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Association of Angel Fire Property Owners

Board of Directors

Meeting Minutes

March 12, 2008



President Jim LeBus called the meeting to order at 4:10 at the Angel Fire Resort Hotel.

1. Roll Call

Jim LeBus, President, Present

Karen Nichols, Vice President, Present

Jack Fuehr, Treasurer, Present

Jim Brown, Director, Present

Bob Rempe, Absent

Barry Rogers, Director, Present

Joan Ronchetti, Director, Present

Lovelle Upton, Director, Present

Chuck Verry, Director, Absent

7 Present, Quorum Established

2. Guests and Audience Introductions

Guests:

Maren Bryan, Karen Kelly, Jon Reveal, Larry Leahy, Pat McCarty, Dave Pritchard, B.U. Terry, Dale Ailles, Ralph Hall

Guest Comments:

Dale Ailles stated that he would like to have a copy of the bankruptcy documents and a copy of the documents presented when property is purchased. Maren advised that she could provide the documents for him. Dale stated the information should be available to everyone for review prior to purchasing property. Larry Leahy advised that is up to the individual realtor to disclose that. Maren stated she would be having another luncheon for real estate agents and Dan Rakes will attend. She stated this issue would be addressed at that time. Jim LeBus stated the best



solution would be to put the concerns about the documents on the agenda. He also stated it is public information and is available to whoever wants to review it.

3. Approval of Prior Board Meeting Minutes

Jack made a motion to approve the February minutes. Joan seconded the motion. There were no corrections or discussion; motion was carried.

4. EACC Report – B.U. Terry

B.U. advised there had been two permits issued since the last meeting - one for zero-lot-line homes near the Country Club and one for a single family home. Barry Rogers stated that the E/ACC is setting up a meeting with the Village and the E/ACC to discuss the increase in fees. B.U. advised that a large number of contractors attended the last E/ACC meeting.

5. President's Report – Jim LeBus

Jim advised he has nothing to report except the PID is going forward. There were concerns that two members would resign from the PID Board before it is finalized but that has been resolved. Jim stated that in the President's Report for "The Mountain View," he would be giving his endorsement of the PID, and request that everyone vote positively for the PID. Lovelle asked if there would be any benefit of the AAFPO Board stating in "The Mountain View" their support of the PID. Karen Nichols advised she would write the article. Lovelle made a motion to put AAFPO approval of the PID in "The Mountain View." Karen seconded the motion. No discussion; motion carried.

6. Treasurer's Report

A. February 2008 - Jack Fuehr

Jack advised he had circulated the report earlier and asked if everyone had received a copy.

See Attached.

B. Preapproval of Expense Items/Board Director Office Supply Reimbursement – Jack Fuehr

Karen Nichols made a motion to adopt the two resolutions drafted by Jack for the preapproval of the expense items and the Board office supply reimbursements. Lovelle seconded the motion. No discussion; motion carried.

See Attached.

C. AAFPO'S Tax-Exempt Status – Joan Ronchetti

Joan stated she has met with the CPA in Taos and the process is going forward. She advised he had requested they wait until May 12th so that she will have copies of all the documents. The CPA advised that the form must be submitted to the IRS by the end of May 2008.



7. Committee Reports

A. Membership Agreements – Karen Nichols

Karen stated she had reviewed the Membership Agreement provided to her by Maren and she does not like them; they need to be re-worded. She questioned if the changes are made known to the members and how the members are notified of any changes. Maren advised they are sent in “welcome packets” when property is purchased and letters are subsequently sent to advise of any changes. Maren agreed that the Membership Agreements should be reviewed and asked that Dan Rakes and Robin Marlow be kept closely advised as to concerns and changes.

Maren will also e-mail copies of the Rules & Regulations agreement to the Board. Karen advised she would like to have a cover letter for the Membership Agreement as well. Lovelle commented that the cover letter should summarize the changes being made. Maren stated she would summarize the changes to the Rules & Regulations in a cover letter, date the documents, and put them into a PDF file so they cannot be changed.

The name of the Rules & Regulations document has been changed to Rights & Obligations.

B. Appeals – Barry Rogers

Barry stated that the last Appeals Committee meeting was on January 24, 2008. He received a report from Robin stating there are eight requests pending. The Appeals Committee will have a meeting to review the requests at the end of the week or the following week.

