

  
MUSEUM TOWER OWNERS ASSOCIATION

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October 20, 2006

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

Mr. Apraino Meola  
Construction Superintendent  
Pinnacle International  
550 Front Street  
San Diego, CA 92101

Re: Your Status as HOA Board Members

Dear Mr. Bortolussi and Mr. Meola:

As President of the Pinnacle Homeowners Association Board of Directors, I am writing to confirm the action taken last night at the Executive Session of the Board and hereby memorialize the unanimous vote of disinterested directors in requesting your immediate resignations.

1. Mr. Meola with Mr. Bortolussi's knowledge and acquiescence, repeatedly misrepresented to the Board of Directors between February 2006 and September 2006, the developer's handling of the HarBro bill for the December 2005 flood loss; in particular, by repeatedly assuring the Board that Pinnacle LLC was engaging in good faith negotiations to resolve the HarBro bill and would "take care" of the bill. In fact, the Board learned in September 2006 from HarBro that Pinnacle LLC has never made **any** payments to HarBro, never clarified what if any portion of the bill they disputed, etc.

The result has been that HarBro liened homeowner units and has now sued both the homeowners and HOA for payment of the bill for work **authorized** by Pinnacle LLC who in fact **retained** HarBro to fix the water damage which, in turn, was caused by the negligence of Pinnacle LLC and its plumbing subcontractors, J&A.

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2. Mr. Meola with Mr. Bortolussi's knowledge and acquiescence, deceitfully went behind the Board of Directors's back and tendered the December 2005 flood loss to the HOA insurance company (Fireman's Fund) instead of having Pinnacle LLC pay the loss directly, thereby contributing to a \$30,000 premium increase on our renewal and an increase in our deductible to \$25,000 per occurrence for water damage. In fact, Mr. Meola should not have done so without notice, discussion and approval by the Board.
3. Virtually all of the Board's time in the months ahead will be consumed by the SB800 action authorized last night against Pinnacle LLC and it will require your recusal from most if not all Board activities: The reality is that we need to fill your seats with unconflicted and disinterested homeowners to assist the three current, disinterested homeowner representatives in completing the difficult tasks ahead.

After the regular session, I was advised by several homeowners that unless we receive your resignation letters within 5 business days, they will initiate a formal recall directed at your removal.

Very truly yours,

James A. Roberts