

## **What's Happening with The Management Agreement? Have Residents been Deceived by the Group of Six Third Board Directors?**

What progress has been made by the Third Board to revise the Third Mutual Management Agreement since the Recall Movement of three Directors was withdrawn? Apparently none, and angry residents believe they have been deceived.

On February 29, 2008, a Special Meeting was held by the Third Board to respond to a written proposal by the Third Board Recall Movement which said "The Third Board Recall Movement desires to avert a recall of directors by reaching a compromise agreement to resolve differences with Third Board". The compromise sought by the Recall Movement was an agreement by the Board to revise the Management Agreement, or, in the alternative, the voluntary resignation of any three of the Group of Six Directors..... Jim Matson, Larry Souza, Gunter Vogt, Isabel Muennichow, Cynthia Conners and Bob Hatch...who were on record as opposing revision of the Agreement.

The request for compromise by the Recall Movement was straightforward, honest, and courteous, and could not be misunderstood. It said to the Board, if we can reach a compromise, the Recall Movement will withdraw the recall. The Board demonstrated that it did, indeed, clearly understand the request. Directors, opting not to resign, agreed instead to compromise and they voted, unequivocally, to revise the Management Agreement.

The vote by Directors was scarcely counted when President Cynthia Conners reached out to the Recall Movement for a response. Will this commitment by the Board, she asked, satisfy the Recall Movement and will the recall be withdrawn? The Recall Movement, trusting that the Group of Six Directors would honor their commitment, determined that its

objective to seek a commitment to revise the Management Agreement had been achieved. The Recall Movement, in an act of good faith and trust, agreed, immediately, to withdraw the recall and remove the potential for a contentious community battle.

Three months have passed and the commitment by the Group of Six to revise the management agreement has not been honored. Except for meaningless posturing (e.g., the Town Hall Meeting), innuendo and stalling, nothing has been done to demonstrate to the community that the Group of Six was sincere in its commitment to revise the Agreement. No contract lawyer has been identified or retained, and not one word of a new Agreement has been written. Residents have been asking President Conners for a timetable for completion of the revised agreement for more than two months, and she has refused to provide one.

Was the "commitment" by the Group of Six to revise the Management Agreement nothing more than a conspiratorial ruse to avert a recall of three of their members? It is becoming increasingly apparent to residents that the Group of Six is not going to honor its commitment to revise the Management Agreement.

Directors who fail in their fiduciary duties to act in residents best interests can be recalled. Residents will be watching the actions of the Group of Six Directors and will decide whether to initiate a recall movement after the Fall election.