

The ASSOCIATION of ANGEL FIRE PROPERTY OWNERS

Board of Directors Meeting Minutes December 8, 2010

Kent Smith called the meeting to order at 5:08 p.m. December 8, 2010 in the Resort Hotel Executive Conference Room.

Roll Call

Michael Woolley, President, absent - excused
Chuck Verry, Vice-President, present
Bonnie Bowles, Treasurer, present
Kent Smith, Secretary, present
Lovellette Upton, Director, present by conference call
Jack Fuehr, Director, present by conference call
Ted Hardy, Director, present
Harvey Wright, Director, present
Jim Mulligan, Director, present by conference call
Eight members present, quorum established

Introduction of Guests and Audience Comments

Edd Geoffroy, AAFPO Member and E/ACC Committee Member.
Gene Byrd, AAFPO Member and E/ACC Committee Member.
John Burt, Angel Fire Resort
B.U. Terry, E/ACC Committee Chair
Maren Smith, Member Services Director, Angel Fire Resort
Russ Coyle, AAFPO Board Administrative Assistant (BAA)

Approval of Agenda

Kent Smith motioned to approve the 12/8/10 agenda. Lovellette Upton seconded, the motion carried.

Approval of Minutes

Kent Smith recommended to the Board of Directors that formal signatures should only be included on the retained official version of the Board minutes. All minutes scanned to the AAFPO website will no longer contain actual signatures. Lovellette Upton recommended that we begin to digitize all pertinent data and maintain a backup file outside of the AAFPO office. Kent Smith agreed and stated that now we have collected all AAFPO files and brought them to the new AAFPO office, Russ Coyle was starting the process of digitizing files.

July 14, 2010 – Approved by email vote however, was not formally approved. No motion was made to accept the minutes of the 7/14/10 Board meeting.

September 8, 2010 – Approved by email vote however, was not formally approved. No motion was made to accept the minutes of the 9/8/10 Board meeting.

Old Business

Communications Committee Nominee (Karen Kelly) – Kent Smith restated the concern of non-members serving on AAFPO committees. Jack Fuehr added there are no restrictions on non-members to be on any committee. Kent Smith agreed with Jack, Kent's concern was to keep the process consistent. Jim Mulligan stated that regarding the Mountain View Newsletter that he was reviewing with Maren Smith and felt as if a draft would be coming out in a few days. Kent Smith asked Jim and Maren if they felt as if we could have this out prior to the end of the year so that we may begin to get some feedback from our survey questions. Jim and Maren said yes. Jim added that he would like to have some input from other committee chairs as to questions they would like to include in this newsletter. Kent Smith suggested that Jim Mulligan and Ted Hardy (Amenities Committee) get together off line to come up with additional questions regarding the Amenities Committee for the newsletter. Jim Mulligan added that he would prepare a list of about 20 questions and pass them through Maren Smith by the end of next week.

Library Membership – Jack Fuehr asked if we had received our invoice from the Shuter Library. The Shuter Library is currently uploading all data into the AAFPO website. Bonnie Bowles said that she had not received any invoice at this time. Kent Smith asked Bonnie to contact Steve Saxe at the Shuter Library so that we may get them paid.

Formation of a standing Membership Agreement Committee – Chuck Verry asked when the Resort would begin to formulate the new Membership Committee. Maren Smith replied that she is waiting for the Board to get back to her. She reported sending an email to the Board with the current agreement. Maren suggested that we put a committee together so that we may proceed. Chuck asked Maren when the Resort would be mailing the Membership Agreement to the members. Maren said that the Resort does not do a bulk mailing to all the members. The Resort gives new members a copy of the agreement in their welcome packet or when a member comes in to get a new ID card. A new agreement is not mailed out to each member every year. Jack Fuehr suggested that a committee of six members consisting of two AAFPO Board members, two AFR (Angel Fire Resort) members and two association members in good standing. The Board recommended Mike Smith and Bonnie Bowles make up the two AAFPO Board members. Maren Smith said that the two AFR members would be herself and Katrina Nichols. After further discussion it was determined that the two association members would be Mike Smith and Lionel Base. Kent Smith motioned to accept Mike Smith and Bonnie Bowles as the AAFPO Board members to the Membership Agreement Committee. Ted Hardy second. With no objections the motion carried. Ted Hardy motioned for Mike Smith to be nominated to the committee. Chuck Verry second. With no objections the motion carried. Chuck Verry recommended that the last position be voted on once we have received all of the resumes from the remaining four candidates. The Board concurred.

New Business

Enforcement of Covenants – Chuck Verry stated since we have the majority of the members of the E/ACC in attendance he wanted to ask those members specifically how they enforced the covenants and what recourse should be taken for those that do not comply. B. U. Terry, committee

chair, replied the committee had to follow the Articles of Incorporation. Any member not following these rules should be engaged in litigation as this is the E/ACC's only recourse. Kent Smith asked why the Board wouldn't have the discretion as to which infraction would go to litigation. B. U. stated that early on the E/ACC would work with the Resorts attorney and they would respond back to the E/ACC giving advice. He went on to say that the majority of the time the Resorts attorney would write a letter to the member not complying with the covenants and that would take care of the problem. After the bankruptcy the association started using Terry Kamm. B. U. Terry had the authority to visit with Mr. Kamm. Mr. Kamm would give legal advice to Mr. Terry or write a letter and would proceed accordingly and that would typically resolve the issue. Mr. Terry went on to say that he is no longer permitted to talk to the attorney. Jim Mulligan asked how many incidents are there currently. Mr. Terry replied four incidents, a flower box, a driveway, a fence and a deck. Chuck Verry stated that a common problem he continues to hear is that the Village is not giving the member correct information regarding AAFPO Covenants. Lovelle Upton suggested that Chuck Verry as E/ACC liaison to the Board have a meeting with the Mayor or council to express our concerns and report back to the Board. Chuck Verry agreed and stated he would put together recommendations to present back to the Board. B. U. Terry asked once again why he could not have the authority to work directly with our attorney. Chuck Verry stated that as E/ACC liaison to the Board, he would bring the matter to the Board and the Board would decide if legal action would be required.

