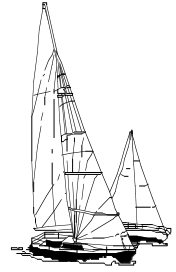


MONARCH BAY ASSOCIATION

BAY BANTER



MARCH 2009

BOARD MEETING TO BE HELD APRIL 13TH

*The next Board of Directors meeting will be held on Monday, April 13, 2009 at the Rayfield's residence, 419 Monarch Bay Drive. The homeowner forum will be held at **7:30 p.m.***

The Meeting Agendas will be available at least 4 days prior to the meeting and will be posted at the guardhouse. Please note that items that are not listed on the agenda cannot be acted upon by the Board of Directors unless the items are of an emergency or urgent nature.

PROPOSED POLICY CHANGES TO BE REVIEWED

The Board of Directors has found it necessary to adopt a policy that involves the issuance of penalty assessments to individual homeowners that do not comply with the governing documents after repeated communications and attempts to resolve matters. This has specifically become an issue with tree/view issues, but also pertains to many other matters that come before the Board regularly.

Please see enclosed a copy of the proposed Non-Compliance/Penalty Policy and the Monarch Bay Policy Relating to View Obstruction By Tree or Planting that implements these changes.

The Board encourages you to review these documents and provide your comments either in writing before the April 13th meeting, or by attending the April 13th meeting at 7:30 p.m. to discuss the policies. Thank you for your cooperation.

SAFETY REMINDERS

Please remember these very important safety issues within our community:

- 1) The speed limit in Monarch Bay is a maximum of 15 m.p.h. but slower is safer, especially when kids are out and about.*
- 2) Please stop at the stop sign as you exit the community, next to the guardhouse.*
- 3) Only licensed drivers are allowed to operate golf carts and motorized equipment in the community.*
- 4) Dogs must be leashed while in our community if not within a home or enclosed yard.*

BEACH CLUB MEMBER SPECIALS

The Monarch Bay Club Introduces the "Bay Club Members' Favorites" Menu. Chef Tommy Kim chooses two member's favorites every week for this special menu. The menu is served 7 days a week from 5:00 pm to 9:30 pm in the Lounge and Palm Court.

Please come join us at Progressive Community Management's "Shred and Breakfast"

Just in time for spring cleaning and post-tax season, bring your boxes of old documents that need to be shredded that you haven't quite gotten around to yet. Also this time, you will also be able to bring your old electronics that you haven't been able to dispose of...such as computer monitors, fax machines, old computers, televisions, etc...

We will have a professional Shredding Service on-site in our parking lot to destroy your documents while you watch and enjoy a continental breakfast with your neighbors. The Electronic Recycling firm will be dismantling the equipment for scrap metal recycling.

Date: Saturday, May 30th

Time: 9:00 a.m. to Noon

Location: Progressive Community Management, 27405 Puerta Real, Mission Viejo

For: All Homeowners/Residents of your community managed by Progressive

Cost: Absolutely Free

If you have any questions, please feel free to contact Sherry Garces at Progressive Community Management by phone at (949) 582-7770 or e-mail at sherryg@progressivecm.com.

Directions to Progressive:

Take Crown Valley Parkway (just over the 5 Freeway), turn left on Puerta Real, turn right on La Alameda, left into first driveway.

We look forward to seeing you here!

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 to: lisak@progressivecm.com

www.progressivecm.com/mba

Monarch Bay Policy Relating to View Obstruction By Tree or Planting

The Board believes that views, whether of the Pacific Ocean or inland hillsides, produce visual benefits for homeowners. The Board also believes that tree and vegetation produce visual benefits for homeowners including buffering and screening the space between homes.

A homeowner may claim view obstruction by tree or planting and initiate the resolution process described below. However, the Board has decided that a claim of view obstruction may only be made regarding any tree or planting which is within 300 feet of the complainant's property; unless the Board finds that any tree or planting beyond 300 feet is without question a significant obstruction of the complainant's view.

