Litigation Parkside Condominium Association Inc.

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VIA E-MAIL

Parkside Condominiums
Attn: James S. Wolfe
William Douglas Management Co.

Re: Parkside Condominiums Litigation

To Whom It May Concern:

Per request, this letter serves as our firm's summary of the current status of the pending construction litigation involving the Parkside Condominiums. Please understand it is a delicate matter to make such disclosures during the pendency of litigation, given the adversarial process and the need to protect some information that is subject to the attorney-client privilege. However, the below would serve as a general disclosure:

Parkside was built by a Trammel Crow affiliate circa 2007. At some point following construction, portions of Parkside's buildings are believed to have been repaired by Trammel Crow and/or an entity working on Trammel Crow's behalf. Around January 2014, the Property Owners' Association noted window leaks and other issues. Upon observing this, the Association retained an investigatory firm to perform a preliminary investigative study. The initial investigation noted deficiencies such as improperly installed window flashing, water intrusion and associated damage. Thereafter, the Board received a recommendation of our services from a third party with which our firm has handled similar cases in the past and subsequently interviewed and hired us to represent the Association.

We filed suit in July 2015. While attorneys are prohibited by court rules from attempting to guarantee the outcome of the litigation, the initial investigation has validated the homeowner's complaints evidencing the homeowners should prevail on the merits. Our firm is very experienced in handling condominium conversion and construction defects suits and we have handled, tried and resolved many of these cases. We have hired a well-qualified engineering firm who will perform a comprehensive site investigation. It will be some time before the engineering analysis is complete and then we will seek to procure a repair estimate based upon the engineer's recommended scope of repair.

The principal defendants are likely insured, the details of which I will know more shortly. Additionally, the contractor is expected to cross-sue all the suppliers and subcontractors. Collectively, the current and new defendants should be able to pay for a substantial portion of the repairs. While some of the defendants will eventually concede some problems at Parkside, the extent and cause of the problems, along with the scope and cost of repair, will remain contested for the duration of the litigation.

We hope this matter can be brought to trial or conclusion within the next two years, but that is not guaranteed. It is beyond the scope of our firm's engagement to handle the actual repairs, although we will be available to the Parkside Board of Directors to advise regarding these if requested. The pendency of the suit does not inhibit a transfer of a condominium; the buyer will essentially simply step into the shoes of the seller. The principal participant in the litigation is the Property Owners Association as most of the exterior building components are common or limited common elements.

Public information regarding the case is available online at publicindex.sccourts.org/berkeley/publicindex/. Additionally, copies of case filings are available upon request from the Berkeley County Clerk of Court. The case information is as follows: Parkside Condominium Association, et al. v. Trammell Crow Residential, et al. Case No. 2015-CP-08-2014.

Cordially yours,

Dabny Lynn

DL/dl