

# The ASSOCIATION of ANGEL FIRE PROPERTY OWNERS

## Board of Directors Meeting Minutes May 11, 2011

Mike Woolley called the meeting to order at 5:02 p.m. May 11, 2011 in the Resort Hotel Executive Conference Room.

### Roll Call

Michael Woolley, President, present  
Chuck Verry, Vice-President, present  
Bonnie Bowles, Treasurer, present by conference call  
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  
Nine members present, quorum established

### Introduction of Guests and Audience Comments

*Peter Von Klaagard*, AAFPO Member  
*Margaret Bartlett*, AAFPO Member  
*Andy Bartlett*, AAFPO Member  
*Al Lott*, AAFPO Member and Greenbelt Chair  
*Tim Battle*, AAFPO 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)

### Guest Speaker John Kitts

John Kitts gave an update of the past ski season explaining it was a difficult year. The lifts were closed due to high winds for a total of fifteen days; a normal ski season would only be between one and two days of wind holds. John went on to say the Resort did not have any significant snow until February. The Resort was down approximately 25% in skier visits which translates to about \$1.5 million dollars. He added, the hotel did approximately 30% better in bottom line revenue this year with 25% fewer skier visits than last year. In addition, the Resort did better in their property management and retail areas this year as compared to last year. All in all it was a difficult ski season. John said the Resort was able to focus on the golf course early this year. The reason the greens look

better is due to some top dressing with sand and things that had not been done in previous years. They did a lot more aeration on the tee boxes to soften those up and did more top dressing on the tee boxes as well. John said the Resort was putting time, money and resources into the Bike Park. He added that we need to take advantage of our mountain. We have a mountain that could be one of the top ten biking mountains in North America. We have rental bikes and we are building bike trails for the intermediate biker. The Resort is exploring the possibilities of an RV Park at the north end of the valley. John added that in some point in time the Resort would like to add a skating rink but feels as if he doesn't have a good location at this time. John said that the Resort is working to partner with the Valley Market and International Bank to develop a landscaping plan for the four corners. He says it will add to the sense of arrival and you've reached the core of Angel Fire. The Resort brought a consultant in this week to explore the possibility of adding some zip lines at the top of the mountain in order to add more activities at the top. Also several years ago the Resort began work on a lake. The Resort spent over one million dollars blasting into the lava rock and decided to stop the project because they could not see an end to the project. Now the current position is they are going back to the location and clean all the rock up and take another look at it. He would like to figure a way to line pond or lake and to fill it with water in order to have it as another nice feature at the top of the mountain so people could bike to or picnic at. The intent is to make the top of the mountain a much more user friendly place to visit. John wants to focus on landscaping in Angel Fire. He feels as if we do not have much landscaping and would like to see more. He wants to change some of the signage, giving a more updated look and better directions to the Resort. John stated that the Resort would be investing several hundred thousand dollars on the hotel. The lobby would be remodeled and completed by the middle of July. From there they are going to start with remodeling one third of the rooms in the hotel taking eighteen to twenty four months and continuing the phases from that point. John Kitts added he wants to support the AAFPO Board with the annual meeting. He would like to have a couple of the Resort managers speak to everything the Resort is currently doing to improve the amenities and working with our members in doing the right thing. Lastly John Kitts wanted to respond to an issue regarding unmarried couples. (The Amended Joint Plan of Reorganization specifies that couples owning property must be married if both parties wish to access the amenities as "members in good standing."). John says that if the Resort has not done a good job of enforcing the Bankruptcy Plans and somebody comes and tells the Resort that someone is in violation of the Bankruptcy Plan, then the Resort does not have any choice and must act upon it. He added that it is not the Resort that is requiring members to be married it's the Bankruptcy Plan itself. The Bankruptcy Plan was not done by the Resort; it was done by the members of the Resort. [The AJPoR involved the prior owner of the Resort, the Purchaser (Eland Energy and the Allen's), numerous creditors and the POA, the predecessor of AAFPO.] The question was asked to John Kitts if the Resort had done any research on its legal position into the unmarried issue and grandfathering. John Kitts replied that he did not know of any such research that had been done on legal positioning regarding grandfathering. In addition, he said that he was unaware of the Bankruptcy Documents referencing grandfathering but if they do he would love to hear it. The Board stated that "grandfathering" was referenced in the AJPoR (4.16.f) with regard to Charter members deeding their property to family members who could retain Charter memberships. The Board asked again if the Resort had done its homework as far as what its legal options are regarding grandfathering (extending spousal privileges to a second party whose name appears on the deed) and these exceptional circumstances. John replied that the Resorts position is that we want to enforce the Bankruptcy Plan (AJPoR) as it relates to this Resort and its memberships. He adds there certainly could be extenuating circumstances that create extraordinary circumstances. John stated that grandfathering is not in the Resorts best interest nor is it something that the Resort is pursuing. The Board thanked John for clarifying the Resorts position

