

# Eglemont Rally

**June 6, 2024**

**5:30 pm near Eglemont Clubhouse**

Restoration Timeline

Next Steps

Support & Contributions

## Restoration Timeline

April 2020	Ownership group from Thailand closes course
May 2022	Beacon Hill International Ministries led by Tim Langenberg closes on purchase of property with a \$2.5 million one year loan from Romano Capital. Langenberg spent two years in a Michigan prison for bank fraud and was sued in Vancouver BC for defrauding a widow out of \$3 million.
Summer 2022	Langenberg meets with HOA leaders and others saying the homeowners need to contribute \$1 million to his non-profit or he would not open the golf course.
September 2022	150 community members attend a City Council meeting asking the City for help as Langenberg announces he has no intention or financial ability to maintain and operate the course. Maintenance and irrigation of course stops. Attorney hired by the City to advise, recommends legal action by homeowners (not HOA) based on the Riverview case as the best course of action.
November 2022	Langenberg meets with the City outlining plans for a retreat center, gardens, senior facility, etc.
December 2022	Kent Haberly, Gerald Baron, Mike Begley and Debra Wheeler have zoom call with Korban Romano and Stephanie Koch re Langenberg's defaults on taxes and liens. Romano declines to foreclose saying "no default."
January 2023	Attorney Todd Egland retained to advise and take action. Requires HOA as client and HOA declines. Fees paid by Restoration Committee led by Kent Haberly and Gerald Baron.

February 2023	Kent and Gerald meet with attorneys Simon Brownlie, Bill Knudsen and consult with receiver Kevin Hanchette re pursuing receivership as option given no other remedies available. Knudsen retained and Skagit attorney Andy Shuh is added for support. Cost to pursue receivership estimated at \$20,000. Haberly and Baron agree to cover legal fees with expectation of community support.
March 2023	Petition for receiver submitted to Skagit Superior Court with Judge Laura Riquelme. Hearing set for April.
April 2023	First attorney for Beacon Hill shows up shortly before the Hearing and the judge grants delay until June. Attorney resigned not long after for lack of payment.
June 2023	Hearing on receivership was delayed again as a new attorney showed up shortly before the scheduled hearing. Judge Stiles presiding says: No more delays.
June 2023	Hearing is held with Judge Riquelme who decides a trial is needed to hear more evidence on the claim of "equitable servitude." Trial set for November. Andersons and Kirchgasslers added as petitioners as they are the earliest purchasers of lots with lifetime golf memberships.
Summer 2023	First meeting with Stephen "Bulldog" Frostick representing a group of investors led by White-Leasure from Boise, Idaho. The group had offered \$3.2 million in 2022 to buy property but longer due diligence led to owners to sell to Langenberg. They contacted Romano asking to buy the loan for \$2 million, Romano refused the offer.
September 2023	Second Beacon Hill attorney resigns for lack of payment.
November 2023	Capital Preservation requests to intervene and opposes petition for receiver.  Katherine "Cat" Clark appears as third attorney for Beacon Hill, at pretrial hearing says more time needed to prepare. Steve Leatham, attorney for Capital Preservation/Romano asks to delay trial past foreclosure auction set for late January. Judge Riquelme ignores Judge Stiles decision to not allow more delays and delays trial until late January just before foreclosure auction.
January 2024	Three day trial concludes. Judge Riquelme concluded the receiver was not needed as foreclosure auction was set for the next day and Frostick testified he would bid. Romano would not provide a minimum bid until the auction, which was delayed until March. Judge Riquelme ruled that an equitable servitude existed but could be applied when an application for land use change was submitted. Declined to rule on whether lack of maintenance constituted a land use

	change which would have provided for the owner to restore the golf course.
March 2024	Romano buys Eaglemont property out of foreclosure auction for \$2.9 million. Romano refuses the request of HOA and homeowners to meet to discuss plans.
March 2024	Romano's attorney Steve McFarland sends a letter threatening to sue homeowners for defamation based on "false statements" about Romano. Committee sends letter back saying prove which statements are false and we will retract, but no response received.
April 2024	Frostick and White-Leasure group made a new offer to purchase the property. Information from local sources refer to Romano's plans to develop property into residential, seeking help from local experts on zoning, permitting, etc.
May 2024	Haberly, Baron and new HOA president Darlene Andris meet with Mount Vernon Mayor, City Attorney, Planning Director and Special Projects manager to discuss concerns about residential development. City advises formation of Parks and Recreation District to force an unwilling seller to sell property for appraised value.  Committee makes initial inquiries about potential for damages claim and class action lawsuit.  Sets community rally for June 6
June 2024	Rally held near the clubhouse. ?? community members attend. Hear from Stephen Frostick on status of purchase and plans for restoration.

## **Potential Next Steps**

We remain hopeful that the investors including the White-Leasure group or other purchasers with the intention to restore and operate the course will be successful in purchasing the property and begin restoration. If this does not happen in the near future, the Restoration Committee is considering the following options:

### **Legal Opportunities**

1. Injunctive Relief – The Riverview case in Eastern Washington provided that homeowners could compel the golf course owner to maintain and operate it. Judge Riquelme ruled in our trial that the time to apply this would be when an owner attempted to change the land use through a City application. However, there is also a potential basis for claiming that failing to maintain and turning it into a wasteland or cow pasture also constitutes a land use change. A lengthy legal battle with the owner of Ahwatukee Lakes golf course in Phoenix resulted in the Court ordering the full restoration of the destroyed property enforced by fines of \$2 million if the restoration did not meet the Court’s timeline. This may provide a model for injunctive relief.
2. Class Action for Damages – Expert testimony at trial showed that property owners in Eaglemont will (or are) suffer a loss of \$30 to \$35 million in total value if there is no course here. Romano had made numerous decisions that have resulted in the harm and loss of value to the property. If delayed too long the cost of restoration may exceed any buyer’s willingness to buy the property. Class action lawyers are paid based on the amount awarded meaning there would be no legal fees involved. Initial discussions indicated this is a viable approach in this situation.

