CONSUMER DEFENSE GROUP ACTION

GRAHAM & MARTIN, LLP
950 South Coast Drive, Suite 220
Costa Mesa, CA 92626
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60 Day Notice of Intent to Sue Steadfast Companies and Steadfast Properties & Development Co., Inc., including all Affiliates of Steadfast Companies and Steadfast Properties & Development Co., Inc. 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") toRodney F. Emery, President of Steadfast Companies and Steadfast Properties & Development Co., Inc., respectively, on behalf of Steadfast Companies and Steadfast Properties & Development Co., Inc. and its Affiliates, if any (hereinafter collectively known as, the "Violator "), as well as the governmental entities on the attached proof of service. For purposes of this Notice, "Affiliate" shall mean any Person directly or indirectly controlling, or under common control with the Violator, with the term (i) "control", as used in this definition, meaning possession, directly or indirectly, of the power to direct or cause the direction of management, policies or action through ownership of voting securities, contract, voting trust or membership in the management or in the group appointing or electing management, and (ii) "Person" meaning an individual, corporation, partnership, trust, unincorporated organization or any other form of entity. The Noticing Party must be contacted through its counsel, Anthony G. Graham, of the law firm of Graham & Martin, LLP, at the above address and telephone number.

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 the apartment 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/or 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 investigated the Violator and its operations in September, 2004 (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, common 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 (inhalation) and via contact with their skin and clothing (dermal contact); and, (2) diesel and gasoline exhaust fumes via the breathing of such fumes (inhalation) and by contact with the skin and clothing (dermal contact). The Investigation provided evidence that (1) the smoking of tobacco products was permitted, takes 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 permitted and takes place properties controlled by the Violator. The Investigation also 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 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 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 during the Investigation Period itself, and thus likely for the entire period of time that the Violator has owned and/or controlled the Facilities prior to the Investigation Period, 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 could 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, 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/or 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 motor vehicles which the Violator permits at the Facilities. The areas at the Facilities where customers, visitors and employees are being exposed to tobacco smoke are the apartments, common areas adjacent to pools, entrances and common areas where smoking is permitted, public walkways and parking areas where smoking is permitted. The areas at the Facilities where customers, visitors and employees are being exposed to diesel and gasoline exhaust fumes the apartments and public walkways near to driveways and parking areas, and those driveways and parking areas.

Occupational Exposures:

While in the course of doing business, 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 employees to tobacco and tobacco smoke, diesel and gasoline exhaust fumes 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 person (Health & Safety Code Section 25249.6). 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 motor vehicles which the Violator permits at the Facilities. Employees potentially exposed include and are not limited to security personnel, maintenance workers, service personnel and administrative personnel. The areas at the Facilities where employees are being exposed to tobacco smoke are the apartments, common areas adjacent to pools, entrances and common areas where smoking is permitted, public walkways and parking areas where smoking is permitted. The areas at the Facilities where employees are being exposed to diesel and gasoline exhaust fumes are the apartments and public walkways near to driveways and parking areas, and those driveways and parking areas.

The route of exposure for Occupational Exposures and Environmental Exposures to the chemicals listed below has been inhalation and dermal contact with (1) tobacco smoke and (2) diesel and gasoline exhaust fumes at the Facilities. In other words, via breathing and contact with the skin of (1) tobacco smoke and (2) diesel and gasoline exhaust fumes. For each such type and means of exposure, the Violator has exposed and is exposing the above referenced persons to the chemicals listed on the document attached hereto entitled "LIST OF CARCINOGENS/TOXINS."

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Proposition 65 requires that notice and intent to sue be given to the Violator sixty days before a suit is filed. With this letter, CDG gives notice of the alleged violations to the Violator and the appropriate governmental authorities. This Notice covers all violations of Proposition 65 that are currently known to CDG from information now available to them. CDG reserves the right to amend this Notice to inform the Violator of other violations and/or exposures as it gathers further information. With the copy of this Notice submitted to the Violator, a copy is provided of "The Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65): A Summary".

Dated: March 10, 2005

By: _____
Anthony G. Graham, Esq.

