FENTON GRANT MAYFIELD KANEDA & LITT LLP

ATTORNEYS AT LAW

Walnut Creek San Diego 18101 Von Karman Avenue Suite 1900 Irvine, California 92612 949/ 435-3800 Fax: 949/ 435-3801 877/ 520-3455 info@fentongrant.com Las Vegas Sacramento

May 16, 2016

Via Email

homesbyevelyn@gmail.cim

Re: Canyon Villas Association v. Canyon Villas Condominiums, L.P., et al.

OCSC Case No. 30-2015-00803598-CU-CD-CXC

Dear Ms. Tee:

Further to our letter of August 17, 2015, this shall serve to confirm that the roofing repairs and plumbing repairs at the project have been substantially completed. The above-referenced lawsuit alleges defects with common area and other property components within the Association's power and standing to pursue and includes claims for reimbursement of funds the Association has spent on repairs.

The claims alleged are identified on the "Notice of Commencement of Legal Proceedings" pursuant to Civil Code section 6000 (hereinafter the "Notice") a copy of which is attached hereto. We make no representation whether your client's home has any of the issues identified in the Notice. We again point out that not all of the homes and/or buildings located at the project may have problems, nor may be necessarily affected by any reported problems to the individual properties or common areas. Only a thorough inspection by a qualified home inspection professional can determine whether a particular home suffers from the problems identified herein.

Please note that the information contained herein is being provided solely for informational purposes only, and is not intended to, nor shall it relieve the buyer or seller of any disclosure obligations pursuant to law. Furthermore, the information contained herein represents only the current state of information and belief with respect to the inquiries made. As discovery and investigation continue, the Association reserves the right to modify, alter, or change any information contained herein as facts and other information are discovered.

CANYON VILLAS ASSOCIATION May 16, 2016 Page 2

Please do not hesitate to contact me should you have further questions or require any additional information.

Very truly yours,

FENTON GRANT MAYFIELD KANEDA & LITT LLP

JOSEPH KANEDA, ESQ.

JK:ss Enclosure

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IRVINE, CALIFORNIA 92612	
PHONE: (949) 435-3800 FAX: (949) 435-3801	
Attorneys for Claimant,	
CANYON VILLAS ASSOCIATION, a California	ia nonprofit corporation
CANYON VILLAS ASSOCIATION, a) CLAIMANT CANYON VILLAS
California nonprofit corporation,) ASSOCIATION'S NOTICE OF
) COMMENCEMENT OF LEGAL
Claimant,) PROCEEDINGS [PURSUANT TO CIVIL) CODE SECTION 6000]
v.)
)
CANYON VII I AS CONDOMINIUMS I D o	
CANYON VILLAS CONDOMINIUMS, L.P., a Delaware limited partnership; SRG CANYON	
VILLAS, L.P., a California limited partnership;)
REGIS HOMES, LLC, a California limited	
liability company; REGIS HOMES, L.P., a California limited partnership; REGIS)
CONTRACTORS, INC., a California)
corporation; THE WILLIAM LYON)
COMPANY, a California corporation; and)
DOES 1 through 400 inclusive,	
)
Respondent.)
	.)
TO: CANYON VILLAS CONDOMI	NIUMS, L.P., SRG CANYON VILLAS, L.P.,
DECIC HOMES LLC DECIS HOMES LL	D DECIS CONTRACTORS INC. and THE
REGIS HUMES, LLC, REGIS HUMES, L.I	P., REGIS CONTRACTORS, INC., and THE

WILLIAM LYON COMPANY:

Your legal rights are affected by this written Notice, which is given pursuant to California Civil Code section 6000. The purpose of this Notice is to inform you that the above-named common interest development makes a claim against you for defects in the design and/or construction of CANYON VILLAS ASSOCIATION. You should carefully read California Civil Code section 6000 and consult with an attorney to determine your specific rights and obligations.

NOTICE IS HEREBY GIVEN THAT CANYON VILLAS ASSOCIATION, a California nonprofit corporation (hereinafter the "Association"), pursuant to California Civil Code section 6000 (the "Notice"), has a claim for defects in the design and/or construction of the common interest development known as "Canyon Villas" located in the City of Aliso Viejo, County of Orange, State of California. This Notice shall toll all applicable statutes of limitation and repose, whether contractual or statutory, by and against all potentially responsible parties, regardless of whether they were named in the Notice, including claims for indemnity applicable to the claim for the period set forth in subdivision (c).

