

# Mill Bay Resort negotiations collapse

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In November, it looked as if the controversy over the Mill Bay Resort had finally begun to cool. Since late 2000, Chief Evans Inc had been trying to shut down the park, claiming its continued operation made financial stability impossible for the firm. The Mill Bay Resort members still had decades left on their contracts, and fought to keep the park open. After over two years of legal conflict, the resort members and CEI declared a cease fire.

Negotiations began in November when the resort members filed a lawsuit in the Chelan County Superior Court. The attorneys for the members agreed to hold off on serving the lawsuit and instead held negotiations with attorneys for CEI in the interests of avoiding litigation. A condition of the negotiations was keeping media contact to a minimum.

In late November, both sides of the Mill Bay battle line remained committed to the cease-fire. Utilities to the park were reactivated on November 27. The resort members made arrangements to take over the operation and funding of the Mill Bay Resort for the 2003 season, removing the financial burden from CEI.

On December 12, the attorneys from both sides met again. CEI's lawyer, Mike Arch, agreed to provide the resort members' lawyer, Franklin Smith, with a complete list of Mill Bay Resort members. Arch also agreed to give the membership committee information on the financial details of operating the park. Arch said this information would be made available to the membership committee before January 31. This information was vital to the membership committee, as sufficient revenue to operate the park could not be generated without it.

January 31 passed with none of the agreed upon information reaching the membership committee. On February 27, the membership committee received a letter from Mike Arch demanding they pay CEI \$125,350.90 by March 1. Along with utility cost, this sum included CEI's unpaid bills, employee wages, taxes and land lease expenses.

The fragile peace between CEI and the membership committee disintegrated from there. Arch claimed that the member account list he agreed to provide now had to be withheld due to privacy is-

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sues. The resort members wrote a template release letter for CEI to distribute to all the resort members to clear up the privacy concerns. Arch agreed that CEI would mail the letters out, but this never happened. Follow-up calls were not returned.

On March 21, Mike Arch sent membership committee attorney Franklin Smith a fax that indicated CEI would cease settlement discussions and pursue termination of the resort members' membership agreements. The fax explained this was because the Mill Bay Resort members

had failed to hold up their end of the negotiation arrangement. Furthermore, the letter stated that CEI would now see the case removed from the Chelan County Superior Court and sent to federal court in Spokane. Utilities would be disconnected again and members would only be allowed onto the resort property to remove their own property.

At this time, the resort members are seeking new counsel and intend to press CEI to honor the membership agreements. CEI shut down the park utilities on March 25.