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November 7, 2019

Breakwater Village Homeowners Association
c/o Laura Tencati, Community Association Manager
FirstService Residential
6080 Center Drive, Suite 210
Los Angeles, CA 90045

Re: Breakwater Village Homeowners Association v. Anastasi Development Company, LLC
Los Angeles County Superior Court Case No. BC

To Whom This May Concern:

This firm has been retained as counsel to the Breakwater Village Homeowners Association (hereinafter "Association") with respect to the above-referenced claim for construction defects.

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 continues, the Association reserves the right to modify, alter, or change any information contained herein as additional facts and other information are discovered.

By way of background, on December 19, 2017, the Association served a "Notice to Builder" pursuant to Civil Code sections 910 et seq. and 6000 (the "Notice") on Anastasi Development Company, LLC ("Developer"), for alleged defects in the construction of the Association's property including common areas and those other components within the Association's standing to pursue. The Association and Developer participated in settlement discussions, however, a resolution of the claim was not reached during the pre-litigation phase.

On August 1, 2019, the Association filed a lawsuit against the Developer in the Los Angeles County Superior Court as case no. 19STCV26787. This claim was authorized by the Association's Board of Directors, pursuant to the Association's rights and obligations as outlined in its governing documents and California Law. Following a recent settlement conference between the Association and Developer, we are pleased to report that a settlement has been reached in favor of the Association. As soon as the terms of the settlement agreement have been completed, the lawsuit will be dismissed with prejudice from the Court.

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The goal and purpose of this process was to secure monetary damages from the Developer sufficient to reimburse the Association for past repairs, and to perform all necessary and reasonable future repairs, at no cost to the Association or its membership. Please note that the Association's claim was limited to Association common areas and did not include construction issues for separate property interests that the Association is not obligated to maintain or repair or damages that are not integrally related to common area components. For a more detailed description of the Association's property and common areas, reference should be made to the Association's Declaration of Covenants, Conditions and Restrictions ("CC&Rs").

It is also important to note that not all of the homes at Breakwater have problems, nor are they 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.

Should you have any questions, please do not hesitate to contact me.

Very truly yours,

FENTON GRANT MAYFIELD KANEDA & LITT LLP

A handwritten signature in black ink, appearing to read 'JK' followed by a stylized flourish.

JOSEPH KANEDA, ESQ.