Socials – Bonnie Bowles said that during the finance meeting, the question of social events came up. Chuck Verry asked if she had an estimate of how much money a social event would cost. Jack Fuehr stated that prior socials had cost as much as \$100,000. Jim Mulligan suggested asking the members if they would like to have social events and if so how many would you want to see in a year. Lovelle Upton suggested that perhaps we could do this quarterly. Jim stated he would add the question to the survey.

Amenities Proposals for the 2012 Budget – Ted Hardy distributed a budget proposal for 2012 based on the current expenditures and income through 11/30/10 and forecasts for the balance of this year. The Amenities Committee has presented detailed recommendations indicating the areas of most need. Ted asked the Board to review and comment on the committee's recommendations. Maren Smith told the Board that the Resort needed this information by January 2011. In addition, Ted Hardy asked the Board to vote on one area of the 2011 budget to reallocate \$20,000 out of the residual 2011 funds to the Terrain Park (a snowboard park at the top of the mountain) so the Resort may start expansion efforts in the spring of 2011. Kent Smith motioned to reallocate \$20,000 of the 2011 residual funds to the Terrain Park for expansion in the spring of 2011. Bonnie Bowles second. Hearing one objection from Jack Fuehr, the balance of the Board voted in favor of the reallocation of the 2011 funds. The motion carried. Ted Hardy asked that the Board review the 2012 budget as presented and to be prepared to vote on this budget once the Resort has signed off on all the submitted templates.

Gustavson Letter – Jim Mulligan stated that he felt the Board should send a letter back to the Gustavson's thanking them for using our new procedure and that their letter was discussed in the December 8th Board meeting. Jim read a response letter that he felt would be an appropriate response to the Gustavson's. Chuck Verry suggested Jim Mulligan send a copy of his letter to the other members of the Board so that they may be able to edit and submit to Mike Woolley for him to review and sign.

Proposed Investment Policy – Bonnie Bowles reported having approximately \$80,000 in CD's of which some are maturing. Because interest rates continue to decline Bonnie spoke with a few investment companies and found that Capital One Interest Plus online savings and found they had a 1.3% return plus a 10% quarterly bonus if you maintain a minimum \$10,000 balance. She added that we could also withdraw funds up to six times a month with no penalty. Bonnie's recommendation to the Board was to open this account with either Money Market funds or maturing CD's. Bonnie Bowles motioned to open this account with Capital One by taking \$10,000 from our Money Market account and additionally take the available funds from the maturing CD's. Lovelle Upton second. With no objections being heard the motion carried.

Resort Report

Maren Smith reported that the Resort was making progress on the Platinum ski storage room. She reported that the storage room would have 120 lockers and lockable storage for 50 pairs of skis and 40 snowboards. It will be handled on a reservation basis. Lovelle Upton asked Maren to update the Board on the Platinum parking specifically the area by the ski school and if the Resort had made any improvements to the lot. Maren reported that no improvements had been made. Kent Smith asked Maren if the Resort had given any more thought to Platinum ski only for non-golfers. Maren said that the Resort was looking at that possibility. John Burt reported that an announcement regarding ski slopes opening would be made by December 16th.

Reports

Vice-President Report - Chuck Verry updated the Board on the current status of the PID. He reported that AUI had packed up for the winter; however, they have contracted with H Construction to do what they can during the winter months. Chuck reported the progress that had been made by subdivision as of November 16, 2010. Country Club 1B: dry utilities 50%, water 100%, no sewer and roads 70% are complete. Country Club 1A: 100% complete and turned over to the Village Council as of November 16th. Angel Fire Village West: dry utilities 85%, water 100%, sewer 100% and roads 65%. Country Club 1&2: dry utilities 15%, water 85%, sewer 98%, roads 65%. Chalet Unit 4: dry utilities 100%, water 100%, no sewer and roads 50%. Angel Fire Village North: dry utilities 90%, water 100%, sewer 100% and roads 95%. Chalet Unit 1A: dry utilities 75%, water 60%, no sewer and roads 60%. Chalet Unit 2G: dry utilities 30%, water 50%, no sewer and roads all in. The construction should all be completed, weather permitting, within two months and below budget. Chuck went on to update the Board on the status of the two pending law suits.

Treasurers Report – Bonnie Bowles reported that the checking account had approximately \$4,000. The Money Market account has approximately \$37,000. Bonnie reported that the current tax return has been filed.

E/ACC Report - B.U. Terry reported having three new permits. B.U. also reported having 38 new additions most being garages or bedrooms.

Finance Report – Bonnie Bowles stated that regarding lot combinations there will be a full lot audit. She was not sure of the timing, probably after ski season. She also stated that regarding the tubing hill, best estimates of the cost of running the hill is approximately \$27,000 and that figure does not include lift operations.

The next scheduled meeting will be February 9, 2010 at 5:00.

Lovelle Upton motioned to adjourn the meeting, Kent Smith seconded, the motion carried.

The meeting was adjourned at 7:39 p.m.

Respectfully submitted, March 14, 2010

Russ Coyle

Mike Woolley – President

Date