The Board believes that most homeowners can and will resolve view obstruction issues among themselves. However, the Board recognizes that not all claims will be resolved, hence the Board has ruled that the process to resolve view obstruction by tree or planting claims is as follows:

1. Initial Discussion

A complainant, who believes a tree (where "tree" is taken to mean tree or other planting) which has grown on another resident's property has caused unreasonable obstruction of view from the complainant's property, shall first notify the tree owner of such concerns. The notification shall request personal discussions to enable the complainant and tree owner to reach a mutually agreeable solution, and shall be followed-up in writing. The complainant shall invite the tree owner to view the alleged obstruction while seated in the lowest living area of the home. Failure of the tree owner to respond to the complainant within 30 days of the date of the follow-up letter shall be deemed refusal by the tree owner.

2. Complaint to the Board

If the initial discussion of Step 1 fails to achieve agreement between the complainant and tree owner, the complainant may submit a written complaint to the Board of Directors requesting a review by the Board. A copy of the complainant's letter to the tree owner must be included; and the complainant shall send a copy of the complaint to the Board and to the tree owner.

3. Acknowledgment of Complaint

The Board shall acknowledge to the complainant that the complaint has been received. A date for the Board or the Tree Committee to evaluate the view obstruction shall be agreed upon. The owner of the tree causing the alleged obstruction will also be invited to the evaluation. The complainant must be present during the view obstruction evaluation.

4. Evaluation of View Obstruction

The Board shall consider the complaint and render a written determination, which shall be sent to the complainant and the tree owner. If the Board finds that there is a view obstruction, the tree

owner shall be informed that the view obstruction is a violation of bylaw 12.12.6.2 and shall be directed to resolve the view obstruction within 30 days **or attend a hearing before the Board of Directors to discuss the matter.**

5. Noncompliance by Tree Owner

If the tree owner does not resolve the view obstruction within 30 days, **and fails to attend the hearing before the Board, penalty assessments in the amount of \$250.00 will be assessed on a monthly basis.** shall send to the tree owner by certified mail a notice that the tree owner is in violation of bylaw 12.12.6.2.

Until the view obstruction is resolved, **penalty assessments will continue to be added to the account monthly and** a copy of the notice of violation of bylaw 12.12.6.2 shall remain in the Association's files. The fact that there is an ongoing violation of bylaw 12.12.6.2 shall be disclosed to prospective buyers of the tree owner's home. **The Board may elect to refer the matter to Legal Counsel after penalties have been assessed for alternative compliance methods.**

Until the view obstruction is resolved, approval of architectural improvements submitted by the tree owner to the Architectural Control Committee will be conditioned on remedying of an existing non-compliance with the Tree/View Policy.

The Board has resolved that it is generally not in the best interest of the Monarch Bay Association to take legal action against a tree owner in violation of bylaw 12.12.6.2. Therefore, the Board, in its discretion, may determine to not prosecute legal proceedings against the tree owner.

The complainant may request the tree owner to participate in a mediation process to resolve the view obstruction claim; or to participate in binding arbitration; or the complainant may initiate litigation in a court. The Board shall cooperate with the complainant in establishing that the tree owner is in violation of bylaw 12.12.6.2, if the Board has previously determined that a violation of the bylaw has occurred.

REPUBLISHED FOR MEMBER COMMENT – MARCH 2009

MONARCH BAY ASSOCIATION

NON-COMPLIANCE/PENALTY POLICY

The following policy is presented in March 2009 for a 30 day comment period from the membership in accordance with Civil Code section 1357.130. The Board will be approving a policy at the April 13th Board meeting and welcome your comments and/or suggestions.

The following policy is proposed for the enforcement of non-compliance matters, including tree/view obstruction issues, pursuant to the community's governing documents and at the Board's direction:

- * First Notice: Notice of Non-Compliance and Opportunity for Hearing before the Board of Directors*
- * Second Notice: First penalty of \$250.00*
- * Third Notice: Second penalty of \$250.00*
- * Fourth Notice: Third penalty of \$250.00 and every thirty days thereafter, until compliance is met.*
- * On-going Issues: Subject to review, recommendation and involvement of Legal Counsel including litigation*

It is our hope that with receipt of the first notice, that these issues are addressed timely with no need for further action. Your cooperation with the community guidelines is greatly appreciated in an effort to protect and enhance property values in the Monarch Bay community.

Thank you.