

pinnacle IN PRINT



I picked up the paper this morning and learned that Des Moines was only one of 28 markets across the country where home prices actually increased. This information comes on the heels of a report that I heard on Good Morning America a few weeks back that slated Des Moines as one of the Top 5 Real Estate markets in the country. These are two pieces of good news in an environment where most news is doom and gloom. All of us at Pinnacle share the concerns about our economy, both nationally and locally. But, I can tell you that we all feel blessed to be in a relatively stable market which is still ripe with opportunity.

It has been a year since we published our last newsletter and a lot has happened during that course of time. We have all woken many mornings to stories about failures, bad loans, lawsuits and more. There is no question the continual drumbeat of bad news has taken its toll on the confidence of Des Moines' business owners. We have had several building projects put on hold due to the uncertainty. But, at the end of the day, we have persevered and will end 2008 being able to say we had a successful year.

We have seen many positive events in 2008. We recently wrapped up several projects including Des Moines Imports, Pioneer Hi-Bred, Ingersoll Square Retail, Capstone Search Group, and Milex. We also have several exciting projects under way including the John and Mary Pappajohn Sculpture Park, Faith Lutheran Church, Grand View Church, Jack Trice, Anytime Fitness and the Otter Creek Clubhouse. We have also added some great staff in 2008 and settled into our new offices in Urbandale, Iowa.

As we approach the end of 2008, it is time to look forward towards our next three year business plan. We have spent many meetings developing our Core Ideology including our Core Values, Core Purpose and Envisioned Future. We have also taken the time to dream and put into writing what we want to look like in 25 years! We're focused on growth and have no plans for the current economic climate to slow us down.

—SHANE MADISON

JOHN AND MARY PAPPAJOHN SCULPTURE PARK

Groundbreaking was held on October 1, 2008 for the John and Mary Pappajohn Sculpture Park in downtown Des Moines, Iowa. The art park will showcase 16 sculptures, a \$27.5 million collection of contemporary sculptures donated to the Art Center by Des Moines businessman John Pappajohn and Mary, his wife. The park was designed by architects and landscape designers Diana Agrest and Mario Gandelonas of New York, with technical help from the Des Moines office of RDG Planning and Design.

Two square blocks of Downtown in the Western Gateway Park will be transformed from a wide-open space into a world renowned attraction. The area will be a series of open classrooms showcasing the art, divided up by grassy berms, connected by curving walkways and benches.

City leaders have said this is one of the most significant improvements in the city, if not the state's history. It will put Des Moines on the map with the entire world, attract people to Des Moines, and bring Des Moines to a whole new level.



SCHOLARSHIPS

Pinnacle Construction Group has awarded two scholarships to Iowa State Students in the Construction Engineering Program for the 2008-2009 school year.



JADEN VOS will be a sophomore during the 2008-09 school year. He graduated from Lynnville-Sully high school in 2007. Jaden currently helps his family farm and works for a local construction company while also going to school. Jaden was very active

in sports in high school. He was a member of the football, basketball, track and cross-country teams. He also participated in chorus, the school's musicals and the school play. He was class president, president of the National Honor Society, a Fellowship of Christian Athletes member, and a DARE role model. He also has participated in many volunteer activities including a student bible study leader, Special Olympics, Sunrise Missions, Praise team leader, Faithwalkers, etc.



MATTHEW JAHNKE will also be a sophomore during the 2008-09 school year. Prior to coming to ISU, Matthew attended Northeast Wisconsin Technical School and DMAAC. Matthew has job experience with NAI, Nikkel and Associates, as a journeyman electrician. He was an electrical construction consultant for Harold Pike Construction. He was an electrical construction foreman with Meisner Electric. He also worked at Control Assemblies Company as an electrical foreman. Matthew has been very active in his community and church. He enjoys the outdoors and focuses on trap shooting, hunting and fishing.

Pinnacle Construction Group is committed to Reducing, Reusing, Renewing and Recycling. Please join us.

In 2008, Pinnacle has made a green commitment. We are:

- active in the Iowa Chapter of USGBC
- an endorser for the EPA's WasteWise program
- an active member of ABC's Green Building Leadership Council
- two project managers are pursuing LEED certification
- partner with MidAmerican Energy's Energy Advantage Commercial New Construction Program
- estimating we will recycle 750 tons of construction debris in 2008
- using over 1000lbs of office supplies, made of 100% recycled material
- recycling over 2000lbs of office supplies and materials

PINNACLE'S PERCEPTION

It is an uncertain time right now in the economy and many small businesses are facing obstacles that they never have before. More and more companies are having to analyze their vendors and their clients from a financial and credit standpoint in order to protect themselves. One of the policies we use at Pinnacle is to qualify our subcontractors by having them complete a credit application prior to the start of the job. Also, Pinnacle is completely open with our bank and bonding company to maintain confidence and to alleviate any surprises. We prepare a 12 month rolling forecast for financial statements and for every project so we know where we are at all times. Construction companies in particular need to have a long range financial plan that includes strategies for cost cutting objectives, critical trigger points, and especially key metrics for the next 12 months. It is more than just what is in your backlog. Business planning assumptions and strategies need to be challenged and carefully analyzed, especially if the recession lasts longer than what a company might expect.

At Pinnacle we take into consideration any and all planning measures we can, including economic assumptions and internal and external ratios and benchmarks. We have significantly reduced overhead, tightened internal controls, managed equity, aligned with many business partners including banks and bonding companies, and set up a business plan for the next 3 years, which includes financial and strategic planning. Pinnacle believes it is extremely beneficial to know where you are going and how to get there. We have done everything possible to ensure our success and yours!!

