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October 27, 2006

Via Facsimile and U.S. Mail
(619)-533-7964

Mr. Jim Roberts
Mr. Chris Eddy
Mr. Bob Natapow
Pinnacle Museum Tower Owners Association
550 Front Street
San Diego, California 92101

Re: Declarant Directors

Dear Messrs. Roberts, Eddy and Natapow:

This office represents PINNACLE MARKET DEVELOPMENT (US), LLC, a California limited liability company ("Declarant") and I am writing this letter on behalf of Rick Bortolussi and Apriano Meola in response to your letter dated October 20, 2006. Mr. Bortolussi and Mr. Meola are members of the Board of Directors ("Board") of the Pinnacle Museum Tower Association ("Association") as representatives of the Declarant. At the first annual meeting of the owners of the Association, Mr. Bortolussi and Mr. Meola were elected to the Board for a two year term.

Mr. Bortolussi and Mr. Meola decline your request that they resign as directors from the Board. The Bylaws of the Association expressly permit the presence of the Declarant representatives to serve on the Board. Although the Declarant had the necessary voting power to elect a majority of the directors at the first annual meeting of its members, the Declarant graciously permitted another owner to be elected and gave up the third director position on the Board. The Declarant strongly believes that it needs to participate on the Board to ensure a smooth transition from Declarant to the owners within Pinnacle Museum Tower. Pinnacle Museum Tower is not just an ordinary high-rise project like the others in downtown San Diego, but one which is part of the Children's Museum & Pinnacle Tower Association and thus more complicated. The Board must understand the interrelationship of the Pinnacle Museum Tower to the Children's Museum which literally floats above the property owned by the Association. Consequently, it is the Declarant's belief that a resignation by the Declarant's representatives would not be in the best interest of the Association and its owners.

I would also like to take this opportunity to remind each of you that all meetings between any Directors of the Board wherein Association business is discussed must be properly noticed in accordance with the Bylaws and the Common Interest Development Open Meeting Act ("Open Meeting Act"). The Bylaws and the Open Meeting Act require proper notice of a meeting if two or more Directors meet to discuss the business of the Association. A meeting of two or more members is considered a Board meeting. Directors will be in violation of both the Bylaws and the Open Meeting Act if a such a meeting

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If you have any questions concerning the above, please do not hesitate to contact me. Please direct all future communication regarding this matter to me.

Very truly yours,



Susan L. Daly
HECHT SOLBERG ROBINSON GOLDBERG & BAGLEY LLP

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cc: Mr. Apriano Meola
Mr. Rick Bortolussi