



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
  - 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;

- 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;
- 3. Landscaping.
  - A. Provide \$25,000 for relandscaping of project.
- 4. Grantex
  - A. Provide grantex for auto court walls and pool area.
- 5. P1 Resurfacing
  - A. Resurface P1.
- 6. Amenity Room
  - A. Remove and replace counter tops and flooring with suitable granite or similar material.
- 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.
- 8. Building Office
  - A. Construct suitable building office where existing recycle room exists.
- 9. Boiler Room
  - A. Water proof boiler room floor and walls to create suitable catch basin.
- 10. Relocate Heat Pumps
  - A. Relocate surface mounted heat pumps in loading dock to facilitate trash storage for both HOA (recycle) and commercial tenants.

11. HVAC Monitoring Equipment

- A. Pay for suitable HVAC monitoring equipment (per prior discussion).

12. Door Gaps at Residences

- A. Agree to fix inappropriate gaps under all residential doors.

13. Complete Common Area Punch List

- A. Complete elevator lobby and common area deficiency lists for floors 1-34;
- 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.

14. Reserves.

- A. Agree to remedy inadequate reserves established by Pinnacle LLC.

15. Exterior Granite and Related Issues.

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

16. Chiller/HVAC Vibration.

- A. Complete repair/fixes previously discussed.

17. Window Washing Issues.

- A. See attached.

18. Water Issues.

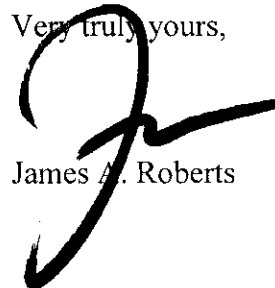
- A. Various units reporting no cold or hot water in their units. We do not know what solution is and must rely on you to propose a suitable fix and confirm the fix will be implemented.

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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,

A large, stylized handwritten signature in black ink, appearing to be 'J. Roberts', written over the typed name.

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 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

Office (877) 670-8412  
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