

**Pinnacle Museum Tower
Concierge and Security Services Committee
550 Front Street
San Diego, CA 92101**

March 8, 2006

To: Pinnacle Board of Directors
Re: Formal Recommendation by Committee

The Concierge and Security Services Committee met last evening from 6:00 p.m. – 8:10 p.m. for an open discussion about the opportunities and challenges for our committee. All committee members were present, including Chris Eddy from the Board of Directors. The goals of our meeting were as follows:

- Determine what our stated mission would be for our committee (within the bounds of the Charter).
- To discuss what sort of environment, experience, service level, and minimum standards should be set in place for Pinnacle.
- To gain hands on experience of different service levels (concierge and security) offered by competing towers, by visiting 3 other downtown towers. We conducted our off site research by visiting Horizons, Park Place, and The Grande last evening. This tour provided the committee valuable insight into the actual experience of various service levels offered at other residential towers. Each of these buildings visited represented service levels C, B, and A as seen in the Concierges at Large (CAL) Board proposal.
- To review, discuss and make recommendations regarding the Concierge's at Large proposal for Pinnacle.
- To determine how Pinnacle development is positioned in the real estate market place vs. other residential towers.

Decisions and Recommendations –

Goal of Committee: This committee sees our role as one to assist the Pinnacle Board of Directors in implementing, managing, and overseeing the Concierge and Security Services, by making recommendation to implement an integrated service program that will maximize the enjoyment, safety, and value of the community for homeowners, guests and stake holders.

The committee engaged in a healthy discussion regarding the expectations of service levels at the Pinnacle. The committee determined that Pinnacle is currently viewed by owners and Realtors alike, as a community on par with the Meridian, The Grande, and the Metropolitan (on top of the Omni Hotel). We reviewed the Pinnacle marketing brochure to assist us in setting a standard that

is consistent with what was sold to homeowners at the Pinnacle from that outset. The following statement is in the Pinnacle brochure and assisted us in determining our ultimate recommendation,

“The Pinnacle is a secured and technologically advanced building. Entrances are monitored and controlled by 24-Hour concierge services.”

Recommendation to the Pinnacle Board of Directors –

Upon completion of our evening, it was evident that there was a significant difference between the service levels of the 3 buildings that we visited. We believe that Pinnacle’s unique layout, high demand parking levels, status with the community, and varied service level expectations by homeowners, necessitates a concierge and security service level consistent with ‘Option C’ found within the CAL Board Proposal.

The Concierge and Security Committee formally recommends that the Pinnacle Board of Directors retains Concierges at Large to provide all concierge services along with management oversight and training for Heritage Security.

Here is a summary of ‘Option C’ as proposed:

Category	Description	Fee
Concierge Service Assistance:	<ul style="list-style-type: none"> - Dry Cleaning Services - Dining Reservations - Salon Appointments - Spa Appointments - Pet Care Services - Postage - Gift Selection & Delivery - Floral Delivery - Car Rental Reservations - Limousine Service - Garment Tailoring - Attraction Tickets - Hotel Reservations - Special Events Tickets - Sporting Events - Car Wash & Detail - Cruise Reservations - Movie Tickets 	Included
Premium Services	<ul style="list-style-type: none"> - Golf Tee Times - Travel Arrangements - Domestic Services 	Included
Lobby Management	Monitor property ingress and egress, assist with vendors, communication, delivery services, etc. Coordinate management of on-site security staff from subcontractor (to be pre-approved by HOA)	Included
Concierge Staff 16 hours per day	Chief Concierge Monday – Friday 7AM – 4PM, Serves as site supervisor and services liaison, additional Concierge on duty 7AM – 3PM Saturday & Sunday, 3PM – 11PM 7 days per week	\$450 day
Security Officers 32 hour per day	1 Rover 7AM – 3PM, 1 Rover 3PM – 11PM, 2 Officers 11PM – 7AM (one at desk, one rover) Includes 40 hours per week staffing by security supervisor	\$600 day
Holiday Rates	Premium holiday pay 6 days per year at 1.5 times the regular daily rate (Christmas, New Years, Thanksgiving, Independence Day, Labor Day, and Memorial Day)	1.5 x daily rate
Special Programs	Coordinate events and features for residents to enjoy in a group setting	Included
Activation Fee	One time fee required to prepare infrastructure (including initial concierge uniforms & technology)	\$4,000

We make our recommendation to the Board with the followings notes:

1. We encourage the Board to look for savings that can be realized in other areas of the 2006 budget to use towards the increased service levels recommended.

2. We are aware, that Option C currently is feasible within the existing 2006 Budget as a whole; and that the increased concierge and security services in Option C will be attainable based upon the savings realized from other budgeted areas.
3. We are aware, that Concierge's at Large maintains set service and standards levels that all employees must meet. We are aware that CAL's proposal does not include the retention of Richard Amberry.
4. We are aware that CAL has an experienced and professional lead concierge willing and able to lead this integrate program at Pinnacle.
5. We recommend to the Board of Directors continued demand of the developer to put in place a security camera and monitoring system consistent with what was sold to us and meets the unique and challenging needs of our community.
6. We recommend to the Board of Directors that a meeting be set in place with the original security architect that planned the original system for this building and hire a 3rd party to review the needs of this building if deemed necessary by the Board.
7. We recommend to the Board that a 120 day probation period be set in place for CAL within the contract. The committee at the end of that time would provide to the Board a report card on the successes and challenges realized by implementation of this program. We encourage the Board to make this survey available in multiple formats. This survey may be used by other committees to gain information on social, landscaping and any other areas of importance.

We are pleased to make the above recommendation to the Board and believe that an integrated program by Concierge's at Large, consistent with what we witnessed at The Grande, will set Pinnacle on the right path for the future.

Please feel free to contact us with any questions.

Sincerely,

Brett Schaffter
Colleen McDonald
Glenn Stokes
Melanie Branca
Tim Cloonan

Cc: Rich G., Cynthia Gibson, Pinnacle Board of Directors.