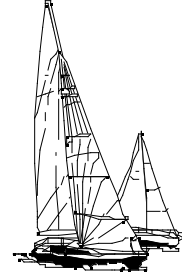


MONARCH BAY ASSOCIATION

BAY BANTER



OCTOBER 2003 - PART 2

MOULTON LAWSUIT IN EARLY STAGES

It is still early for judging the direction that this lawsuit against our community will take. What is obvious is that the Moulton heirs are looking for money and the stakes are high for Monarch Bay residents.

While our attorneys are working cooperatively with the attorneys for the other defendants, Cal Western Home Financing and AVCO Community Development, we cannot leave the fate of our homes in the hands of others. We must stay closely involved in this lawsuit.

Several residents who recently tried to sell their homes have encountered resistance from title companies, mortgage lenders and buyers' attorneys. So far, these situations have been resolved satisfactorily for our neighbors. However, we cannot be assured that this will continue to be the case unless we mount a strong defense.

Your Association Board advised the community by letter and at the Annual Meeting that a special assessment would be required to replenish our reserve funds for the amount being spent on the litigation. It is too soon to tell you just when an assessment will be needed and in what amount. Much depends on the tactics pursued by the plaintiffs and the legal countermeasures that we will have to take. We obviously will spend as little as is possible while aggressively fighting this unjustified legal attack on Monarch Bay by the Moulton Trust beneficiaries.

We will keep you posted.

Respectfully,

The Monarch Bay Association Board of Directors

NEXT BOARD MEETING TO BE HELD NOVEMBER 10TH

The next meeting of the Board of Directors will be held at 7:00 p.m. on Monday, November 10th at 7:00 p.m. at the O'Connor residence, 145 Monarch Bay Drive.

Please note that the Homeowner Forum schedule for each monthly Board meeting has been moved to 8:00 p.m. to provide homeowners with an opportunity to discuss issues directly with the Board, and not be concerned about delays if the Association's counsel is present at the beginning of the meeting to meet with the Board in executive session.

RESIDENT LARGE PARTY RULES/APPLICATION

Please find enclosed a copy of the Resident Large Party Rules and Application form for hosting events at the Beach Club with over 50 attendees. Pursuant to our settlement agreement, only residents may host parties with over 50 persons. These rules were established in 2002 and have been revised accordingly based on experience. Please keep these documents with your records in the event you wish to host a large event at the Beach Club in the future.

ORANGE COUNTY VECTOR CONTROL IS AVAILABLE

Some neighbors in Monarch Bay are seeing rats in their property. We hope you will find the information below helpful, which is reprinted from the Orange County Vector Control District.

What Can Homeowners Do To Reduce Rat Populations?

Like the rest of us, rats have some basic requirements; food, water, and shelter, called harborage.

Eliminating a water source is all but impossible, so you should concentrate on reducing sources of food and shelter. Eliminating all food sources is the first step. Pet food, and wild bird seed are among the most common causes of rat infestations, and managing these sources will be a big help. Do not allow fallen fruit to collect under trees and keep garbage cans tightly sealed.

The next step is to seal off your house, any opening larger than a quarter will allow rats to enter your home. Once you have removed the food sources, and sealed your home you should call the district.

Eliminate harborage, or shelter by thinning the vegetation in your yard. Remember, if you were to eliminate outdoor harborage before you sealed your home, you may drive the rats into your home.

The rat problem you see may not originate on your property, please share this information with your neighbors.

What We Do to Control the Rat Population in Orange County?

Orange County Vector Control District does not control rats within your home, we are limited to those rodents living outside. There is little the district can do if all the conditions that attract rats still exist. Only after your house has been sealed, and you have removed the available food sources, can we effectively bait for the remaining rats. We are also available for advice with any neighborhood problems that may require abatement proceedings.

Call the Orange County Vector Control District at (714) 971-2421 to schedule an appointment, after you have removed any food sources and have "rat proofed" your home.

MONARCH BAY ASSOCIATION
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(949) 582-7770, FAX (949) 582-7796
or by e-mail at lisak@progressivecm.com

Please note that the offices of Progressive Community Management will be closed in observance of the Veteran's Day Holiday on Tuesday, November 11, 2003 and on Thursday, November 27th and Friday, November 28th for the Thanksgiving holiday. As always, emergency service is available by calling our regular business number and following the emergency paging instructions.