### **Parks and Recreation District**

Mayor Peter Donovan and city staff including City Attorney Kevin Rogerson have advised the Committee that a strong potential course of action is to form a Parks and Recreation District. This would allow the purchase of the property through condemnation or eminent domain. The price would be set by a jury based on appraised value. The value as a golf course has greatly diminished from the time of the sale because of the severe damage to the clubhouse, loss of the greens and overall deterioration of the property. Also, all maintenance equipment has been stolen or sold. Damage to the irrigation system is unknown but is likely to be considerable. This means the appraised value could be quite low.

A District is established by determining the boundaries of the properties involved. Bonded loans could be used to fund the purchase and restoration. Portions of the property such as existing parcels designated for development could be sold to support the costs. Also, the entire property could be sold to a purchaser willing to restore and operate it such as the White-Leasure group. In short, this could force the sale of the property with minimal or potential no costs to property owners within the district.

## **Community Support and Contributions**

Two homeowners, Kent & Gretchen Haberly and Gerald and Lynne Baron, assumed full responsibility for the legal fees as well as the leadership of the Restoration Committee. That obligation did not change when the Andersons and Kirchgasslers agreed to join as fellow petitioners.

Initially, the case for a receivership was understood to be fast, efficient and a “slam dunk.” The delays caused by a train of new but unpaid lawyers for Beacon Hill, the surprising opposition of Romano Capital toward the receivership and their requests for delays, resulted in much higher costs than anticipated. The vigorous defense by Cat Clark, the final Beacon Hill attorney, also required considerably more preparation and effort by our legal team. The result was far higher legal fees. We proceeded in large part due to the overwhelming financial support from the Eaglemont homeowners as individuals, not through the HOA. An escrow account was established so that all funds could be handled by escrow officials and not by the Committee.

Total contributions toward the legal fees to date: \$97,500 (including the \$12,000 paid by Haberlys and Barons)

27 donors contributed \$65,120 for an average contribution from these supporters of \$2400.

116 additional donors contributed \$32,380 for an average of approximately \$280.

A total of \$97,500 of legal fees paid to date.

\$65,350 remains to be paid and must be paid by the end of June.

*(We note that this total does not reflect the total time contributed by the two attorneys. Discounts and other considerations are reflected in the total. No additional legal fees will be required.)*

## **Eaglemont Property Owners Value Analysis**

The real estate expert in the trial testified that the value of homes within the Eaglemont community would be significantly affected by the existence of a golf course. For homes directly on the course, he estimated a 20% decline in value without a course, and for homes not on the course, he estimated a 10% decline in value.

There are 273 properties listed within the HOA. Home values including condos range from mid-600s to about \$1.3 million. There are about 100 properties directly on the course. If the average value for those properties is \$900,000 the difference in value is \$180,000 per property. For homes not directly on the course, if the average is \$700,000 the difference is \$70,000.

If the average property value of all 273 properties is \$775,000 and the average difference is 13% then the average property owner stands to lose about \$100,000 in value if the restoration efforts are not successful. There could be substantially

greater loss in value if a golf course owner succeeded in converting the property to more homes. Most did not buy properties here to look out their windows to see the back of other homes.

Dividing the cost of the legal fees across all property owners results in approximately \$600 per property. That \$600 needs to be considered against the \$100,000 lost if our efforts fail. That is if everyone paid .006 or 6 tenths of one percent of their projected change in value the fees would be covered. A survey was taken among the property owners by the HOA at the beginning of this effort and found that about 80% wanted to see the course restored and operating. Even if there is little interest in golf or living on a golf course, the impact on property values for everyone is undeniable. A little over half of the property owners have contributed so far, and a considerable number of those contributed very generously.

The Haberlys and Barons took on the challenge recognizing the risk they were assuming. The generosity of the community has been incredible and if no further contributions are made to help with the legal fees, we will be forever grateful for the generosity and support we have received. This is our last opportunity to appeal to the community, even those outside of Eaglemont who are eager to see this beautiful course and clubhouse restored, to contribute to what has been accomplished to date.

## **How to Contribute**

Unfortunately we are not able to take online or credit card payments as all funds go directly to an escrow account set up with SEAS, Inc. Contributions should be made payable to SEAS, Inc., and mailed to P.O. Box 2116, Mount Vernon, WA 98273. The checks should reference: Eaglemont – HB#230316

If you have questions or comments about the legal action, please email Kent Haberly at [khaberly@pugetsoundinvestors.com](mailto:khaberly@pugetsoundinvestors.com) or Gerald Baron at [gerald.baron@agincourt.us](mailto:gerald.baron@agincourt.us). In addition to the email addresses above, their phone numbers are: Kent – 360-202-0277. Gerald – 360-303-9123.

Thank you!

Eaglemont Restoration Committee

Kent & Gretchen Haberly, Co-Chair

Gerald & Lynne Baron, Co-Chair

Jerry & Peggy Anderson

Karl & Louise Kirchgasser