Upon receipt of the Notice you shall, within 60 days, comply with the following:

- 1) You shall provide the Association with access to, for inspection and copying of, all plans and specifications, subcontracts, and other construction files for the project that are reasonably calculated to lead to the discovery of admissible evidence regarding the defects claimed.
- 2) You shall provide written notice by certified mail to all subcontractors, design professionals, their insurers, and the insurers of any additional insured whose identities are known to you or readily ascertainable by review of the project files or other similar sources and whose potential responsibility appears on the face of the Notice.

I. PRELIMINARY LIST OF DEFECTS

Pursuant to California Civil Code section 6000(b)(2) & (3), with reservation to amend, modify or add to this Notice required by this provision, the Association provides you with a preliminary non-exclusive list of claimed defects and results identified on Exhibit "A".

II. SUMMARY OF RESULTS OF SURVEYS OR QUESTIONNAIRE

Pursuant to California Civil Code section 6000(b)(4), no homeowner surveys are available at this time.

III. SUMMARY OF RESULTS OF TESTING

Pursuant to Civil Code section 6000(b)(5), the Association notifies you that no preliminary invasive testing has been conducted to determine the nature and extent of defects in the design and/or construction of the project.

IV. BUILDER RESPONSE TO THIS NOTICE

Any and all responses, notices or other communications from or on behalf of you to the Association pursuant to California Civil Code section 6000, should be made in writing to Joseph Kaneda, Esq. or Charles Fenton, Esq. of Fenton Grant Mayfield Kaneda & Litt LLP, 18101 Von Karman Avenue, Suite 1900, Irvine, CA, 92612, within twenty-five (25) days of this Notice. You may choose to request a "meet and confer" meeting with the Association's Board of Directors.

Dated: April 1, 2014

FENTON GRANT MAYFIELD KANEDA & LITT, LLP

By:

CHARLES R. FENTON, ESQ.,

Attorneys for Claimant, CANYON VILLAS ASSOCIATION, a California nonprofit corporation

Exhibit "A"

PRELIMINARY LIST OF DEFICIENCIES

Project: Canyon Villas, Aliso Viejo, CA

Project No: 20427

Date: February 3, 2014

Revised:

Prepared By: Christopher A. Allen, AIA

The following is a preliminary summary of deficiencies observed or known to date by Allen Group Architects, Inc.

- 1.0 SITE
 - 1.1 Cracked concrete entry walkways.
- 2.0 SUBTERRANEAN SPACE

Not Applicable.

- 3.0 EXTERIOR WALLS AND OPENINGS
 - 3.1 Stucco
 - 3.1.1 Cracked and spalled stucco.
 - 3.1.2 Missing weep screeds.
 - 3.2 Concrete Footings
 - 3.2.1 Cracked and deteriorated footings at stairs.
- 4.0 EXTERIOR STAIRS/ENTRY DECKS
 - 4.1 Exterior Stairs and Intermediate Landings
 - 4.1.1 Missing flashings at terminations of elastomeric-covered stairs to concrete flatwork.
 - 4.1.2 Improper handrail size; handrails do not extend proper length beyond first and last riser.
 - 4.1.3 Missing, incomplete flashings at stringers at landings.
 - 4.1.4 Deteriorated, rotted stringers.

ALLEN GROUP ARCHITECTS, INC. 12790 El Camino Real, Suite 110 San Diego, CA 92130 (858) 794-0800 / FAX (858) 794-0833

- 4.2 Entry Decks
 - 4.2.1 Dry rot at edge trim boards.
- 5.0 PRIVATE DECKS
 - 5.1 Stained, deteriorated and rotted wood posts; dry rot.
- 6.0 ATTICS

Requires Further Investigation.

7.0 FLAT ROOFS

Not Applicable.

- 8.0 SLOPED ROOFS
 - 8.1 Asphalt Shingles and Underlayment
 - 8.1.1 Deteriorated, substandard asphalt roof shingles.
 - 8.1.2 Roof leaks.
- 9.0 INTERIORS
 - 9.1 Walls and Ceilings
 - 9.1.1 Stained and deteriorated drywall and baseboard at unit walls and ceilings at water heater closets; damaged framing.
- 10.0 DETACHED STRUCTURES/OUTBUILDINGS
 - 10.1 Garages
 - 10.1.1 Deteriorated, substandard asphalt roof shingles.
 - 10.1.2 Roof leaks.
 - 10.2 Pool Building
 - 10.2.1 Deteriorated, substandard asphalt roof shingles.
- 11.0 STRUCTURAL ISSUES

Refer to structural engineering consultant.

12.0 MECHANICAL/PLUMBING ISSUES

Also, refer to mechanical/plumbing engineering consultant.

12.1 Plumbing leaks.

13.0 ELECTRICAL ISSUES

Refer to electrical engineering consultant.

DC/aeh