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To All Owners

RE: Pepper Townhomes Association / Insurance Coverage Update

Dear Owner:

As you may know, this firm serves as counsel for your community association, Pepper Townhomes Association ("Association"). We have been requested by the Board of Directors for the Association to write to all of the owners concerning another important update on the Association's insurance coverage.

As you know from our last communication, the Association has been working diligently with various insurance professionals in an effort to find replacement fire and casualty coverage for the State Farm policy that has been canceled by State Farm and is set to expire on May 16, 2022, at 12:01 a.m. To date, the Association has been able to find only one available policy, which provides much less than full coverage for the buildings (\$5m coverage provided) and has a premium amount of \$148,202.00 for one year of coverage.

Given the above, the Association is strongly recommending that the individual owners immediately contact their insurance professional and try to obtain additional fire and casualty coverage for their unit in case there is a fire or other loss that exceeds the \$5m coverage that the Association will have in place as of May 16, 2022. If your insurance professional has any questions, he or she should contact the Association's insurance agent Mr. Michael Berg at: Berg Insurance 1 Orchard, Suite 230, Lake Forest, CA 92630. Phone: 949-830-4590 x 216 Fax: 949-586-9877 or Michael@berginsurance.com. Once again, it is imperative that each of the individual owners take action on this item before the expiration of the Association's current fire and casualty policy on May 16, 2022 at 12:01 a.m.

Should anything change concerning the Association's fire and casualty insurance coverage, we will update you further as soon as possible. Because this situation is a very fluid situation, it is imperative that the Association be able to communicate with owners in the most efficient and timely manner possible. In this regard, if you are receiving this message via U.S. mail or individual delivery, please contact the Association's community manager, Mr. Joe Apparito, via email at joe@360hoa.com to provide him with your email address so that we may more effectively communicate with you on this topic going forward.

Thank you in advance for your attention to and cooperation with this letter. In the meantime, if you have any questions or concerns, please do not hesitate to contact the undersigned.

Sincerely,

GREEN BRYANT & FRENCH, LLP


Jeffrey A. French, Esq.

JAF:dec

cc: Board of Directors, Pepper Townhomes Association