

**M A S S I E
B E R M A N**

A Professional Law Corporation

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November 16, 2006

VIA FACSIMILE and U.S. MAIL

Susan L. Daly, Esq.
Hecht Solberg Robinson Goldberg Bagley, LLP.
600 West Broadway, Eighth Floor
San Diego, CA 92101

Re: Children's Museum & Pinnacle Tower Association
Matter No: 1042.157

Dear Ms. Daly:

I am writing in response to your letter to Mr. Roberts dated November 9, 2006. The purpose of my writing is to address several issues that remain unanswered.

First, contrary to your accusations as to Mr. Roberts' motivations, the Pinnacle Museum Tower Association ("Association"), for which Mr. Roberts is the President of the Board of Directors, has a legitimate interest in ensuring that those who are sit on the board of the Children's Museum & Pinnacle Museum Tower Association ("Master Association") are fulfilling their fiduciary obligations .

No member of the Association's Board of Directors enjoys the confusion and uncertainty created by a Master Association's Board of Directors. A master association that neither communicates with its membership nor finds it necessary to conduct meetings to inform its membership of its activities creates confusion, uncertainty and quite simply is a recipe for disaster. The Association is not seeking information and requesting annual meeting as some form of academic exercise or an effort to simply take a "contrary position." What is needed is clarity of issues and answers. It is in this spirit that the Association is attempting to dialogue with you and your client and obtain clarification regarding the following issues.

The Bylaws for the Master Association clearly require that the Annual Meeting of the Membership take place no later than "six (6) months after completion of the Parking Structure. The Parking Structure was completed on or about August 2005. No annual meeting has been called. You did not provide any basis, either in the Governing Documents or in the law, that

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would allow the existing Board of Directors, consisting of Mr. Meola, Mr. DeCotiis and Ms. Kwok, to refuse to schedule and conduct the annual meeting in compliance with the Bylaws. Your conclusory statement that "that there was no need" to conduct such a meeting is not persuasive.

The Master Association's Board members do not have the discretion to intentionally refuse to adhere to the requirements of the Bylaws. Only belatedly, and apparently reluctantly, after the Association demanded that the annual meeting for the Master Association be conducted, did your client concede on this issue. It should not have taken a demand from the Association to force a calling of the Master Association's required annual meeting. The Association looks forward to receiving notice of the upcoming annual meeting, including confirmation that the Master Association will incur all expenses in this regard.

As noted in Article VII, Section 7.2 of the Bylaws for the Master Association, commencing with the first annual meeting, each Member shall elect one director and the two directors so elected shall elect a third director. As your letter notes at page two, "Pinnacle International is no longer a Member of the Master Association." Since Pinnacle International is no longer a Member of the Master Association, it cannot participate in any vote in this regard. If my understanding of Article VII, Section 7.2 as set forth herein is in any way incorrect, please advise and provide the basis for your position.

In regard to the assessment issue, you correctly note that the Resolution of the Master Association dated April 22, 2003 does discuss *how* the Board of the Master Association "shall fix" the regular assessments of the Master Association. However, it must be noted that the Resolution provided is not signed and thus the Resolution has no force or effect.

Second, the Resolution does not establish a particular triggering point for the fixing of the Assessments other than to require that the assessment be fixed at least thirty (30) days prior to each fiscal year. This begs the question, when does the fiscal year for the Master Association commence?

Assuming that the existing Board of Directors for the Master Association has established a fiscal year, when was this decision made to establish the fiscal year, who was present, was the meeting noticed, and when was the budget prepared for the Master Association? If the fiscal year has not been set and the budget has not been prepared, what is the basis for the decision to refuse to establish the fiscal year or prepare a budget?

MASSIE BERMAN

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The Association needs responses to each of these questions to evaluate your claim that the existing Board of Directors for the Master Association has adhered to all required corporate formalities. Also, if a budget for the current fiscal year has been prepared, please forward same with your response to this letter.

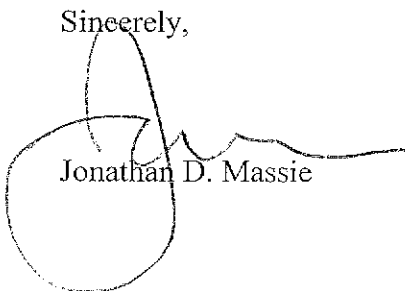
Your response regarding the Master Association's Board of Directors' failure to waive the earthquake insurance requirement is without merit. You indicate in your letter that such insurance is "mandated" by the Governing Documents. However, the obligation to obtain earthquake insurance as set forth in Article IX, Section 9.6 is conditioned upon obtaining insurance that can be purchased at a "commercially reasonable cost."

An active and fully operational Board of Directors exercising its fiduciary duties would have met and thoroughly reviewed this issue taking into consideration the fantastic spike in earthquake coverage costs post-Katrina. Having failed to meet, no analysis occurred and the Association incurred no less than \$45,000.00 in additional insurance costs.

The failure to meet to review ongoing insurance issues is a clear and unequivocal example of the Master Board's failure to adhere to corporate formalities or to exercise its fiduciary duties in regards to the management and operation of the Association. Contrary to the assertions made in your letter, there are numerous reasons for the Master Association Board of Directors to meet and conduct business. The analysis of "commercially reasonable" earthquake insurance is only one of many issues that required appropriate consideration and attention.

Thank you for your courtesy and cooperation in this regard and I look forward to hearing from you shortly.

Sincerely,



Jonathan D. Massie

JDM

cc: Board of Directors