

No settlement reached in Friday Vista Point mediation

Contributed by Elizabeth Larson
Saturday, 04 October 2008

LAKEPORT ‐ A mediation held Friday for the various parties involved in a series of lawsuits revolving around the Vista Point Shopping Center didn't end up in a settlement, according to the city of Lakeport's attorney.

Steve Brookes said the day's mediation results don't mean the suits can't be settled in the next few months, although he said it's hard to predict how long the legal matters might take to resolve.

Brookes, along with attorneys from Meridian Investments, Superior Acquisitions and Park National Bank took part in the mediation, held in Walnut Creek. Excused from the proceedings was Donica, the company owned by Matt Riveras, who purchased the shopping center from the city late last year.

The web of lawsuits around the center goes like this.

Park National Bank is suing Meridian Investments in an attempt to foreclose on the \$1.9 million loan for the lease on the shopping center's buildings, which Meridian has held for many years. Meridian reportedly began defaulting on the loan in late 2007.

Donica has filed a notice of default against Meridian, saying the condition of the shopping center's buildings broke the lease.

Park National then named Donica in a suit which Riveras told Lake County News earlier this year was an attempt by the bank to get its money back and prevent him from getting the property.

Superior Acquisitions, whose owner Barry Johnson made an unsuccessful bid for the shopping center last year, filed a lawsuit against the city and Mayor Buzz Bruns in April. By selling the land to Riveras, the suit claims the city violated an exclusive negotiating agreement it had entered into with Superior Acquisitions in 2004 for the property.

Finally, the city is counter suing Johnson, saying he was negligent in managing the Will-O-Point Resort. The city alleges the trailer park's uncapped sewer cleanouts led to an April 2006 city sewer system overload and a release of treated wastewater, which ultimately cost the city millions to remedy with state regulators.

All of the parties were ordered to the Friday mediation, although Donica was excused, Brookes said.

The exact nature of what was discussed in the proceedings is confidential, said Brookes. However, he said the various parties, which were kept in separate rooms, exchanged information and shared their versions of the complex story with a mediator, who took notes.

“The majority of the discussion was between Meridian and the bank and Superior,” said Brookes.

Donica, Brookes added, is supposed to attend a December settlement conference with the other parties.

In January, Park National Bank's foreclosure suit against Meridian will go to trial. “Their issue is how much are they going to get paid.”

Brookes said the parties involved in the mediation appeared willing to have another session, which he said isn't unusual in mediation proceedings.

This month a large amount of discovery is preparing to take place in the various suits involving the city, Johnson and Riveras, Brookes said.

“Everybody's going to be deposing everybody for a couple of months,” he said.

Because Brookes himself is a potential witness on the city's behalf, he expects outside counsel will be hired to represent the city and Bruns, but he has no estimate on the potential cost.

The additional legal fees the city may incur also won't be covered by the city's insurance carrier, which ruled the matter is a contractual dispute not covered by its memorandum of coverage, as Lake County News has reported.

The December settlement conference will likely shed light on whether or not a conclusion is possible in the near future, but Brookes said he doesn't know if the matters can be solved by year's end.

“The variables are many at this stage,” he said.

Brookes is scheduled to give the City Council an update on the mediation in closed session following the public portion of the Tuesday council meeting.

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