and restated its understanding of the Resorts position by stating the bottom line is the grandfathering option is as far as the Resort is concerned is not a viable avenue of pursuit.

### **Approval of Agenda**

Chuck Verry motioned to approve the 5/11/11 agenda with the one change of adding Margaret Bartlett to the agenda. Kent Smith seconded, the motion carried.

### **Approval of Minutes**

February 9, 2011 – Kent Smith motioned to approve the minutes of the 2/9/2011 Board meeting. Chuck Verry seconded, the motion carried.

March 16, 2011 – Jim Mulligan motioned to approve the minutes of the 3/16/2011 Board meeting. Chuck Verry seconded, the motion carried.

### **Margaret Bartlett**

Margaret submitted a letter to the Board stating that she made a mistake when she used her nieces ski pass. It is a mistake that she was very sorry about and wanted to apologize to the Board. Margaret went on to say it has been a lesson for her about honesty, one that she talks to with not only her child but her children in class at school. She was here tonight to talk with the Board about the consequences of her actions. Margaret was suspended from the Resort and any of its amenities for a period of 12 months. Margaret personally volunteered to pay back to the Resort all the fees that would have applied while using her relatives pass. Margaret was assessed a fine by the Resort which she has paid in full. Margaret said she had paid all fines but wanted to ask the Board for support in going to the Resort in asking for a reduction in the number of month's suspension. She proposed a continued suspension until the end of the 2011 calendar year; she said she would do forty hours of community service for the homeowners association, the Resort or for the town. Lovelle Upton motioned to continue the discussion among the Board to Executive Session. Harvey Wright seconded, the motion carried. Mike Woolley told Margaret that she would be notified as soon as the Board reached a decision.

### **Old Business**

Enforcement of Covenants – Chuck Verry opened the discussion by informing everyone that according to legal counsel the Board does not have a lot of flexibility regarding any variance from the enforcement of the Covenants. The Board faces severe legal risk when they deviate from the enforcement of the Covenants. Chuck went on to say the final enforcement is litigation. Kent Smith asked B.U. Terry what his procedure was when something is brought to his attention that is currently out of code. B.U. said a letter is sent to the party in violation of the code. The letter first asks if they are aware of the Covenants. The letter goes on to state the specific Covenants and tells the party that they must come into compliance. He goes on to say, the E/ACC will send pictures and detailed information concerning the violation and how to correct it in order to come into compliance. In the past the E/ACC would contact the AAFPO attorney to have counsel send a letter if they did not receive any return communications from the party. Nine times out of ten it got corrected and they come under compliance. Chuck said we have to polish the process. It has to be proper, it has to be correct and it has to be consistent. Lovelle Upton confirmed with B.U. that the

procedure now was if our attorney is to be involved, B.U. will bring it to the Board and the Board will determine if legal counsel is necessary. Chuck suggested he and B.U. come up with an official procedure to present to the new Board.

