sparta
Secretary – Joe Mansolillo
Treasurer – Melanie Branca
Director at Large – Vikram Monder

EXECUTIVE DISCLOSURE:

In accordance with California Civil Code, the items discussed in Executive Session must be briefly disclosed to the membership in Open Session. No specifics or names shall be provided.

- **Approval of November 16, 2011, Executive Session Minutes**
- **Approval of February 6, 2012, Special Executive Session Minutes**
- **Collections**
- **Management Contract**
- **Lobby Design Contract**
- **Legal Services Contract**
- **Construction Defect Lawsuit**
- **Homeowner Requests**

APPROVAL OF MINUTES:

Motion: Upon a motion made by Steve Sparta, seconded by Melanie Branca and carried with Vikram Monder abstaining, the Board voted to approve the November 16, 2011, Regular Session Meeting Minutes as presented.

FINANCIAL REPORT:

The Board of Directors reviewed the financial statements for the periods ending November 30, 2011, December 31, 2011, and January 31, 2012. A summary of the financial activity is as follows:

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	Nov 2011	Dec 2011	Jan 2012
Operating Assets	\$535,281	\$ 591,047	\$ 573,776
Reserve Assets	\$858,717	\$ 829,204	\$ 887,084
YTD Total Assets	\$1,391,998	\$ 1,420,251	\$ 1,480,860
Delinquencies	\$30,674	\$ 26,871	\$ 34,527

	Monthly Revenue	Annual Revenue	Monthly Expense	Annual Expense
Nov 2011	(1.25)%	.52%	19.19%	11.14%
Dec 2011	(.71)%	.42%	25.95%	12.38%
Jan 2012	3.32%	3.32%	0.0%*	0.0%*

Motion: Upon a motion made by Chris Eddy, seconded by Steve Sparta and carried, the Board voted to table the approval of the financials pending clarification of some questions regarding the January 2012 statements.

COLLECTIONS: The Board reviewed the documentation provided by Management regarding the following delinquent account:

ACCOUNT	BALANCE	LAST ACTION	NEXT ACTION
42743	\$3,346.00	Pre-Lien	Lien

Motion: Upon a motion made by Melanie Branca, seconded by Chris Eddy and carried, the Board voted to place a lien on the account pursuant to the Association's Collection Policy and State Law.

INVESTMENTS: **Merrill Lynch:** The Board reviewed and discussed the recommendation from Merrill Lynch to keep \$80,829 in the Money Market account and invest the remainder of the funds as follows:

AMOUNT	TERM	INSTRUMENT
\$50,000.00	6 Month (.30%)	CD
\$50,000.00	9 Month (.35%)	CD
\$50,000.00	12 Month (.45%)	CD

Motion: Upon a motion made by Chris Eddy, seconded by Melanie Branca and carried, the Board voted to keep the \$80,829 in the Money Market account, invest \$50,000 in a CD for six (6) months at .30% and \$50,000 in a CD for nine (9) months at .35%. Additionally, the Board directed Management to ask Merrill Lynch whether it is possible to get a better interest rate for the remaining \$50,000 for a twelve (12) month term since Mutual of Omaha is able to offer a .60% rate for a twelve (12) month term.

Mutual of Omaha Bank: The Board reviewed and discussed the recommendation from Mutual of Omaha Bank to invest the CD maturing on March 18, 2012, in a CD for twelve (12) months at .60%. In addition, MOB recommends opening a new CD in the months there is not a CD maturing to establish a laddering program.

Motion: Upon a motion made by Chris Eddy, seconded by Steve Sparta and carried, the Board voted to invest the CD for twelve (12) months at a rate of .60%, and declined the laddering program, stating that they prefer to make individualized decisions on each investment as it matures.

FDIC Protection for Money Market Accounts: The Association has approximately \$452,817.45 in the Banks Excess Operating Funds PMMA account. Currently the FDIC only insures accounts to \$250,000. This means the balance of this account, \$202,817 is not insured. Mutual of Omaha Bank advises switching to the Insured Cash Sweep (ICS) account which earns interest and has unlimited FDIC coverage.

Motion: Upon a motion made by Chris Eddy, seconded by Steve Sparta and carried, the Board voted against the ICS agreement and directed Management to open two new accounts with two different banks depositing \$200,000 in each account, leaving the \$50,000+ leftover balance in the MOB PMMA account.

**MANAGEMENT
REPORT:**

The Board reviewed the Management Report as submitted.

