

The ASSOCIATION of ANGEL FIRE PROPERTY OWNERS

Board of Directors Meeting Minutes March 16, 2011

Mike Woolley called the meeting to order at 5:03 p.m. March 16, 2011 in the Resort Hotel Executive Conference Room.

Roll Call

Michael Woolley, President, present
Chuck Verry, Vice-President, present
Bonnie Bowles, Treasurer, present
Kent Smith, Secretary, present
Lovelie Upton, Director, present
Jack Fuehr, Director, excused absence
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

Peter Von Klaargard, AAFPO Member
Karen Nichols, AAFPO Member
Gene Byrd, AAFPO Member and E/ACC Committee Member
Greg Battershell, AAFPO Member
B.U. Terry, E/ACC Committee Chair
Maren Smith, Member Services Director, Angel Fire Resort
Lynn Heafey, Administrative Director of Membership and Country Club, Angel Fire Resort
Russ Coyle, AAFPO Board Administrative Assistant (BAA)

Approval of Agenda

Lovelie Upton motioned to approve the 3/16/11 agenda. Chuck Verry seconded, the motion carried.

Approval of Minutes

December 8, 2010 – Lovelie Upton motioned to approve the minutes of the 12/8/2010 Board meeting. Harvey Wright seconded, the motion carried.

Old Business

Implementation of Audit Report Recommendations – Bonnie Bowles met with the E/ACC regarding the audit recommendations. Bonnie went on to say that Mr. Phil White, once with the E/ACC, served as a consultant to the E/ACC. Mr. White was ask to review the auditors recommendations. Phil White submitted a memo back to the E/ACC regarding implementation of the recommendations presented by our auditors that was extremely helpful and enlightening to Bonnie. She went on to say that as it turns out the E/ACC was really on top of things in terms of implementing the suggestions. Bonnie drafted a memo to the AAFPO Board to bring them up to date on the implementation of recommendations and the auditors should be satisfied.

Investment Policy – Bonnie Bowles reported the Capital One savings account is not available to businesses. In the Treasurers report she listed what is available locally in terms of CD rates along with various proposals. Further details to be discussed during the Treasurers report.

Membership Agreement Committee Update – Mike Woolley and Lovelle Upton met with Lynn Heafey and Maren Smith to present them with recommendations on March 15, 2011. Lynn and Maren will take these recommendations to Mr. John Kitts and Mr. Dan Rakes for review. Lovelle Upton recapped by stating the committee had met a couple times to review the content both from policy and a clarity perspective. Lovelle sent the Board members a pdf file of the latest Membership Agreement with notes against each one of the issues that the committee had come up upon regarding clarification or policy. Lovelle stated that the Resort was complementary and did not find anything particularly onerous. There are a couple of policy points the committee is waiting to hear back from the Resort on. The committee has asked the Resort the value of maintaining a \$10,000 deposit and waiver for thirty years. It has never been used or applied and has always been waived. The committee's recommendation was to remove it from the agreement. In addition, the committee and the Resort are in ongoing discussions regarding the Base membership and the Charter membership. That is something that the Resort is adamant in its position of being two different types of membership. Lovelle says that in his personal opinion when you look at some of the verbiage of the governing documents the Resort has always treated Base membership with the same type of dues schedule as they do with the Charter membership and as long as that continues just leave well enough alone. He adds that in the event that the Resort decides to do differently then we have the option of a legal opinion from our attorney. He does not see that as an overwhelming agenda item at this point in time. The documents have been presented to the Resort and we are now waiting for the Resort to respond back to us. Lovelle Upton suggested to Maren Smith that we had approximately three weeks before it needs to be finalized. Mike Woolley told the Board that we would vote by email once we get the response back from the Resort. Chuck Verry reiterated that although the Board votes to accept or reject the Resorts decision it does not prevent the Resort from proceeding as they so desire.

Amenities Update – Ted Hardy stated that all of the proposed amenities were approved at the last Board meeting in February. The Resort and Finance Committee has signed off on all templates submitted. Ted said all that was left to do is for the President to sign the forms. After Mike Woolley finished signing, the original templates were given back to Ted Hardy for filing. Ted Hardy then distributed a current copy of the budget for the Board to review. Mr. Hardy proceeded to go line by line for open discussion with the Board. Maren Smith suggested that all projects would be completed by the end of April 2011.

