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April 11, 2018

RECEIVED & READ

SIGNATURE DATE

SIGNATURE DATE

Via E-Mail Only: bramirez@commoninterest.com

Ms. Beth Ramirez, CCAM-HR, CMCA
Common Interest Management Services

Re: Meadow Brook Village Association-Fremont
Litigation Summary and Disclosure

Dear Ms. Ramirez:

Meadow Brook Village Association-Fremont (MBV) is currently involved in three lawsuits:

1. DeJesus, et al. vs. Meadow Brook Village Homeowners'(sic) Association, et. al., Alameda County Superior Court Case No. RG 18889399, filed January 17, 2018;
2. Bernstein vs. Meadow Brook Village Association-Fremont, et al., Alameda County Superior Court Case No. HG 18897381, filed March 19, 2018; and,
3. Hernandez, et al. vs. Meadow Brook Village Association-Fremont, et al., Alameda County Superior Court Case No. 18898829, filed March 28, 2018.

The DeJesus lawsuit alleges Breach of Fiduciary Duty, Negligence, Breach of CC&Rs and By-Laws, Injunctive Relief and Declaratory Relief. The basis of the suit is after the association received a recall petition it failed to call a special meeting of members for a recall election. MBV denies the substantive allegations of the complaint. The petition was denied because it materially misrepresented the facts to the members signing the petition. The Petition stated the association "announced" a special assessment when in fact a special assessment had not been announced. The petition also stated MBV lacked Election Rules and failed to use a secret ballot for the board election for the 2017 term. In fact, MBV adopted Election Rules in 2007 and a secret ballot was used for the election. The plaintiffs were advised petitions misrepresenting the facts to those who were signing would not be acted upon. Plaintiffs had the option of submitting another petition without misrepresentations but elected not to do so. Plaintiffs also filed an Ex Parte Application for Temporary Restraining Order and Order to Show Cause regarding Preliminary Injunction that was heard and denied by the court. The necessity for a recall election is moot because an election has since been held and a new board has been elected. However, this lawsuit has not been dismissed. The lawsuit was tendered to MBV's

insurance carrier, Farmers Insurance, and it is paying the cost of defending the lawsuit with a standard reservation of rights with respect to coverage of any settlement or judgment. MBV denies the substantive allegations of the complaint and intends to vigorously defend its actions.

Bernstein vs. Meadow Brook Village Association-Fremont alleges Fraud; Breach of Fiduciary Duty; Breach of Contract; Brach of the Implied Covenant of Good Faith and Fair Dealing; Intentional Infliction of Emotional Distress; Intentional Misrepresentation; Negligent Misrepresentation; Breach of CC&Rs and By-Laws; Violation of Unruh Civil Rights Act; Violation of California Disabled Persons Act; and Injunctive Relief Emergency Assessment Imminent Threat April 2 2018 and Declaratory Relief. MBV denies the all the substantive allegations of the complaint and intends to vigorously defend against the meritless accusations. Plaintiff also filed an Ex Parte Application for Temporary Restraining Order to prevent collection of the Emergency Assessment on the basis MBV lacked the authority to impose an emergency assessment without membership approval. The hearing will take place on April 13, 2018. California Civil Code Section 5610(b) authorizes a common interest development like MBV to impose an assessment in cases of emergency WITHOUT the approval of its members where there is a threat to personal safety caused by a building component that is responsibility of the common interest development to maintain and repair. Here, the City of Fremont has served MBV with a Notice to Abate citing every building in the complex with structurally impaired common area entry stairways, emergency fire exit stairways and balconies. The Notice further states the conditions are threat to the safety of the residents and public. The emergency assessment was imposed in full compliance with Civil Code Section 5610(b) and shall only be used for repairing those components that are the cause of safety concerns. This lawsuit has also been tendered to Farmers Insurance for defense and coverage. Farmers Insurance is in the process of reviewing the lawsuit.

Hernandez et al. vs. Meadow Brook Village Association-Fremont is a lawsuit that was filed by the 2017 MBV board of directors for the appointment of a receiver to insure the collection of the emergency assessment and the repairs required by the City of Fremont's September 18, 2017, Notice and Order to Abate Nuisance continued in a rapid, steady, substantial and sufficient manner to remedy the issues while mitigating all related apparent hazards and to insure the safety to building occupants and guests. Since filing this action, the plaintiffs terms of office as MBV's directors have expired and new directors have been elected. Failure of MBV new board of directors to adhere to the City of Fremont's timeline for repair can result in the imposition of sanctions including orders to vacate units and shutting off utilities. The plaintiffs are requesting the appointment of a receiver to avoid this possibility. The decision on how the current board of directors intends to respond to this lawsuit is not currently known.

If additional information is required, copies of the complaints and other pleadings in each of the three actions can be obtained at the Alameda County Superior Court's Clerk's office.

Very truly yours,

FONG & FONG

By: _____
Richard Fong, Jr.

RF:ml