



The Owners' Voice

EMAIL: org@mcc-owners.org

October / November 2020 1

Next Owners' Zoom Meeting

Monday

November 9th
7 p.m. to 8:30 p.m.

You will receive
a Zoom
Invitation

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Who Would Get Your Vote?

In March, MCC will have a regularly scheduled election to elect 3 new board members. The Owners Group is seeking to identify capable candidates. The Group plans to support these candidates with hands-on campaigning efforts. Please, let us know who you believe would be best for the job, including you.

We need a board that is honest & transparent, and one that is supported by skilled owner volunteers who are willing to work closely with the board and our management company to upgrade our property and enhance the joy and financial rewards of living in this unique community. The time for positive change has arrived, and we need your participation to make it a reality. Candidates must be current on all assessments and must be an owner (no time frame is required). Send your candidate choices to org@mcc-owners.org.

Owner Email Inundation!

Homeowners are confused about the many emails they are receiving, including:

- * Approved notices from the board about meetings and official board business;
- * Non-board approved emails sent by individual board members,
- * Anonymous emails charging directors with crimes and calling for a recall.
- * Our "Owners' Group" meeting invitations and newsletters;

Please be advised that **MCC Owner's Group** is not affiliated with any of the other groups or individuals who are sending you emails. We are a group of owners working to improve conditions at MCC. Please look for **MCC Owners' Group** on the subject line of the emails you receive. If you don't wish to continue receiving invitations to our Zoom meetings and newsletters, just reply to the email with UNSUBSCRIBE on the subject line, and you will be removed

Legal Updates

Things have been quiet on the litigation front, with the exception of the lawsuit filed against COA by homeowner Erik Senko, described in the August Issue of **The Owners' Voice**. On October 23, 2020, the court ruled that Mr. Senko is the prevailing party in the case. The next step is for a date to be set for a "Motion for Attorney Fees". The judge will decide if Mr. Senko will receive attorney fees and, if so, how much he will be awarded.

Recently, a board director sent homeowners an email asserting that former board member, Lahdan Rahmati, "wants to get \$2,000,000 from COA Owners". Ms. Rahmati points out that she did not sue the Association. The defendants in her lawsuit include two recent board directors, two committee members, one homeowner, and a restaurant employee. COA is not named.

Directors and official committee members are usually indemnified in lawsuits. However, in this case, Ms. Rahmati is charging them *personally* with harassment, defamation-slander, and infliction of emotional distress, so there is a question of whether MCC's litigation insurance will cover any of the defendants. **The Owners' Voice** will keep you posted as this case progresses.



Marina City Club@50 Years—A Condo Owner’s Wish

by Jack Fishman, 20 year owner/resident and active committee member

MCC Owners’ Voice

To make Marina City Club the best it can be!

CONTRIBUTORS

Fred Krogh
Website Developer

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Newsletter Editor

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Contributing Editor

Volunteers Wanted

Thank you to

Jack Fishman
For Property Concerns

- Transparency and Accountability of our elected Condo Owner’s Board
- Fair and Predictable Future Monthly Association Fees & Ground Lease Payments
- Recourse with LA County for the costs that Condo Owners are paying to upgrading Essex Owned buildings*
- A Restaurant Makeover. Pre Covid-19 we were generally losing \$60,000 per month as well as being forced to be in the banquet / catering business. For years, it has been like assessing each unit \$100 per month before anyone orders any food
- Update the Fitness Center with New Equipment and hire a management team that does not run the facility at a \$30,000 loss each month
- Expedite Painting the Towers. Or in the short term, paint the unsightly peeling exterior walls of our balconies that face our neighborhood
- Restore our lobbies on G1 or G2 street levels where guests enter each tower (i.e. replace missing mirrors /wall art and “deep clean” the filthy tile floors)
- Refinish “all” the deck areas surrounding the pools. It has been an unsafe eyesore for at least 20 years with continuous / poor temporary . solutions
- Equip elevators with digital screens / monitors connected to a central interface so that our management company can quickly communicate timely announcements, upcoming social activities and give local businesses a place to advertise their services
- Seek alternate “Wi-Fi” options to Spectrum that may offer faster and less costly service for each condo owner as well as our common areas
- Replace the few remaining old analog cameras used for the 24/7 surveillance of the property for our safety with new digital cameras
- Fund the upgrade of the “Children’s Play Area” next to the center pool to accommodate young families and attract future owners

** Essex paid just over 25 million for the Marina City Club. It included the towers! They did not just buy an empty shell. After 50 years of aging, their building’s plumbing / drainage pipes (not interior to our units), elevators, cooling / heating system and parking structures need upgrading mostly through replacement. Replacement of building infrastructure “external” to our units should “not” be considered simply a “covered repair” for which “we” the individual condo owners are inappropriately expected to pay 86.6 percent!*

Restaurant Update

According to the Restaurant’s accounting firm, our Small Business Association’s Paycheck Protection Program Loan of \$166.647 has been forgiven. The loans are forgiven if the funds are used to maintain payroll costs and other specified expenses. However, some owners want to know how the funds were handled in MCC’s internal accounts. Financials still have not been provided for the restaurant, despite months of assurances that they would be forthcoming.

