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November 2, 2010

### Members

Lushmeadows Association, Inc.  
C/o Board of Directors  
5979 Meadow Lane  
Mariposa, CA 95338

### Re: **LMA vs. Taggs; Wray and Whalleys v LMA: Appeals are over; Judgment in Favor of LMA Has Been Upheld**

Dear Owners:

This is an update on the *LMA v. Taggs* and related *Wray and Whalleys v. LMA* lawsuits.

Judgment was entered in both actions, in the Association's favor, on December 22, 2008 in Mariposa County Superior Court. The court found in favor of the Association and the judgment provided that the 2003 CC&Rs are valid and enforceable and that Mr. Taggs, Mr. Wray and the Whalleys had to pay their past-due assessments, with interest. The Judgment also provided that the Association is entitled to reasonable attorneys' fees and costs for the lawsuit in which the opposing parties challenged the enforceability of the CC&Rs.

On March 11, 2009, the Court awarded LMA its attorneys' fees and costs for the trial court action in the amount of \$85,000 for attorneys' fees and \$4,821.92 for costs. These amounts have been earning interest since then at the annual rate of ten percent (10%) per year.

On May 11, 2009, the opposing parties appealed and subsequently filed an Opening Brief. On behalf of LMA, I filed a Respondent's Brief, and later, as directed by the Court of Appeal, filed two Supplemental Briefs.

On May 13, 2010, oral argument was heard by the Court of Appeal for the Fifth District, in Fresno, CA. In August, 2010 the Fifth District, in an unpublished opinion, upheld the trial court's judgment in its entirety and awarded costs to LMA.

Following the Court of Appeal's decision, the opposing parties asked for a rehearing in the Fifth District, but their motion was denied by the Court of Appeal.

Opposing parties timely petitioned for review by the California Supreme Court. LMA opposed the Petition.

On October 27, 2010, the California Supreme Court denied the petition for review.

On November 1, 2010, the Court of Appeal for the Fifth District issued the Remittitur. This is the Court Order sending the case back to Mariposa County, and it means that the appeal is over, and the trial court's judgment and order granting LMA its attorneys' fees and costs are undisturbed.

LMA will now submit its Memorandum of Costs and Motion for Attorneys' Fees on Appeal to the Mariposa County Superior Court. This motion will seek recovery from the opposing parties of attorneys' fees and costs incurred on appeal. An award of these fees and costs is allowed by Civil Code 1354c.

The opposing parties posted an Appeal Bond in order to stay execution of the judgment pending the appeal. Unless the opposing parties pay the judgment within thirty days, we will ask the Mariposa County Superior Court to order the surety bonding company to pay.

In conclusion, this long odyssey is finally nearly at an end. The Mariposa County Superior Court, the Fifth District Court of Appeal, and the California Supreme Court have all upheld the validity of the Association, the enforceability of the CC&Rs, and the requirement that all owners of Lots within LME belong to LMA and pay assessments. These decisions remove the uncertainty that had been hanging over the development. I will finalize all remaining pleadings and file them in the Mariposa County Superior Court in the near future so that the remaining issues can be decided.

I appreciate the opportunity to have been of service to LMA. I will provide you with a final report when the remaining motions have been heard and decided.

As you know, I represent LMA and not the Lot Owners. Therefore, please address any questions you may have to the Board of Directors, and I'll work with the Board to provide answers.

Very truly yours,

LAW OFFICES OF ANN RANKIN

  
Ann Rankin

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