

Mill Bay settlement talks fail, sending fight to federal court

Lake resort's 180 members shut out

BY LAURIE SMITH
World staff writer

MANSON — A lawsuit accusing Mill Bay Resort's owners of fraud, misrepresentation and breach of contract is headed for federal court after negotiations to settle the dispute broke down.

The RV park's water and electricity, which had been turned off in November and then restored amid settlement talks, were being shut off again on Monday, said Leslie Evans, the campground's former manager.

On Friday, resort owner Chief Evans Inc. announced in a letter from its attorney, Mike Arch, that the park on Lake Chelan's north shore would be closed as of noon Monday, and members would be allowed access only to secure or remove their personal property.

"It's a sad day for me ... and everyone involved," Heidi Neal of Manson said. She is among more than 180 campground members who purchased contract rights to use the lakefront RV park, located on Indian trust land, for up to 50 years. Neal said she and her husband paid \$65,000 in the mid-1990s for the

lot where their 23-year-old son has been living in a two-bedroom travel trailer.

Spokesmen for the membership said they first learned on Friday that the settlement talks were off and that Chief Evans had removed its lawsuit, originally filed last November in Chelan County Superior Court, to U.S. District Court in Spokane.

Arch said in a written statement that "previous attempts to negotiate a resolution for the 2003 operating season of the park reached an impasse earlier this month."

His statement said federal court has jurisdiction over the case because the RV park is on land owned and operated by the federal Bureau of Indian Affairs "for the benefit of certain individual Indians and the Colville tribe."

Lead plaintiff in the lawsuit, Paul Grondal of Issaquah, said campground members were "absolutely blindsided" by Friday's announcement.

"We were negotiating in good faith, we thought," he said. "They had this planned, obviously, for quite some time."

The settlement negotiations

"were nothing more than a delay tactic," Grondal added.

In recent years, Chief Evans Inc. has discussed plans for developing a new casino, hotel and conference center on the RV park property with the Colville Tribal Enterprise Corp. and the Lake Chelan Reclamation District. More recently, Grondal said he has heard interest expressed in building luxury homes and condominiums on the land.

The written statement on behalf of Chief Evans says the company is "seeking a more financially responsible use of the property" after operating the RV park at a loss for the past several years.

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