Mountain View Newsletter Update – Jim Mulligan stated that during our last meeting it was decided there is no need for the newsletter. The newsletter was to be replaced with a letter from the President. Jim reported that he just received his letter in the mail as of today. Kent Smith asked Jim where we were with the survey. Jim Mulligan replied that he was waiting for the letter to get out before proceeding. The Board is researching the feasibility of processing the Presidents letter and survey communications electronically.

New Business

UTV For The Fire Department – Mike Woolley said he was approached by the Angel Fire Fire Chief. The Fire Chief asked Mr. Woolley if AAFPO would consider a donation to an ultimate terrain vehicle for the Fire Department in order to gain better access to some areas that they may have problems in. Ted Hardy stated that in his opinion the problem is that the ultimate terrain vehicle is not considered an amenity and we could not allocate funds specifically to that. Lovelle Upton suggested that we should investigate the possibility of the donation coming from the administrative side of the ledger. After further discuss Chuck Verry stated he would contact legal for an opinion.

Lance Clay Variance Request – Mike Woolley said that the Board had received a letter from Mr. Lance Clay asking for a review of a variance request that had already been submitted to the E/ACC and denied. Lovelle Upton motioned to have this matter taken into executive session. Harvey Wright seconded, motion carried with only one abstention from Bonnie Bowles the motion carried.

Preliminary Budget – Bonnie Bowles distributed budget data to the Board showing 2009, 2010 and 2011 to date and a forecasted budget for 2012. Bonnie pointed out to the Board that she added \$2,000 for socials because that is something the Board discussed in the last meeting. Maren Smith was asked for some history of expenditures from the past. Maren stated that the last time we did socials for 200 people it cost a little over \$2,000 a month per social event. She added that was several years ago, she we would need to get updated figures. After further discussion from the Board and guest participation it was determined that social events are very much needed. Additional research would be necessary to determine frequency and costs. Lovelle Upton suggested this topic be tabled until the next meeting and during that time the President could determine if a committee is needed or not. Lovelle Upton asked if the Resort had any plans for this next fiscal year of digitizing their records. Maren Smith replied that the Resort has plans to digitize if it is cost effective but not sure as to when they would actually implement those plans.

Resort Report

Maren Smith passed a document to the Board members showing a breakdown of the current fiscal year dues and the 2010 dues showing a 2% increase for the CPI change. Maren Smith asked the Board for a vote of support for this 2% increase. This increase is across the board from Charter to Platinum memberships. Platinum memberships would increase from \$2,350 to \$2,397 per year. After much discussion from guests and the Board, Lovelle Upton motioned to support, not approve, the Resort with the caveat that the utilization of that particular table be explained to the

members. Bonnie Bowles seconded, motion carried. Maren Smith reported that the Lake would open May 1st and the golf course would open May 5th. Additionally, the Resort has booked Montgomery Gentry for the Saturday of Memorial Day weekend.

Reports

President Report – Mike Woolley reported still trying to put together a think tank for the AAFPO Weekend. He hopes to find someone to lead the committee very soon. Lovelle Upton suggested to the Resort they do their hamburger cookout once again. Maren Smith said that would be fine. Jim Mulligan suggested doing an opinion survey prior to the AAFPO Weekend, something short that could be emailed to the members. Mike Woolley said that would be fine and asked Jim to get with Maren to get it done. Mike Woolley also suggested the possibility of a more detailed survey to be passed out and collected at the annual. Mr. Woolley took the opportunity to thank all of the Board members for all of the hard work that has been done in the past year. He added that he felt as if there was a lot of talent on this Board and just wanted to say thank you for all they have accomplished.

Secretary Report – Kent Smith updated the Board with the status of the new office. All the files have been moved to the office from other locations. Russ Coyle is in the process of unboxing all of the old files, reviewing, digitizing and filing according to the new AAFPO file plan. Russ Coyle mentioned hearing that the new AAFPO office may no longer be available to us and asked Lynn Heafey if she could update the Board on the current status. Lynn said that the Resorts plan is to utilize the country club; it is our flag ship building. The thought is to move member services to the country club and if the Resort does that the AAFPO office may be moved to a different location. Lynn went on to say that it would be a few months before they could be sure of their plans. Lovelle Upton explained to Lynn Heafey that it was proposed to AAFPO that the old country club be torn down and a new one be built. AAFPO was assured that part of the deal was AAFPO would have space in the new country club. Maren Smith stated that it was in the 40% discretionary fund agreement. She continues it is in writing, it is not specific but it is included in the agreement. Lynn Heafey stated that if the Resort made that commitment they will certainly honor it. Mike Woolley added that AAFPO desperately needs the space for all of our files and equipment. He added that we are months behind because we have not had any place to carry out the duties of AAFPO. Lynn questioned Mike's statement regarding not having an office. Russ Coyle stated that we were given access to the current office in mid-December 2010. Mike Woolley said that within two weeks, John Kitts took him over to the country club and told him that the office arrangements may be changing. Lynn said that she had no idea that we had just moved into the office. Chuck Verry stated that in the original discussion, AAFPO was to be located in the Green Room. Lynn Heafey said that she would look into the matter and report back. Mike Woolley told Russ Coyle to go ahead with our plans to set up the office in the current location.

