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To Whom It May Concern

RE: Casa De Alvarado Owners Association / Fannie Mae / Electrical Panels
Our File No.: 5520.001

Dear Sir / Madam:

As you may know, this firm represents Casa De Alvarado Owners Association (the "Association").

This letter is being sent to you because you have made inquiry on behalf of an open escrow for a unit at Casa De Alvarado.

As you are likely aware, the Association is now listed as *ineligible* by Fannie Mae such that Fannie Mae loans are presently unavailable to buyers. We are working on attempting to cure this determination by Fannie Mae as we believe the blacklisting of the Association was done in error as there are no known "critical" structural issues associated with the balconies or buildings affecting resident safety. Regardless, the process of rectifying this with Fannie Mae could take some time.

In addition to the above, the Association was recently notified (unexpectedly) by its property insurance carrier, Farmers, that the electrical panels for the units need to be replaced in the short term to maintain current property coverage with Farmers. This unanticipated cost could be in the area of $300,000 in total. At present, the Association is obtaining bids to accomplish this work, but the funding for the work will have to come from an emergency special assessment per the CC&Rs and Civil Code Section 5610. Thus, it is anticipated that an assessment will be levied upon each unit in the short term to accomplish this necessary work in order to preserve and protect property insurance coverage.

In the meantime, if you have any questions or concerns regarding this letter, please do not hesitate to contact the undersigned.

Very truly yours,

GREEN & FRENCH, LLP

/s/ *Jeffrey A. French*

Jeffrey A. French