—LISA HUTT, CPA
CONTROLLER, PINNACLE CONSTRUCTION



It has been my pleasure to work indirectly with Pinnacle Construction Group for 3 years. In the last year Vantus Bank and I have had the honor of stepping into a more direct role by providing support in their cash management (via Karla Rendall) and financing needs. Although I have been in the Commercial Lending field for 5 years, I have been on the sales side for only 18 months. Pinnacle Construction was the first "whole package" company to move their business to Vantus Bank as "my" customer. I believe that the business practices of Pinnacle, specifically open communication, integrity and consistency in financial reporting, and a quality of character that permeates relationship and work, are exemplary.

Although Pinnacle has not needed, and likely will not need, to utilize my primary product (financing), I look forward to being a support provider for the years to come. The management and personnel of the company is comprised of highly skilled, innovative, and dependable individuals that are the primary ingredient and catalyst for future success. I eagerly anticipate a bright future for and my involvement with this dynamic company.

—DAN DOWNS, VANTUS BANK

PROJECTS IN PROGRESS



OTTER CREEK GOLF COURSE Otter Creek Golf Course in Ankeny, Iowa is the home to a very exciting renovation. Pinnacle Construction was chosen to construct the 16,500 sq. ft. clubhouse on the course. Designed by Partners & Sirney, the expanded clubhouse is scheduled to be finished in spring of 2009. It will include a 400-person banquet facility/conference facility, called the Pinnacle Club, and also will have meeting spaces that will be available to rent by the public. The course closed Oct. 2007, for renovations to begin. The Otter Creek redevelopment will feature improved amenities including the new clubhouse, and create a more challenging course for golfers. It will also incorporate a new housing development. When complete, it will have 270 single-family homes. The Otter Creek Park will be moved to the northeast corner of the existing golf course. This neighborhood park is designed with lots of open space and passive recreation and will include a picnic shelter, trail system, playground and water feature.

CHARLES GABUS FORD DETAIL SHOP The Charles Gabus Ford detail shop is currently under construction. The 11,900 sq ft building was designed by Environmental Design Group. It is a pre-engineered structure that will be used for detail work. It includes space for wash bays, a paint booth and an office area. It will be completed in late 2008.



FAITH LUTHERAN CHURCH Construction has begun at Faith Lutheran Church at 104th & University in Clive. This 12,000 sq. ft remodel and addition project will include expanded classroom space, a remodeled kitchen and expanded parking areas. It is a wood and steel structure with a masonry exterior. The project was designed by Durrant and is scheduled to be completed Sept. 2009

BLANK PARK ZOO Pinnacle Construction Group is working with Blank Park Zoo and Simonson & Associates, to construct a mobile concession and restroom facilities. This mobile building will be air conditioned and be located at the zoo near the petting zoo and Kid's Kingdom. It will be completed in Dec. of 2008, and ready for use for the 2009 season.



JACK TRICE STADIUM Pinnacle Construction Group will have the general building package for Jack Trice Stadium in Ames, IA. RDG is the architect and the project is scheduled to be completed by August of 2009. The project includes new restroom buildings and concession areas. The buildings will be precast and masonry. The project also includes repair of the concourse area.

GRANDVIEW CHURCH OF CHRIST Designed by Ron Walker of Walker Architects, the Grandview Church of Christ is undergoing an expansion. The project will be 3,500 sq. ft addition. It will include an auditorium. The one story project includes wood framing, masonry, and siding. When the project is complete, it will have expanded parking, a new entrance drive and a covered entrance. In addition, a fire sprinkler system will be installed throughout the entire church.





2159 Grand Avenue
West Des Moines, IA 50265



Founded in 2008, the Peak Foundation, Inc. is a charitable foundation that is affiliated with Pinnacle Construction Group, LLC of Urbandale, Iowa. The purpose of the foundation is to be a conduit to give money back to the communities for which we work and live in. Pinnacle Construction Group has committed to give 2.5% of its annual profits to the Peak Foundation. In addition, the foundation is funded through donations and multiple fundraisers that are held throughout each year. Our primary focus is organizations which have Education and/or Human Service priorities.

NEW EMPLOYEES

LISA HUTT Lisa Hutt joined Pinnacle Construction Group as CPA and Controller in December 2007. Lisa comes to Pinnacle with 7 years of public accounting experience performing audits, preparing taxes, and consulting with various types of clients including construction companies and various small businesses. She is currently involved with the Junior League of Des Moines as a Financial Vice President and is a member of the CFMA, NAPEW, AICPA, and ISCPA. At Pinnacle, Lisa is responsible for all financial statements, bonding and insurance, internal controls, and other systems and processes. She enjoys working with people in the community and thrives on working in a team environment. In her personal time Lisa likes to travel, play basketball and tennis, and spend time with her family.

BRYAN ZARN Bryan Zarn joined Pinnacle Construction Group in August of 2008 as a senior project manager. He is currently working on John & Mary Pappajohn Sculpture Park, Blank Park Zoo, Jack Trice and Grandview Church of Christ. Bryan is a graduate of Iowa State University in Construction Engineering with 27 years of experience. Bryan and his wife Cathy live in Davenport, IA and have 6 children and 2 grandchildren.

LAURA ADAMS Laura Adams is our new Project Coordinator, joining us in September. She has been in accounting/customer service for over 20 years. Laura lives in Bondurant with her husband Mike and two children, Trent and Allison. Laura has served on the Bondurant Chamber Board.