Management advised the Board that the Association does not have a service agreement for the building's access controls or the closed circuit television system. The Association should have an agreement in place with Siemens to provide those services. Currently, Siemens provides repairs and advice when required. A review of the system revealed that the software license has expired, meaning it can't be supported. Additionally, in order to function properly, the systems must be updated with Windows 7 based software that is and will continue to be licensed.

Motion: Upon a motion made by Steve Sparta, seconded by Vikram Monder and carried, the Board voted to authorize the purchase and installation of the new Windows 7 based software at \$5,500.00 plus installation costs. Additionally, the Board authorized the expense for two (2) hours of training on the new system provided by Siemens. The training will be for Allied Barton and Prescott supervisors.

**COMMITTEE
REPORT:**

A report was submitted by the Committee Chair on behalf of the Committee including the following items:

1. Concierge Report
2. Finance Committee Report
3. Social Committee Report

**UNFINISHED
BUSINESS:**

Theater Projector: The Board discussed the recommendations made by the Committee for a replacement projector for the theater.

Motion: Upon a motion made by Chris Eddy, seconded by Steve Sparta and carried, the Board voted to purchase and install a Mitsubishi HC7800D Projector for approximately \$3,000.00.

Rule Change Adoption: At the meeting held on October 19, 2011, the Board of Directors approved, at the recommendation of The Committee, the proposed addition of the new Swimming Pool and Spa Rules, Handicapped Parking Rule and Guest Parking Rules. The notice was sent to the Membership for a 30 day review. The Board of Directors is required to adopt the approval so the official "Notice of Rule Change" can be sent to the Membership. The approved rules are as follows:

**PINNACLE MARINA TOWER
PROPOSED SWIMMING POOL AND SPA RULES**

1. Pool/Spa hours: 6:00am to 11:00pm. 6:00am to 9:00am and 10:00pm to 11:00pm are Quiet Hours.
2. Children 14 years and younger must be supervised at all times by a responsible person 18 years or older.
3. The use of the pool is expressly limited to residential owners, tenants and their invited guests. Each unit is limited to eight (8) non-resident guests total, at any given time. At no time shall any group monopolize the facilities.
4. Hosts are responsible for ensuring they and their guests are not a nuisance to others.
5. Diving is considered dangerous behavior and is strictly prohibited.
6. Running is considered dangerous behavior and is strictly prohibited.
7. No glassware of any kind is allowed in the pool and spa area.
8. Eating while in the pool/spa is prohibited. (This includes having any part of the body in the pool/spa.) Drinking beverages while in the pool/spa is allowed only along the perimeter.
9. Only standard swimwear is allowed in the pool and spa.
10. No children under the age of 14 years shall be allowed in the spa unless supervised by an adult. No children under the age of 7 years shall be allowed in the spa unless accompanied by an adult. Elderly persons, pregnant women, infants and those with health conditions requiring medical care should consult a physician before entering the spa. It is recommended that young children, pregnant women, persons with heart problems, high blood pressure or diabetes refrain from using the spa for health reasons.
11. The association is not liable, and does not assume any liability whatsoever, for injury, property damage or any kind of loss arising in connection with the use of the pool or spa. The pool, spa, and recreational areas have no lifeguard on duty.
12. No person subject to involuntary natural bodily functions is permitted to use the pool or spa without proper and effective diaper protection.
13. Perspiration and oils must be showered off before using the pool or spa.
14. Persons with communicable diseases are asked to refrain from pool use due to the obvious risk of health problems to other individuals.
15. The Board of Directors reserves the right to deny use of the pool, pool area, and spa to anyone at any time.

Reminders:

1. Misuse of association property will not be tolerated. Pool maintenance and safety equipment are to be used for their intended purpose and not for recreational purposes.

2. At no time shall there be any noise, music, or other activities that creates a nuisance to residents.
 3. Items brought to the area must be removed from the area or disposed of properly.
 4. Smoking in common areas is prohibited.
 5. Pets are not allowed on the second floor at any time.
 6. Bicycles, skateboards, scooters, and roller-blades are not allowed on the second floor at any time.
 7. Nudity is not permitted.
 8. Guests on an extended stay (over 2 weeks) are considered members of the household and may use the facilities unaccompanied. Extended-stay guests must register with the Association and are subject to all community guidelines contained within the Project Guide or posted in common areas and recreation areas. Other guests may use the facilities only when accompanied by the host. Please do not extend an open invitation to others to drop by the pool/spa at any time for a swim.
 9. No cooking apparatus, other than those provided by the Association, shall be used. Make sure to turn off gas if not in use and leave area in a clean and tidy fashion.
 10. Indecent conduct is prohibited in the pool, spa, fitness center and all other common areas including Exclusive Use Common Areas.
- Tips:
1. The "buddy" system is recommended for all swimmers at all times. No one should swim alone.