Former director, Marie Rassman, was instrumental in getting our expired restaurant liquor license renewed. Although the fees and fines have been paid and it is active again, the information on it is wrong and needs to be corrected.

No word yet on replacing our current, incorrect restaurant bylaws .

The Battle to Change Our 86.6% - 13.4% Allocations

By Susan Bursk and Donna Bryce, with information from Governing Documents

When Marina del Rey (MDR) was first configured, L.A. County contributed over \$15 million for the land consisting of hundreds of acres of waterfront property. The County leases large parcels of its waterfront land to developers and business owners. The Marina City Club (MCC) is sitting on leased County land.

MCC was built from 1969 -1972 by a subsidiary of Hughes Aircraft, as an apartment complex. In **1986 J.H. Snyder Co.** bought MCC from Hughes, with a plan to convert the 3 towers to condominiums. The County and Snyder entered extensive negotiations leading to an agreement that the land under MCC belongs to L.A. County, and it is leased to Snyder, the owner of the complex. The condo owners are tenants with prepaid long term subleases to 2067. A Condo Owners' Association (COA) was created with owners paying a monthly maintenance fee. The Improved Parcel Lease, dated October 20, **1986**, set the percentage split between Snyder and the owners for common area maintenance based on the property's usage. It stipulates, **"...in most cases, the allocations are based on 13.4% of costs to the promenade units and 86.6% of costs to the tower units."** All owners have signed an agreement binding them to these allocations.

In 1992 Snyder filed bankruptcy and through numerous court proceedings a Plan of Reorganization was formed. A Settlement Agreement established the Management Council with 2 condo owners appointed by the Board; 2 representatives from the landlord (Snyder) and a fifth "neutral" person if needed. The Council oversees and approves expenses shared by the building owner and the condo owners.

In 2004, Essex Property Trust purchased MCC and renegotiated some of the agreements. The default split of Owners 86.6%, Essex 13.4% remained, requiring Condo owners to pay for all the maintenance inside their units, and also pay 86.6% of the "repair, renovation, or replacement work at the property", including elevators, piping inside the walls, the common areas, and the recreation areas consisting of pools, tennis courts, a fitness center, restaurant, etc. The list of allocations even shows that owners pay 86.6% for Promenade Apartment area Maintenance, such as exterior paint, windows, plumbing, laundry rooms, exterior carpet, etc.

Owners have been disputing this arrangement for years, arguing that since they own only the space within their condos, and Essex owns everything else, owners should not have to pay the lion's share of the upkeep costs for buildings and shared areas, And, owners should only be responsible for a fair share of maintenance costs, not replacement costs.

In 2014, COA filed an arbitration against Essex to reduce COA's 86.6% allocation for repairs to the Promenade Apartments roof and garage and the Boat Owners garage. COA won! Based on the amount of usage, COA's percentage of cost was cut significantly to 0% for the Promenade Apartments roof, 43.5% for their garage, and 57.8% for the Boat Owners garage.

In 2019, using the same attorney, COA went back to arbitration again with Essex. The current arbitration has numerous elements, but unlike public court cases, arbitration is confidential. However, we can report that the case has 2 phases. The 1st, involves settling a dispute surrounding the costs and scope of the Promenade Garage repairs. That decision should come soon. In the 2nd phase, Essex is asking to pay a much lower percentage of many other MCC maintenance expenses, while COA is asking the arbitrator to determine a *fair percentage* allocation for COA's costs of MCC's much needed deferred maintenance and upkeep.

Helpful links to the Owners' Website

By Fred Krogh, Webmaster

If you have an interest in what has happened in our past meetings, the following link will give you extensive notes: <https://mcc-owners.org/meetings/>. The ID is mcc. Password is Just4us!. Click on Meeting notes below **Notes** for Past Meetings:

You'll find very interesting historical information about MCC by clicking: <https://mcc-owners.org/drknow/#2020-10-26.0>. Try asking your own questions about MCC and see the answers.

There is renewed interest in getting electric vehicle charging stations installed. California mandates that all new cars in the state must be electric in 2035. And electric cars are becoming price competitive with gas powered cars once the lower maintenance is included. Our new General Manager, Jennie Twyman, is knowledgeable about this issue. See item 2 at <https://mcc-owners.org/projects/>, or send an email to fkrogh@mathalacarte.com. The more people with interest, the more likely this is to happen.