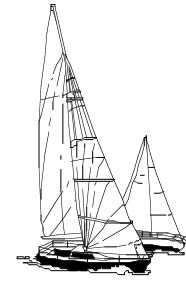


MONARCH BAY ASSOCIATION

# BAY BANTER



OCTOBER 2005

## MOULTON LITIGATION MEDIATION

*On October 5, 2005, the Board of Directors of the Monarch Bay Association and its attorney, Tom Davis, participated in an all-day mediation (structured settlement conference) in the Moulton case. The mediation was presided over by retired Judge Robert May at JAMS (Judicial Arbitration and Mediation Service). Also in attendance were several of the Moulton family Plaintiffs, their attorneys, representatives of Cal Western and AVCO, and their attorneys.*

*Plaintiffs' initial demand at mediation was \$6.9 million. After meeting with the representatives of the Monarch Bay Association and the other defendants, Judge May came to understand that there was not going to be any monetary settlement, as none of the defendants were interested in making any significant offers.*

*The focal point of mediation, then, became a discussion about the possible purchase of the Moulton family's interest in Monarch Bay and the possibility of the Monarch Bay homeowners individually exercising their option to purchase now rather than waiting until 2020, which is the date provided for in the Option Agreement. Cal Western outlined an arrangement whereby this might be accomplished.*

*The Plaintiffs in this case indicated an interest in a buyout, but they only control approximately 35% of the ownership interest, and all of the owners of the Monarch Bay property would have to participate in such arrangement.*

*Some new entity would have to buyout the Moulton family's interest and individual residents then would have the opportunity to voluntarily buy, or not buy until 2020, their lots.*

*The parties at the mediation agreed to continue to pursue this potential opportunity and discussions are ongoing among the parties. Judge May scheduled a follow-up conference call with the attorneys in 60 days to discuss progress at that time.*

*In the meantime, the litigation will proceed and, if the case does not settle, there will be a trial in late spring or early summer of next year.*

## **BOARD MEETING TO BE HELD MONDAY, NOV. 14<sup>TH</sup>**

*The next Board of Directors meeting will be held on Monday, November 14<sup>th</sup> at the Krogius home, 172 Monarch Bay Drive. Please note that the homeowner forum is held at 8:00 p.m. to provide homeowners the opportunity to discuss issues directly with the Board.*

## **ANNUAL MEETING HELD OCTOBER 1<sup>ST</sup>**

*The 2005 Annual Meeting of the Members was successfully held on Saturday, October 1<sup>st</sup> at South Shores Church. Attorney Tom Davis was present to update the Members and address questions on the Moulton litigation matter. We elected three directors to serve a three year term each and one director to serve the remainder of a three year term (one year remaining). The Board met immediately following the Annual Meeting to appoint Officer positions as follows:*

*President: Leonard Kranser*

*Vice President: Doug McLeish*

*Treasurer: Tony Finizza*

*Secretary: Mike Winterhalter*

*Directors: Henry Brenner*

*Elizabeth Lynch*

*Marc Kazarian*

*Tony Krogius*

*Susie McCollom*

## **CONSTRUCTION DEPOSIT SCHEDULE APPROVED**

*As advised in the August 2005 Bay Banter, the Monarch Bay Association Architectural Control Committee and the Board of Directors determined a need to increase the construction deposit structure to cover expenses and common area damages for large scale home remodel projects. The proposed deposit schedule was announced and absent opposition by residents, at their meeting on October 10, 2005, the Board adopted the following for all Type 1 and Type 2 submittals effective November 1, 2005:*

***Type 1- New Home Construction:*** *includes all new residences and residences rebuilt after demolition. Effective November 1, 2005, the construction deposit is \$25,000.00.*

***Type 2- Additions and Major Remodels:*** *includes all new construction with any new exterior walls, roofs or roof/wall penetrations. Effective November 1, 2005, the construction deposit is \$10,000.00.*

## **BILLING STATEMENT ENCLOSED**

*Please find enclosed the billing statement for the first quarterly installment of the legal special assessment approved by the Membership in August 2005. The \$1,500.00 special assessment has been set up in four quarterly installments of \$375.00 due in November 2005, February 2006, May 2006 and August 2006.*

*By this time, you should have already paid your Annual Assessment payment and lease service fee totaling \$1,945.00 for the 2005-2006 fiscal year, due October 1, 2005. Any unpaid balance will show as a balance forward on the enclosed statement, with late fees to be assessed for this unpaid portion only if not received by October 31, 2005. Thank you for your cooperation.*

## **MONARCH BAY ASSOCIATION**

**c/o Progressive Community Management, 27405 Puerta Real, Suite 300, Mission Viejo, CA 92691  
(949) 582-7770, FAX (949) 582-7796 or by e-mail at [lisak@progressivecm.com](mailto:lisak@progressivecm.com)**

The Offices of Progressive Community Management will be closed on Friday, November 11<sup>th</sup> for the Veteran's Day Holiday. As always, emergency service is available by calling our regular business number at 582-7770 and following the emergency paging instructions.