



PINNACLE
INTERNATIONAL

October 4, 2006

by email

Pinnacle Museum Tower Owners Association
550 Front Street
San Diego, California
92101

Attention: Jim Roberts, President

This letter confirms receipt of your September 27, 2006 letter regarding outstanding issues the Pinnacle HOA has.

Attached is a copy of your letter with our comments added to the respective items. As a measure of good will, Pinnacle International is prepared to provide the Pinnacle Museum Tower Owners Association with a cheque in the amount of \$65,000.00 to cover the lobby items. Should this be agreeable, please provide us with a written acceptance.

Yours truly,

Rick Bortolussi

*CC. HOA Board of Directors
M. De Cotiis*

attachment

A MEMBER OF THE PINNACLE INTERNATIONAL GROUP
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The
PINNACLE
MUSEUM TOWER OWNERS ASSOCIATION

550 Front Street
San Diego, Ca 92101

Phone: 619.533.7960
Fax: 619.533.7964

September 27, 2006

Mr. Rick Bortolussi
Pinnacle International
Suite 300 - 911 Homer Street
Vancouver, B.C. V6B 2W6

Re: Pinnacle HOA

Dear Rick:

This confirms our discussion at the last executive session on Wednesday, September 20, 2006 regarding the key items that must be resolved (by way of an unconditional commitment from Pinnacle LLC) no later than October 15, 2006:

1. Lobby WE AGREE TO PAY \$65,000⁰⁰ AS FULL PAYMENT TO COVER ITEMS A, B, C & D.
 - A. Repair and replace flooring per HOA punch list, (including elevator cabs);
 - B. Funding of \$65,000 bid to complete lobby;
 - C. Provide suitable structural support for the glass/wood panel in front of mailboxes;
 - D. Complete proper build out of powder room to cover exposed electrical conduit and maintenance wash basin as well as wallpaper to match lobby;

2. Security

- A. Build kiosk in auto court;
- B. Install gate/arm systems at both Front and Union to work with existing garage openers;

BUILDING NOT DESIGNED WITH A KIOSK NOR SECURITY MEASURES REQUESTED.

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- C. Install 20 additional cameras pursuant to Concierge/Safety committee report.
- D. Provide all wiring as needed for (C) above.
- E. Install voice activated speaker system from kiosk to all 3 garage floors and pool area; BUILDING NOT DESIGNED TO INCORPORATE THESE SECURITY MEASURES.
3. Landscaping
- A. Provide \$25,000 for relandscaping of project.
UNDER REVIEW WITH OUR CONSULTANT.
4. Grantex
- A. Provide grantex for auto court walls and pool area.
APPROVED BUILDING SPEC CALLED FOR PAINTED CONCRETE
5. P1 Resurfacing
- A. Resurface P1.
UNDERWAY
6. Amenity Room
- A. Remove and replace counter tops and flooring with suitable granite or similar material.
WILL PURSUIT WITH SUBCONTRACTOR AND SUPPLIER.
7. P3 Water Proofing
- A. Agree to pay for HOA to have independent consultant review leak problems and existing repairs and agree to fund any additional work that expert recommends.
WILL PURSUIT WITH OUR CONSULTANT.
8. Building Office
- A. Construct suitable building office where existing recycle room exists.
WHAT IS PROVIDED IS MORE THAN ADEQUATE
9. Boiler Room
- A. Water proof boiler room floor and walls to create suitable catch basin.
INSTALLATION COMPLIES WITH CODE.
10. Relocate Heat Pumps
- A. Relocate surface mounted heat pumps in loading dock to facilitate trash storage for both HOA (recycle) and commercial tenants.
THIS IS THE MOST SUITABLE AND AESTHETICALLY PLEASING LOCATION FOR THE HEAT PUMPS.