Treasurers Report – Bonnie Bowles recapped the report to the Board. She stated that she had made a proposal of where to place monies for the upcoming maturing CD's. Two separate \$15,000 six month CD's and two separate \$15,000 twelve month CD's at First National Bank which have the better interest rates for local options. She feels that the time frames are doable and still leaves us with between \$20,000 and \$30,000 in the money market. Bonnie Bowles read the proposed Resolution 2011-01 to the Board. Bonnie Bowles motioned to have deposits of two \$15,000 six month CD's and two \$15,000 twelve month CD's placed at First National Bank. Kent Smith

seconded, motion carried. Bonnie also reported getting everything to the auditors that they needed in order to finalize their audit. She added that we have not yet received the bill but should be coming soon.

E/ACC Report - B.U. Terry reported having no new permits. Mr. Terry also reported going over all of the recommendations of the audit. He said that they have redone their application form and then passed a copy to the Board. He added, in response to the part of the audit regarding the owners not being informed about the contractor getting the extension or variance request we now have in the building packet where the owner has to check off whether he agrees to the request or not and the contractor will also be initialing each page now.

Mr. Terry said regarding Mr. Lance Clay. Some time ago there were five people in this subdivision. This subdivision applied to build a deck. One of them started building the deck without the permits. The homeowner was caught and asked to stop until the committee could make their decision. Mr. Terry said the homeowner did not stop building and was fined \$300 for building without a permit. The homeowner took the deck down. Now Mr. Clay wants to extend his deck into the set back. Our covenants say we cannot build into the set back. Mr. Clay claims that because of the way he wants to build it, it's only air space. Mr. Terry disagreed with Mr. Clay; the air space still belongs to the owner. Mr. Terry asked Mr. Clay to complete an application for the records and Mr. Clay complied. The application was denied for the above stated reasons. Kent Smith asked Mr. Terry whose property was on the other side of Mr. Clay. Mr. Terry replied that it belonged to the Resort and was part of the golf course, same as the other five properties in the same subdivision that had previously been denied for the same reasons. Mr. Terry went on to say that the E/ACC has a letter in the files from Mr. Dan Rakes, Resorts attorney, stating that the Resort does not approve of this addition into the set back. Mr. B.U. Terry added that this is a committee decision and the only vote that he gets is in the event of a tie.

Finance Report – Bonnie Bowles stated that the Finance Committee had not met since the last AAFPO Board meeting. She added that the liability insurance policy that the Resort carries is something that was discussed in membership and relevant to the Finance Committee as well. Bonnie said that she has reviewed the policy and one of the things that actually tack onto the membership agreement discussion that we proposed to the Resort is reconciling the fact that the AAFPO members pay for the entire liability policy but the current agreement requires a complete waiver of any liability on the part of the Resort. The committee is currently trying to reconcile that given that we pay for it. Lovelle Upton added that the Membership Committee's suggestion to the Resort was that at least our members be allowed to pursue the insurance up to the claim amount and waive the excess. Bonnie said the Finance Committee would meet on March 24th.

The next scheduled meeting will be May 11, 2011 at 5:00 in the Angel Fire Lodge Board Room.

Lovelle Upton motioned to move the meeting to Executive Session, Kent Smith seconded, the motion carried.

The meeting was moved to Executive Session at 6:57 p.m.

The Board came out of Executive Session at 7:13 p.m.

Ted Hardy motioned to affirm the decision of the E/ACC in the matter of Mr. Lance Clay. Harvey Wright seconded, with one abstention from Bonnie Bowles the motion carried.

Harvey Wright motioned to adjourn the meeting, Ted Hardy seconded, motion carried.

The meeting was adjourned at 7:22 p.m.

Respectfully submitted, May 8, 2011

Russ Coyle

Mike Woolley – President

Date