

CHRONOLOGY OF CPWSC NEGOTIATIONS

2016

3/26 Meeting at Councilmember Kujawa's house

5/12 Meeting at Pool Clubhouse – City Manager and Attorney attend

8/26 Contacted by Steven Mudd, attorney for the Pool, about possible transfer of corporation assets and debts to City – requires a non-disclosure agreement

9/13 Mr. Mudd provides a non-disclosure agreement for City signatures
Proposes:

1. Transfer of assets and debts of CPWSC to City and dissolution of CPWSC or
2. Transfer ownership to City and convert club into a public land use corporation owned and managed by City

10/10 City Manager and Attorney meet with Mr. Mudd at City Hall – request verification of debts, review breakdown of income and expenses for the last 5 years. City makes it clear that we wish clear title, no claims about unpaid debts or lack of authority to transfer title to pool

10/18 Mr. Mudd reports CPWSC Board of Directors and membership met to approve sale of property to the City and to amend the bylaws so that associate members will not receive proceeds of sale and equity members would donate proceeds to trust to preserve pool – we understand that this must be ratified at a later meeting.

11/22 City Manager and Attorney meet with Mayor and Council to discuss status

12/6 Mr. Mudd reports he is drafting a petition to adopt the new bylaws and verify current membership roster – has heard no objection to plan to sell to the City – He agreed to provide information about pool debts – He does not have a purchase price yet
The City asks Mr. Mudd to confirm who he is representing – He says he will get back to us

2017

1/24 Mr. Mudd sends a sales contract with a purchase price of \$256,100.00, the SDAT valuation. He says that prior intent to file a declaratory judgment action is not the way to proceed to resolve pool ownership issue. He instead will have a membership meeting on 2/16/17 to ratify the sale offer to the City, the election of the Board members and approval of the new bylaws. He thinks judicial intervention is not necessary.

2/9 The City repeats its concern about confirming ownership of CPWSC. City is authorized to sign non-disclosure by Council. The City asks for the background information he is relying on for notice to the membership and indicate we do want to know the outcome of the Board meeting. Until sale offer is ratified, we will not be responding.

2/14 Mr. Mudd indicates he will confirm whether the Board will share the membership information.

2/16 Mr. Mudd reports that the sale to the City was approved by the Board and membership at the 2/16 meeting. They are basing the purchase price on the SDAT valuation of the property, but will consider a counter offer if City includes promise to keep the property as a pool or community space. Some non-members attended the meeting and are upset about no definitive information about debts of pool and how proceeds will be paid to members. Mr. Mudd hopes to have membership roster in March for us to review and asks that we provide any membership lists that the Councilmember Kujawa may have.

2/21 City Manager and Attorney ask for a meeting with Mr. Mudd

3/22 City Manager and Attorney meet with Mr. Mudd. City confirms it does not want to operate a pool. We ask again for the history on the ratification votes to sell the property and express concern that all debts are paid. Mr. Mudd asks that the City provide him with a copy of the CPWSC bylaws and any membership list the City may know of. These are provided by the City that day. Mr. Mudd agrees to provide a copy of the 2/16 meeting notice, a list of persons who received the notice, minutes of the October, 2016 meeting, and a copy of the amended bylaws.

4/2 City follows up about receiving information promised.

4/6 Mr. Mudd responds that the CPWSC does not want to share the corporate documents but do want to send an updated sales contract.

4/24 City Attorney receives an email from Mr. Mudd that the City has not funded the purchase of the pool in the 2018 budget and so clearly does not have the funds to proceed and so they should put it on the market. He says the offer to purchase ends on May 25. City Attorney explains to him that this is not the case and City has funds to purchase if Council votes to do so.

5/2 Mr. Mudd agrees to extend the deadline for a City response until July 31. He agrees to file for a judicial dissolution of the corporation, and approval of the transfer of assets to the City. This reassures the City as it will have a court order approving the sale if made. Mr. Mudd requests that City perform an appraisal of the property to confirm its value.

5/09 City Manager and Attorney meet in closed session to discuss CPWSC offer and request for appraisal. No appraisal is authorized. Mayor and Council wish to purchase pool at a price based on the valid debts owed. Based on the amount of taxpayer funds that would be required to bring the property up to code and decommission pool, City will be spending at least the SDAT valuation.

5/16 Mr. Mudd is informed of City's position.

June – Communications back and forth about resolving claims for debt or ownership, how to accomplish this. On June 5, Mr. Mudd proposes that any proceeds of sale over and above the

debts will be paid to Hillandale Pool in return for a reduced or free membership – all terms not clear.

6/22 Mr. Mudd meets with CPWSC Board

7/5 Mr. Mudd informs City that the Board wants the SDAT value. There will be no restrictive covenants on the property, the City can sell it for any purpose if it so chooses. The Board wants to proceed to go to the Hillandale Pool. A deadline of July 31 is set. This information is shared with Council and discussed in closed session. City Manager and Attorney are authorized to provide a term sheet to Mr. Mudd with certain terms that the City would consider. A reminder that any contract for sale would be required to be discussed and approved by Mayor and Council in public meeting.

7/21 Term sheet is sent to Mr. Mudd. City specifically asks for a personal meeting with Mr. Mudd and Board.

7/31 Do not receive a response and so City Attorney checks in with Mr. Mudd

8/1 Mr. Mudd says he will respond by end of week.

8/9 Mr. Mudd notifies the City that the CPWSC Board has put the property on the market.