Greenbelt Thinning Grant – Mike Woolley asked the Board for their support regarding an application for a grant that was available toward thinning out greenbelt areas. Kent Smith motioned to approve the application for the grant. Ted Hardy seconded, the motion carried.

Membership Agreement Committee Update – Mike Woolley reported that it appears there will not be a Membership Agreement for Base, Premier and Platinum members to sign. The Membership office met with John Kitts and Dan Rakes to discuss the concerns brought forward by the Membership Agreement Committee. Mike Woolley said that after reviewing the document and the committees concerns, the Resort determined that particular document was not necessary to have.

AAFPO Weekend Update – Mike Woolley reported the committee has decided to scale back from last year. The plans are to have the Chronicle party on Friday night. We will have the fireworks. The final decision regarding music and dancing has not been made by the Resort at this time. The hop-a-bus tour will not be available this year. The sidewalk sale will probably not happen because most of the retailers were not happy with the way it worked for them last year. The committee is working on and planning to continue with the taste of Angel Fire again this year. Community exhibitors are being lined up. Regarding the annual meeting, there will not be any visual presentations due to last year's ineffectiveness because of the difficulty in seeing the actual presentations. This year all presentations will be handouts. In addition, it will be online so that the members that are unable to attend will have the ability to view it on our website. At this time the committee has determined not to do the Saturday night movie. The Resort will host the social event at Olympic Park. There will be free lift tickets available. There will be half price greens/cart fees for all memberships. The committee has decided against the printed version of the AAFPO Weekend program. The committee is working with Joe Warren and the Chronicle in order to provide a printed version of a schedule of events. Shuttle buses will not be available this year. The actual meeting will take place at the Community Center.

Opinion Survey Update – Jim Mulligan presented the Board with a recap of the recent survey results. He pointed out how much information was in these surveys and how useful the information truly was not only for the AAFPO Board but for the Resort as well. Jim reported that 25% of the members that we have email address on responded to the survey. Jim felt that was a good percentage of responders particularly being such a new venue for communicating to the members. Jim went on to say we had 237 members say they would like to have socials. We had 186 say they would be against them. When asked if they would be willing to pay for all or part of the meal the response was 247 members agreed. Ten more than agreed to just having the social. Jim said our membership breaks down into three categories. First we have the out-of-towners that are not able to attend the events. Secondly you have the people that live in town that want to get together to find out what is going on. Thirdly you have the weekenders. Taking all that into consideration he felt as if the best time to hold the social events is on the weekends. Jim went on to suggest that the survey supported the particular events planned for the annual meeting. Jim said the survey also included some comments that he feels could be addressed by the Board at the meeting. He feels the surveys are purposeful and will only improve as we continue to use them.

Social Events – Mike Woolley stated that for the Resort to have the social events the Resort would have to be guaranteed a minimum number of meals by AAFPO. If we estimate 60 people to come to the event and 70 show up, that is not a problem. However, if we estimate 60 people and 50 show up then the Resort would like for AAFPO to pay the difference between the 50 and 60. Maren Smith added that if you estimate 60 and 100 show up, that is a problem as well. Mike Woolley said that the survey suggests that holding the event quarterly is most popular. He added that some people have asked to have the events on weekends rather than Thursdays. Jim Mulligan reiterated that the majority of the responses said that they willing to pay and the most popular cost for the meal were between \$10 and \$12. Jack Fuehr suggested that if you go quarterly we already have two of the events on the calendar with the picnic during the AAFPO Weekend and Calling All Flakes. Lovelle Upton suggested that if we started charging for the meals it will be difficult to keep up with who has paid and who has not paid. He added that if the Resort was able to contribute a certain amount of dollars for 50 people and 40 shows up then AAFPO would pay the difference. Lynn Heafey said that it would be advantageous to presale tickets or reservations to the events in order to get a better handle on the number of people that would show up and the amount of food to prepare. After further discussion Mike Woolley recommended the Board document all the details of what they would like to have for the event. Mike volunteered to put it together and bring to the next meeting so that the Board can then take it to the Resort as a consensus item.

