

CONSUMER DEFENSE GROUP ACTION

GRAHAM & MARTIN, LLP
3 Park Plaza, Suite 2030
Irvine, CA 92614
Telephone: (949) 474 - 1022
Facsimile: (949) 474 - 1217

60 Day Notice of Intent to Sue Stonesfair Corporation Under Health & Safety Code Section 25249.6

Consumer Defense Group Action, a California corporation (hereinafter "CDG" or "the Noticing Party") hereby gives Notice of Intent to Sue Under Health & Safety Code Section 25249.5 ("the Notice") to, R Thomas Fair, the President of Stonesfair Corporation, a California corporation (hereinafter, "the Violator"), as well as the governmental entities on the attached proof of service. The Noticing Party must be contacted through its attorneys: Law Offices of Graham & Martin, LLP, 3 Park Plaza, Suite 2030, Irvine, California 92614.

This Notice is intended to inform the Violator that it has violated Proposition 65, the Safe Drinking Water and Toxic Enforcement Act (commencing with Health & Safety Code Section 25249.5) (hereinafter "Proposition 65") by failing and refusing to post clear and reasonable warnings at facilities listed on Exhibit A hereto (which are owned/managed by the Violator) (hereinafter "the Facilities") that the Violator (1) permits the smoking of tobacco products at the Facilities, which exposes customers, visitors and employees to tobacco smoke in the areas where smoking is permitted; and, (2) permits the operation of motor vehicles at the Facilities, which exposes customers, visitors and employees to diesel and gasoline exhaust fumes, and the chemicals contained in those fumes, in the areas where such vehicles are allowed to be operated.

Summary of Violation:

Proposition 65 provides that when a party, such as the Violator, has been and is knowingly and intentionally exposing its customers, visitors, employees and the general public to chemicals designated by the State of California to cause cancer and reproductive toxicity ("the Designated Chemicals") it has violated the statute unless, prior to such exposure, it provides clear and reasonable warning of that potential exposure to the potentially exposed persons (Health & Safety Code Section 24249.6). Tobacco smoke, as well as the constituent chemicals contained in tobacco smoke, are Designated Chemicals. Similarly, diesel and gasoline exhaust fumes contain Designated Chemicals.

The Violator, in the ordinary course of business, controls much of the conduct and actions of its customers, visitors and employees at each of the Facilities. One of the actions the Violator controls is whether or not to allow its customers, visitors and employees at each of the Facilities to smoke tobacco products. Similarly, the Violator controls whether or not to allow its customers, visitors and employees at each of the Facilities to operate motor vehicles and the location of such operation at the Facilities.

Persons representing CDG have personally visited each of the Facilities between January and November 2003 (hereinafter referred to as the "Investigation Period"). During those investigations CDG discovered that the Facilities are owned and/or managed by the Violator, and that the Violator has more than nine employees. Those investigations showed that the Violator has chosen to allow its customers, visitors and employees at each of the Facilities to smoke tobacco products, and has specifically chosen to allow smoking in certain areas. Those areas are the apartments, the lobbies, corridors and hallways of

floors where apartments where smoking is allowed are located, areas adjacent to pools, entrances and common areas where smoking is permitted, public walkways and parking areas where smoking is permitted. Further, those investigations showed that the Violator has chosen to allow its customers, visitors and employees at each of the Facilities to operate motor vehicles in certain areas, the driveways and parking areas.

In the Facilities and areas noted the Violator has chosen to allow its customers, visitors and employees to be exposed to: (1) tobacco smoke via the breathing of second hand tobacco smoke and via contact with their skin and clothing; and, (2) diesel and gasoline exhaust fumes via the breathing of such fumes (inhalation) and by contact with the skin and clothing (dermal contact). Evidence that (1) the smoking of tobacco products was taking place and had taken place at the Facilities, and (2) that the operation of motor vehicles (and thus exposures to diesel and gasoline exhaust fumes) was taking place at the Facilities, was seen by the investigators for CDG at the Facilities during the Investigation Period. The investigation by CDG at the Facilities showed that the Violator has specifically chosen to ignore the requirements of Proposition 65 and has failed to post clear and reasonable warnings at any of the entrances to the Facilities, in the parking areas, in the areas leading into the Facilities from the parking areas, at the entrances to apartment buildings or floors where apartments where smoking is permitted are located, or in or near the walkways in the Facilities, so that its customers, visitors and employees, who may not wish to be exposed, can be warned that, upon entering any of those areas, they may be exposed to tobacco smoke. The investigation by CDG at the Facilities showed that the Violator has specifically chosen to ignore the requirements of Proposition 65 and has failed to post clear and reasonable warnings at the parking areas or in the areas leading into the Facilities from the parking areas to warn its customers, visitors and employees, who may not wish to be exposed, that, upon entering any of those areas, they may be exposed to diesel and/or gasoline exhaust fumes, and chemicals known to the State of California to cause cancer and/or reproductive toxicity.

It is clear therefore that for the entire period of time that the Violator has owned and/or controlled the Facilities prior to the Investigation Period, and during the Investigation Period itself, the Violator has failed to post clear and reasonable warning signs at the Facilities in compliance with Proposition 65. Given that the maximum period of potential liability pursuant to Proposition 65 and Business & Professions Code §17200 (which are the operative statutes pursuant to which a complaint will be filed against the Violator) is four years, this Notice is intended to inform the Violator that it has been in violation of Proposition 65 from the time period from four years prior to the last date of the Investigation Period noted above for each day on which it was the owner or operator of the Facilities, for every day upon which the Violator was the owner/operator of any facility listed on Exhibit A.

