Kahler Glen Community Association

Special Board Meeting Minutes

20 February 2013 – 4:00 p.m., by telephone

The meeting was **called to order** at 4:00 p.m. by President Michael Wandell.

Board members also **present** were: Carol Billesbach, John Greiner, Nancy Miller, Carol Pierce, Dave Reynolds, Jim Farmer and John Bennett as representative of Kahler Glen Resort.

Also present were Linda Wandell, Bill Miller, and Glenn Week.

Mike Wandell introduced the PowerPoint (attached) that had been sent to members as a summary of the current impasse between the Resort and the Community Association.

With regard to meeting minutes, Mike said that 1) the practice of circulating the minutes for editing before presenting them to the board for approval will be discontinued; and 2) cautioned the board against e-mail exchanges and reminded the board that discussion and decision-making appropriately take place at meetings.

Several members reviewed the PPT for the first time while Mike listed the Board’s goals regarding the MOU/service agreement negotiations as

1. To gain sovereignty/’the vote’ for the community
2. To continue the community amenities as they were originally
3. To support the Resort
4. To support community harmony.

Mike narrated the PPT, including the disagreements and process difficulties that led to the break-off of negotiations.

* Nancy asked Mike whether the break-off constituted notice or ‘constructive notice’ for the services contract. Mike said that there was no contract and that John B had carried that to the Resort; John B said that he didn’t carry notice to the Resort.
* Mike W characterized the benefits that the Resort has received from the current service agreement as an incentive to settlement; John B argued that the agreement was not an incentive, advance payment or inducement to agree.
* Dave R asked whether the service agreement was now a month-to-month agreement since no contract had been signed; Mike W and John B disagreed over whether or not a contract exists.
* Jim F stated that he thought it was a 3-yr contract taken in 1-yr increments. MW quoted the preamble to the MOU, stating that there was no multiyear contract and that such could not occur until and if the covenants were changed.
* There was disagreement over the interpretation of occurrences at the last negotiating session, and over the meaning of Gary Ackerman’s letter of 10 Sept 2012 when he gave his opinion on whether the deed of trust holder had to approve of any change of voting rights for the owner of the resort.
* John B asked for clarification of the change of the word ‘amended’ to ‘restated.’
* Carol P raised the disagreement over winter recreation and the importance of assuring Kahler Glen’s continuation as a ski resort; she also stated that the $32,000 annual payment and the service contract clearly would be benefits to the Resort.

Discussion followed.

Dave R expressed appreciation for the update and highlighted several changes since the last update:

1. the 3-yr service contract has become a 5-yr service contract,
2. easement term has changed significantly and is now yet to be defined,
3. the water charges will continue to be determined by cost of delivery.

Dave R observed that we are still far from agreement on substantial matters.

Mike Wandell outlined a ‘Plan B’, which was to follow the agreement on the MOU but now seems relevant. This plan involves CA purchase of the land underlying the golf course. Mike said that he was not comfortable taking a vote to the CA without a comparison between Plan A and Plan B.

John G spoke in favor of taking the agreement as it presently exists to the annual meeting even if all points have not been resolved. John B agreed.

Carol P expressed hope that the Resort would take the updated information and return to the CA with a proposal.

Mike Wandell expressed dismay at the tone and content of the newsletter sent this week to the investors and stated that a purpose of this meeting was to decide an appropriate response. He asked board members if a newsletter from the Board should set the record straight. Carol P and Nancy spoke in support.

John G suggested negotiations should occur between the subcommittees including Glenn. John B agreed.

John B stated that he will no longer be the Resort representative on the CA Board; Glenn Week will take his place. Dave Reynolds and other board members thanked John B for his service.

Carol P stated the expectation that the CA will put out a newsletter.

Dave Reynolds moved that, unless a MOU is adopted that incorporates a multiyear service agreement, the Community Association gives formal notice that there will not be an annual renewal and we will operate on a month-to-month basis with the Resort. Carol Pierce seconded the motion. Dave characterized the motion as ‘for safety’s sake.’

Discussion followed.

Dave Reynolds withdrew his motion with the comment that he regarded it as sufficient to give ‘constructive notice’ that we are not auto-renewing the service contract.

Carol P recommended starting negotiations immediately to work out a new service agreement. Mike W agreed.

Nancy moved that the meeting be adjourned; Dave seconded; motion passed unanimously at 5:40 PST.

Respectfully submitted, Nancy Miller

Secretary, KGCA