AAFPO 2012 Budget – Bonnie Bowles provided the Board with a proposed 2012 budget for review. Basically no real changes to the previous version. The only question that Bonnie had for the Board was regarding socials. The budget for annual socials is to be \$2,000. Lovelle Upton motioned to accept the 2012 budget as proposed. Ted Hardy seconded, the motion carried. After brief discussion the AAFPO 2012 budget was approved with one minor correction of the dues billing being moved to website the motion carried.

Resolution 2011-02 – Mike Woolley stated that Resolution 2011-02 was regarding the term of data retention to be maintained on the AAFPO website. Ted Hardy motioned to accept Resolution 2011-02 as written and submitted. Kent Smith seconded, after brief discussion the motion carried with only one nay vote from Jack Fuehr.

## **New Business**

Administrator or Administrative Assistant – Mike Woolley said he put this on the agenda for clarification. Mike said that there have been questions of what is expected of the current administrative assistant. Lovelle Upton stated that in years past some Board members, not all, felt as if the position of administrator had too much authority and the position was excessive. He added that it was incumbent upon the Board to provide a job description in order to better inform the current administrative assistant of those specific job responsibilities. Mike Woolley added that Russ Coyle and Kent Smith have spent a great deal of time putting the new office together and going through all of the files collected from Karen Nichols home. Russ has begun to digitize the pertinent files and is starting work on the website. Lovelle suggested that the Board go back to a timing spread sheet that Jack Fuehr put together of all the events and when they needed to be addressed. Kent Smith suggested the position needed to be more of an administrator job and was in favor of Russ taking on those added responsibilities. Mike Woolley added that the new direction from John Kitts is that the AAFPO Board is completely responsible for the publication of the Mountain View Newsletter and Russ is completely capable of maintaining it. He added that member services have

been given direction of things they can and cannot do for AAFPO. Mr. Kitts has redefined what the Resorts responsibilities are and what are not and what will no longer be done by member services.

Adoption of Preliminary Election Budget – Chuck Verry stated that the preliminary election budget had been adopted. He added we will stay within budget and will try to do it for less.

Appointment of Election Committee and Certification of Board of Directors Candidates – Chuck Verry reported the appointment of the Election Committee Chairperson as Leonard Bubba Davis. The other committee members are Barry Rogers, Ralph Paul, Pete Peterson and Karen Nichols. The committee officially announced to the Board the total number of open positions for this year's elections is three (3). Leaving the Board this year is Jim Mulligan, Kent Smith and Harvey Wright. Chuck reported having four (4) candidates that have been certified and they are Drew Maxwell, Linda Wier, Diana Cox and Sara Culbreth. Bios are posted to the website. Lovelle Upton motioned to accept the four (4) previously stated candidates. Chuck Verry seconded, the motion carried.

Letter from the Grisell's regarding Platinum Benefits – Mike Woolley reviewed the letter from the Grisell's with the Board. After a discussion regarding clarification pertaining to Platinum benefits and golf discounts it was confirmed that in fact golf cart discounts in 2011 were 50% but will only be a 20% discount in 2012 and the rate for private cart was at \$600. It was further determined that the AAFPO Board could not supersede the Resorts decision. Mike reported responding back to the Grisell's in writing.

## **Resort Report**

Lynn Heafey reported to the Board of Directors that the AAFPO office provided in the Angel Fire Country Club will stay in its current location. Member services still plans to move from the Resort to the Country Club. Lynn hopes to be moved to the new location by the end of July 2011.