The written reports prepared by the investigators for CDG, prepared contemporaneously with the investigations conducted during the Initial Investigation Period, together with supporting photographic and other evidence from the Facilities, has been provided to the Office of the Attorney General responsible for Proposition 65 enforcement.

Environmental Exposures:

While in the course of doing business at the Facilities, during the Investigation Period, and for up to four years prior to that time, the Violator has been and is knowingly and intentionally exposing its customers and the public to tobacco smoke and other chemicals listed below and designated by the State of California to cause cancer and reproductive toxicity without first giving clear and reasonable warning of that fact to the exposed persons (Health & Safety Code Section 24249.6). The source of exposure is (1) tobacco smoke caused by the smoking of tobacco products by persons who the Violator permits to smoke tobacco products at the Facilities, and (2) diesel and gasoline exhaust fumes produced by the operation of

Stonesfair Corporation

Sierra Ridge
7434 Auburn Oaks Ct.
Citrus Heights, CA 95621

Riverview Ranch
2763 River Plaza Drive
Sacramento, CA 95833

Arioso Apartments
19608 Pruneridge Ave.
Cupertino, CA 95014

Creekside Apartments
1800 Stokes Street
San Jose, CA 95126

Greystone Apartments
2505 5th Street
Davis, CA 95616

Woodacre Apartments
1260 Ayala Drive
Sunnyvale, CA 94086

Windscape
300 Cirby Hills Drive
Roseville, CA 9578

Park Knolls Apartments
1100 Pedras Road
Turlock, CA 95380

CERTIFICATE OF MERIT

I, Anthony G. Graham, declare as follows:

1. I am a member of the State Bar of California, a partner of the law firm of Graham & Martin LLP, and one of the attorneys principally responsible for representing The Consumer Defense Group Action, the “Noticing Party” as to the “60 Day Notice of Intent to Sue” (hereinafter, “the Notice”) served concurrently herewith. I have personal knowledge of the facts set forth herein and, if called upon, could and would testify competently thereto.

2. I have consulted with appropriate and qualified scientific experts and, having reviewed relevant scientific data and results of relevant test reports, as well as having reviewed the facts as set forth below and the documentary evidence of those facts regarding the exposures to the chemicals as set forth in the Notice, I have a good faith basis for believing that the exposures set forth in the Notice are likely to be above the minimum significant risk level for the chemicals at issue. I have provided the information, documents, data, reports and/or opinions I have relied upon to the Attorney General’s office as required by the regulations promulgated under Proposition 65.

3. Based on the information obtained through those consultations, and on all other information in my possession, I believe there is a reasonable and meritorious case for the private action. I understand that “reasonable and meritorious case for the private action” means that the information provides a credible basis that all elements of the plaintiffs’ case can be established and the information did not prove that the alleged violator will be able to establish any of the affirmative defenses set forth in the statute.

4. The information referred to in paragraph 3 is as follows; by physical investigation

of the location referenced in the Notice and by investigation of relevant information, documents, data, and reports Consumer Defense Group Action discovered that:

- (1) the Violator is responsible for, and thus “operates”, the specific subject property or properties for purposes of Health and Safety Code section 25249.5 and 25249.6;
- (2) the Violator has more than nine employees;
- (3) the Violator permits and has permitted the “release” of the chemicals set forth in the Notice and such “releases” threaten to pass in sources of drinking water;
- (4) exposures to the chemicals set forth in the Notice have occurred and continue to occur both to offsite and onsite persons;
- (5) the Violator has not put in place a clear and reasonable warning as required under Health & Safety Code section 25249.6, or any other sign purporting to comply with the requirements of that section.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed at Irvine, California on February 11, 2004.

CERTIFICATE OF SERVICE

I am over the age of 18 and not a party to this case. I am a resident of or employed in the county where the mailing occurred. My business address is 3 Park Plaza, Suite 2030, Irvine, California 92614.

I SERVED THE FOLLOWING:

- 1.) 60-Day Notice of Intent to Sue Under Health & Safety Code Section 24249.6
- 2.) The Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65):
A Summary (*only sent to violators*)
- 3.) Certificate of Merit
- 4.) Supporting documents (*sent only to Office of Attorney General*)

by enclosing a true copy of the same in a sealed envelope addressed to each person whose name and address is shown below and depositing the envelope in the United States mail with the postage fully prepaid:

Date of Mailing: February 11 , 2004

Place of Mailing: Irvine, California

NAME AND ADDRESS OF EACH PERSON TO WHOM DOCUMENTS WERE MAILED:

All Entities (Violators and Government Entities) Listed on Exhibit A hereto.

Ed Weil, Deputy Attorney General
Office of Proposition 65 Enforcement
1515 Clay Street, Suite 2000
P.O. Box 70550
Oakland, CA 94612-0550

R Thomas Fair
Stonesfair Corporation
800 Airport Blvd. Ste. 502
Burlingame, Ca. 94010

Santa Clara County DA
2645 Zanker Road
San Jose, CA 95134

Sacramento County DA
P.O. Box 749
Sacramento, CA 95812

Yolo County D A
301 2nd Street
Woodland, CA 95695

San Jose City Attorney
151 W. Mission St.
San Jose, CA 95110

Stanislaus County DA
800 11TH Street
Room 200
PO Box 442

Placer County DA
11562 B Avenue
Auburn, CA 95603

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. /

Dated: February 11, 2004