**PINNACLE MARINA TOWER
PROPOSED HANDICAPPED PARKING RULE**

The parking of a vehicle in a designated handicapped space without the legal use of a DMV Parking Placard or Disabled Person License Plate is prohibited. Violation will result in a \$250 fine. Abuse or misuse of a placard will be reported to the Department of Motor Vehicles.

**PINNACLE MARINA TOWER
PROPOSED GUEST PARKING RULES**

1. Fees:
 - a. \$10.00 for a single space per 24 hours for up to 2 weeks
 - b. \$15.00 for a tandem space per 24 hours for up to 2 weeks
 - c. Rates double after 2 weeks, triple after 4 weeks and continue to increase proportionately every two weeks of consecutive usage.
 - d. A three (3) day absence defines a break in consecutive usage.
2. Payment must be submitted to the Front Desk Associate or Management at the time the reservation is being requested. Reservations cannot be placed on the schedule until payment and all necessary paperwork is submitted.
3. Cancellations:
 - a. Reservations cancelled at least 14 days in advance are eligible for a full refund.
 - b. Reservations cancelled 3 – 13 days in advance are subject to a charge of 50% of the total fees.
 - c. Reservations cancelled less than 3 days in advance are not eligible for refund.
4. Resident will be provided with a permit to display in the windshield showing when the period of payment expires.
5. Resident will be provided with a copy of the map with the reserved space highlighted.

6. Residents/guests are required to check in during regular Front Desk hours between 7 a.m. and 11 p.m.
7. Free for up to 90 minutes per day per unit, except that contractor vehicles are subject to a minimum 1 day fee.
8. The Association cannot be held liable for any theft of or damage to personal articles left in vehicles.
9. Residents shall not charge guests for use of any common facility or area beyond reimbursement for resident costs.
10. All common facilities at The Pinnacle are for the use of Association Members and their Guests. Rules and conditions for the use of the facilities may be changed at any time by the Board of Directors.
11. The resident and the guest will be required to sign an agreement for the lease of the space indemnifying the Association and releasing the Association from liability.
12. All agreements entered into by the Association are terminable at any time without cause.
13. Owners may participate in the guest parking pool by specifying times their space(s) are available. Each month, participating owners receive a fraction of the income from the parking pool based on the number of days the space was in the pool and whether the space is single or tandem. Specifically, each owner (including the HOA) receives 1 credit for every complete calendar day a single space is in the pool and 1.5 credits for every complete calendar day a tandem space is in the pool. Of the total income, 8% is set aside for the HOA for administration. The remaining 92% is divided by the total number of credits to determine how much each credit is worth. Owners may remove spaces from the pool with 3 days advance notice if not already reserved.

Motion: Upon a motion made by Chris Eddy, seconded by Melanie Branca and carried, the Board of Directors voted to adopt the proposed rule changes and directed Management to distribute a Notice of Rule Change mailing to the Membership in order to implement the new rules pursuant to State Law.

Flooring Installation Architectural Guidelines: Management advised the Board that the current architectural guidelines and approval documents state two different soundproofing requirements for hard surface flooring.

Motion: Upon a motion made by Chris Eddy, seconded by Steve Sparta and carried, the Board directed Management to update the architectural guidelines for hard surface flooring installations to require that the flooring material selected in combination with the underlayment and the concrete slab, provide a minimum Impact Insulation Class (IIC) rating of fifty-nine (59) or higher.

Trickle Charger Requests: Prompted by requests from Homeowners for auto battery trickle chargers, the Board conducted a test to determine the energy consumption that trickle charger use may have. It was determined that one metered charger had consumed less than one dollar of electric costs during an approximate one month period.

The Board reviewed two new requests from Homeowners to use trickle chargers in the parking garages.

Motion: Upon a motion made by Chris Eddy, seconded by Steve Sparta, and carried with Melanie Branca abstaining, the Board voted to approve the Homeowner's request to use a trickle charger for two vehicles in the parking garage.

Motion: Upon a motion made by Chris Eddy, seconded by Vikram Monder, and carried the Board voted to conditionally approve the second Homeowner's request, stating that the Homeowner must pay for an electrical outlet to be installed in front of his parking space in order to plug in his trickle charger.

The Board further resolved that going forward, any Homeowner desiring to use a trickle charger in the parking garage will be required to pay for the installation of an electrical outlet as near to the front of their parking space as possible so as to limit the visibility of the device and the cords attached. Additionally, Homeowners will be responsible for covering exposed cords with colored tape matching the parking garage floor as closely as possible in order to hide the cords from view and to limit trip hazards. The Board reserves the right to revoke their consent to allow trickle chargers to be plugged into Association electrical supplies at any time without notice.