## **Reports**

President Report – Mike Woolley stated he sent a formal letter to John Kitts inviting him to this meeting and the annual meeting. John replied to Mike stating the Resort would have some kind of presentation for the annual. Mike went on to tell the Board members that Maren Smith has agreed to compile what we as a Board send to her for the annual meeting. All committee chairs need to send Maren Smith any information they want distributed at the annual meeting. Maren will provide Resort data she is asked for but she will not be putting the presentation together for us. If the committees don't ask Maren for specific information it will not be in our presentation. Jack Fuehr recommended going back two or three years to review the data/information requested by the previous Board. Jack suggested much more information was presented than in recent years. Mike told Bonnie Bowles he would ask the Resort for the financial data. He asked Bonnie to forward any budget information she wanted for her presentation to Maren Smith and copy him. Bonnie said she would have her part put together by next week. B.U. Terry said the E/ACC would have a table in the back with maps and information relevant to E/ACC and Covenants. Chuck Verry recommended having a list of bullet points of the things you have to do to build or remodel in Angel Fire. Mike Woolley went on to say the exhibitors will be moved them into the main room and disperse them with the food booths.

Secretary Report – Kent Smith was happy to hear Lynn Heafey report we would be staying in our current location at the Country Club. He added we can begin to get ourselves organized and complete the tasks we set out to do.

Treasurers Report – Bonnie Bowles explained she sent her reports to all Board members. She went on to say she would be back in town next Friday and was meeting with Russ to pick up the computer in order to reconcile QuickBooks and to set up Go To My PC so that she can do that going forward from Denver. Mike Woolley suggested both Bonnie Bowles and Russ Coyle get together to be sure we have a current backup on the AAFPO computer. Bonnie said that with Go to My PC the actual file was kept on the AAFPO computer. Lovelle Upton asked Bonnie to comment on the Finance Committees meeting with the Resort. Bonnie said the last meeting was held in late March. The committee had a discussion regarding the tubing hill expenses being backed out and that is something that will happen with the expense snapshots which are updated twice a year. We should see the updated expense snapshot within the month. That tubing hill expense will be backed out and John Burck came up with a formula for that. Lovelle asked if the Resort was making progress with collecting outstanding balances. Bonnie reported that the information she had been given was that the Resort was making good progress on collecting outstanding balances. Maren Smith reaffirmed Bonnie's statement that the Resort has been making good progress in collecting outstanding balances of dues. Jack Fuehr asked for a waterfall chart over the last three or four years from the Resort to show the actual progress being made. Lynn Heafey confirmed that she would get that done. Bonnie stated that February and March collections of this year are up double what they were at the same time last year. Collections seem to be steady and ever increasing. Kent Smith asked if a lot audit was the same as a dues audit. Maren said basically.

E/ACC Report - B.U. Terry reported having no new construction permits this year. Mr. Terry also reported having three (3) at this time last year. He said last year we had a record number of additions of thirty-nine (39) as compared to this year's nine (9).

Finance Report – Bonnie Bowles stated she had nothing in addition to report.

Harvey Wright motioned to move the meeting to Executive Session, Kent Smith seconded, the motion carried.

The meeting was moved to Executive Session at 7:38 p.m.

The Board came out of Executive Session at 8:36 p.m.

Chuck Verry motioned to respond in the negative to Margaret Bartlett's request for AAFPO Board intervention. Kent Smith seconded, the motion carried. Let it be notated that just prior to coming out of Executive Session, Bonnie Bowles lost her connection to the conference call and was not part of this vote.

Lovelle Upton motioned to offer the vacated position of Ted Hardy to Daniel Martin. Chuck Verry seconded, with one nay vote from Jack Fuehr the motion carried. Let it be notated that just prior to coming out of Executive Session, Bonnie Bowles lost her connection to the conference call and was not part of this vote.

Mike Woolley noted that Chuck Verry has agreed to chair the Amenities Committee until a new committee chair can be voted.

Lovelle Upton motioned to adjourn the meeting, Chuck Verry seconded, the motion carried.

The meeting was adjourned at 8:43 p.m.

Respectfully submitted, June 5, 2011

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Russ Coyle

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Mike Woolley – President

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Date