EXHIBIT A

STEADFAST COMPANIES
STEADFAST PROPERTIES & DEVELOPMENT CO., INC.
STEADFAST APARTMENT COMMUNITIES

Steadfast Companies
Steadfast Properties & Development Co., Inc.
Steadfast Apartment Communities
20411 S.W. Birch Street, Ste. 200
Newport Beach, CA 92660
(949) 852-0700

Rivercourt 1671 West El Camino Sacramento, CA 95833	Sycamore Ridge 2020 Gutherie Street San Bernardino, CA 92404
Village Green 2122 West Chestnut Street San Bernardino, CA 92410	Brookhollow 2600 So. Azusa West Covina, CA 91792
Cameron Park 929 West Cameron West Covina, CA 91790	Channel Island Park 931 Bismark Way Oxnard, CA 93033
Cielo Vista 81-820 Shadow Palms Indio, CA 92201	Cypress Cove 260 N. Midway Escondido, CA 92262
Flanders Pointe 15520 Tustin Village Way Tustin, CA 92780	Hidden Cove 2901 Mary Ann Lane Bay Point, CA 94565
Hilltop Commons 15690 Crestwood Drive San Pablo, CA 94806	Holiday Manor 1924 Camino Del Sol & 120 N. Rose Ave. Oxnard, CA 93030
Nova Pointe 800 E. Washington Ave. Colton, CA 92324	Orange Tree 13902 Taft Street Garden Grove, CA 92843
Orchard Park 423 Cougar Way Beaumont, CA 92223	Pacific Palms 410 S. Calle Encilia Palm Springs, CA 92262

Pacific Village 1551 Saturn Blvd. San Diego, CA 92154	Park West 2825 West Alamos Fresno, CA 93705
Pierce Park 12700 Van Nuys Blvd. Pacoima, CA 91331	Rio Vista 1190 W. San Ysidro Blvd. San Ysidro, CA 92173
River Run 863 River Road Corona, CA 92880	Rivercourt 1671 West El Camino Sacramento, CA 95833
Village Green 2122 West Chestnut Street San Bernardino, CA 92410	

CERTIFICATE OF MERIT
Health and Safety Code Section 25249.7(d)

I, Anthony G. Graham, hereby declare:

1. This Certificate of Merit accompanies the attached sixty-day notice(s) in which it is alleged the parties identified in the notices have violated Health and Safety Code section 25249.6 by failing to provide clear and reasonable warnings.

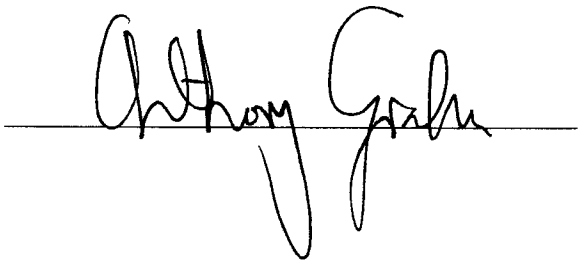
2. I am member of the State Bar of California, a partner of the law firm of Graham & Martin, LLP, and attorney for noticing parties Consumer Defense Group Action.

3. I have consulted with one or more persons with relevant and appropriate experience or expertise who has reviewed facts, studies, or other data regarding alleged exposures to the listed chemicals that are the subject of the action.

4. 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.

5. The copy of this Certificate of Merit served on the Attorney General attaches to it factual information sufficient to establish the basis for this certificate, including the information identified in Health and Safety Code section 25249.7(h)(2), i.e., (1) the identity of the persons consulted with and relied on by the certifier, and (2) the facts, studies, or other data reviewed by those persons.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed at Costa Mesa, California on March 10, 2005.



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 950 South Coast Drive, Suite 220, Costa Mesa, California 92626.

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;
3) Certificate of Merit; and
4) Supporting documents *(sent only to the 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: March 10, 2005
Place of Mailing: Costa Mesa, California

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

Steadfast Companies
20411 S.W. Birch Street
Suite 200
Newport Beach, CA 92660
Attention: Rodney F. Emery, President

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

Fresno County DA
2220 Tulare Street, Ste. 1000
Fresno, CA 93721

Riverside County DA
4075 Main St., First Floor.
Riverside, CA 92501

San Bernardino County DA
316 N. Mountain View Ave.
San Bernardino, CA 92415

Ventura County DA
800 South Victoria Avenue
Ventura, CA 95695

San Diego City Attorney
1200 3rd Ave. Ste. 1620
San Diego, CA 92101

San Diego County District Attorney
330 Broadway
San Diego, CA 92101

Orange County District Attorney
700 Civic Center Dr. W., 2nd Floor
Santa Ana, CA 92701

Los Angeles County DA
210 W. Temple Street, 18th Floor
Los Angeles, CA 90012

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

Contra Costa County DA
727 Court Street
Martinez, CA 94553

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

Dated: March 10, 2005