Booster Pump System Replacement: The Association received bids from BTM, West CPM and Countywide Mechanical for the installation of the new booster pump system. The Board voted, via unanimous consent email, on December 14, 2011, in favor of Countywide's proposal for \$65,109.00.

Action: Upon a motion made by Chris Eddy, seconded by Steve Sparta and carried, the Board voted to ratify their decision made via email. Management advised the Board that the new system is scheduled to be installed on Thursday, February 16, 2012.

NEW BUSINESS: **Proposal to Connect Water Booster Pumps to Emergency Power:** The Board reviewed a proposal from Global Power for the connection of the water booster pumps to the emergency generator system, as discussed at the September 21, 2011, Regular Session Meeting. This connection will allow water to continue to be distributed throughout the building in the event of a power loss.

Motion: The Board of Directors directed Management to get two additional bids for the project and resubmit at the next regular session.

Speed Bump Installation P2 and P3: The Board reviewed a recommendation from Management for the installation of speed bumps on P2 and P3 as they were installed in P1. Management advised the Board that there have been reports from a number of concerned residents about speeding motorists in the garages.

Motion: Upon a motion made by Chris Eddy, seconded by Steve Sparta and carried, the Board voted to install speed bumps on P2 only and stated that they may consider installing speed bumps on P3 at a later date if the speed bumps in P2 are successful.

Elevator Pad Replacement: The Board reviewed a proposal from ThyssenKrupp for the replacement of the pads for the service elevator and directed Management to proceed with the purchase of the pads since the price is within Management's spending limit.

Main Sewer Cleanout and Jetting: The Board reviewed the proposal from Countywide Mechanical for the cleanout work done during the first and second weeks of February. The report was included for informational purposes only. No action was taken.

Glass Blasting/Sealing Proposal for Surface Parking Area: The Board reviewed a proposal from Hailstorm and elected not authorize the expense at this time. Management was directed to include the item as a possible expense in the 2013 proposed budget.

Pinnacle International Commercial Units C1 & C3 - Live/Work Spaces: Management advised the Board of Pinnacle International's intent to convert two of the commercial spaces into "live/work" spaces.

Motion: Upon a motion made by Chris Eddy, seconded by Melanie Branca and carried, the Board voted against approving the Unit Owner's request to change the use of the commercial spaces.

Appropriate Uses of the Amenity Room: The Board directed the Super Committee to draft guidelines for amenity room use for the Board's review.

Requirement to Submit Copies of Leases: The Board discussed the provision in the CC&Rs that only requires Homeowners to submit copies of their leases to the Association upon request.

Motion: Upon a motion made by Chris Eddy, seconded by Steve Sparta and carried, the Board voted to require all owners to submit copies of their leases before their tenant may make an elevator reservation for move in.

To Smoke or Not to Smoke: The Board directed the Super Committee to consider additional guidelines for smoking, specifically smoking on patios/balconies.

Guest Suite: The Board directed the Super Committee to review the guest suite furnishings and provide a recommendation as to whether additional items such as a refrigerator and coffee pot should be added.

Pool Furniture: The Board reviewed a proposal for refurbishing the furniture on the pool deck. The Board elected not to refurbish the furniture at this time and directed Management to look into repairing damaged furniture individually and/or storing the damaged furniture until such time that the Board deems it necessary to refurbish all of the furniture.

Committee Sign Up: The Board invited the audience to sign up for the Committee.

**HOMEOWNER
FORUM:**

The floor was opened for Homeowner comments.

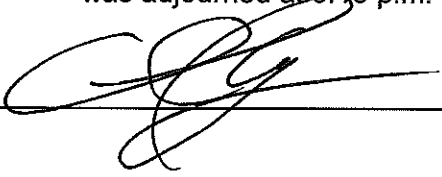
**DATE OF NEXT
MEETING:**

The next meeting will be held in the Amenity Room on March 21, 2012, at 6:00pm.

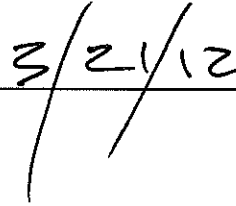
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ADJOURNMENT: With no further business to come before the Board of Directors, the Open Session was adjourned at 9:15 p.m.

ATTEST: _____

A handwritten signature in black ink, appearing to be 'C. G.', written over a horizontal line.

DATE: _____

A handwritten date '3/21/12' in black ink, written over a horizontal line.