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11. HVAC Monitoring Equipment

- A. Pay for suitable HVAC monitoring equipment (per prior discussion).
NOT PART OF BUILDING DESIGN

12. Door Gaps at Residences

- A. Agree to fix inappropriate gaps under all residential doors.
THE SPACES UNDER THE DOORS HAVE BEEN ACCEPTED BY THE
- 13. Complete Common Area Punch List AUTHORITIES AND ARE WITHIN CODE
TOLERANCES.

- A. Complete elevator lobby and common area deficiency lists for floors 1-34;
COMPLETE FROM LEVELS 3 THROUGH 32. WAITING FOR LEVELS 33 & 34 LISTS.
B. Reimburse HOA for items they have been forced to fix which are actually
Pinnacle LLC warranty items and/or provide missing items that should have
been provided by Pinnacle LLC at "turn over" of the building.
WE HAVE RESPONDED TO YOUR REQUESTS.

14. Reserves.

- A. Agree to remedy inadequate reserves established by Pinnacle LLC.
CONTRIBUTIONS MADE IN ACCORDANCE WITH APPROVED BUDGET.

15. Exterior Granite and Related Issues.

- A. Complete construction of backflow enclosure at auto court;
UNDERWAY
B. Provide missing pieces of granite (Union Street) and hardware (vents on
Market); UNDER REVIEW WITH SUBCONTRACTOR.
C. Replace chipped or cracked granite.

16. Chiller/HVAC Vibration.

- A. Complete repair/fixes previously discussed.
UNDERWAY

17. Window Washing Issues.

- A. See attached. UNDER REVIEW WITH CONSULTANT.

18. Water Issues.

- A. Various units reporting no cold or hot water in their units. We do not know
what solution is and must rely on you to propose a suitable fix and confirm
the fix will be implemented.

UNDER REVIEW WITH CONSULTANT.

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Unless we have Pinnacle LLC's commitment to remedy the substantial majority of these long-overdue deficiencies by the date indicated, the HOA Board Members will have to:

1. Demand Mr. Bortolussi and Mr. Meola's immediate resignations from the Board;
2. Immediately interview and hire counsel to represent the HOA and to take all necessary legal action.

Very truly yours,



James A. Roberts



Contract Services Group Inc.

August 21, 2006

Rich Giandomenico
Facilities Director
Pinnacle Museum Tower
550 Front Street
San Diego, CA 92101

Dear Rich:

Find attached some outstanding issues that need to be addressed prior to the next window cleaning service:

1. Electric cable provided for second basket is not long enough, minimum of 75 feet needed, cable provided is 25 feet.
2. Current rollers on the stage are black and leave marks on the building. Non-marking white rollers need to be provided.
3. A permanent Jacuzzi has installed on the 33rd floor unit 3301 that obstructs and does not allow the use of the window cleaning system. As we discussed Tratcel will develop a system to do this work. It will also need to become part of the operating procedures.
4. 37th floor roof northwest corner, bolt on pedestal base prevents winch adapter from being attached.
5. Removable handrails needed on 31st floor east and west. In our opinion these handrails should be removable or hinged if its in compliance with Cal-OSHA regulations.
6. Handles need to be installed on Davit Arm storage cases throughout building, lack of handles can cause injury to workers opening boxes.
7. Balcony with glass partition dividers needs to be removable.
8. Concern that the balcony pavers are not compatible with weight of stage. Hollow spaces below pavers caused them to break during moving of stage.
9. Current annual certification needs to indicate that the system meets or exceeds Cal-OSHA regulations for high rise window cleaning systems.
 - a. The following should be kept in the onsite file for future annual certifications
 1. Shop drawings
 2. As built drawing
 3. Wet stamped engineering calculations
 4. Copy of acceptance testing performed including load testing.
10. Electric chair should have been included with the with the window cleaning system in order to maximize efficiency. Without this chair as part of your permanent installation the work will cost an additional \$5,400 per cleaning.

Sincerely,
Contract Services Group, Inc.

Luke Mansfield
Specialty Services Manager

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