C. Amenities – Jim Brown

Jim Brown advised there is an additional \$225,000 over last year’s budget to be allocated. Projects from last year and the year before that were started and not completed total \$194,220. Another \$144,000 was proposed at the Amenities Committee meeting; there would be approximately \$82,000 left over. Jim LeBus advised Jim Brown that the totals were wrong. Jim Brown stated that he would go over them again and get the correct figures.

Jim Brown asked for final approval at the May Board meeting. Lovelle stated he is worried about the delay and having enough time before construction starts. Karen Nichols asked what the “drop-dead” issue was that prevents it from being ready before May. Jim Brown mentioned several time constraints. He advised he will not be here next month and recommended that Chuck Verry be named chair of the Amenities Committee since he would be chairing the meeting in April. Jim Brown stated he would be working closely with Chuck on procedures that need to be followed.

Jim Brown stated that Joan Ronchetti would be chairing the Country Club Building Committee and Doug Adamski had agreed to chair the Tennis Committee. Jim Brown suggested the AAFPO



Board be ready to approve the projects being presented in April. The committee would then look at the amount of money remaining in April and present those projects for approval in May.

Jim Brown advised that if they do not spend the money in a timely manner, they would lose it. Lovelle stated he had received e-mails from Kendy saying the money would not be lost if it was not used. Jim Brown advised that it is all considered "new money" since we changed to a zero-based budget. He said there are many projects and a lot of work and the Amenities Committee needed to be prepared to defend their decisions on the allocated projects.

Barry asked when the steps at the end of the bridge will be finished and was advised that the project is the responsibility of the Village and not AAFPO. Jim Brown stated that the Amenities Committee would do whatever AAFPO wants, including repair of the tennis courts. He stated a decision was needed on whether or not AAFPO will be funding a tennis pro. Jack advised that the tennis pro and tennis court repairs are the responsibility of the Resort this year. Jim advised that Bill Wooten would also like floating docks on the west side of Monte Verde Lake.

Jim Brown advised that the RV Park project was started about two years ago and he is not willing to wait any longer; he wants it finished this year. This involves completion of the bathhouse and the upgrade to the septic system or conversion to a holding tank.

Jim Brown stated that Stuart Hamilton, Golf Committee chair, has some good ideas on beautifying the golf course by replacing the railroad ties around the women's tees with moss rock, which is something that has not been done before. Karen asked if there was an opportunity for AAFPO to possibly subsidize the gray water issue with the Village. Jim Brown advised that legally they could not use Discretionary Funds to build a ditch to install the pipe on property not owned by the Resort. Jim LeBus suggested placing railroad ties or moss rock on the golf cart trail turns so the carts will not go off the trails.

Jim Brown suggested that comments and suggestions from the members be encouraged at the Member Social the next night. He stated the suggestions should be for all of the amenities. Maren said she would place amenities suggestion forms at every plate at the Member Social.

Jim Brown advised that the Resort is going to match AAFPO in providing \$45,000 for a new glade skiing area on the ski mountain.

Jack asked if there was a "meeting of the minds" on the rain shelters on the golf course, on how many there would be and what they would look like. Jim Brown advised there would be five shelters and that Stuart Hamilton will be working with the Resort on the design of the shelters.

See Attached.

D. Amenities Template

Not addressed.



E. Finance – Jack Fuehr

Jack advised he had distributed the Finance Report earlier. He stated the biggest accomplishment was verifying that AFR spending on the amenities would exceed dues collected for FY2008. He advised that the 2009 budget is due in April. It will be a preliminary budget and will not be the final approved AFR budget but should suffice to ensure that amenities' spending exceeds dues collected in FY2009.

Maren provided the backup data justifying the increase in the CPI for FY2009. Jack recommended approval of the CPI adjustment (3.7%) for this year. Jim Brown motioned to approve the CPI; Barry seconded the motion. Jack questioned if an increase was justified at this time because of the absence of a clubhouse on the golf course. Jim LeBus countered that a **private** golf course in Wichita Falls had just increased dues by \$50/month and planned to shut the course down for one year. No further discussion; motion carried.

See Attached.

F. Election – Barry Rogers

Barry passed out copies of the announcement of the election in the *Chronicle* and advised the announcement of the election and the Petition of Candidacy forms would be distributed at the Member Social. He advised that every member of the committee has assigned tasks for getting the information to the public. He also advised they would need candidate approval within a 45-day period of the Annual Meeting and that falls in a period where there are no meetings. He asked the Board to approve the candidates via email, so that it would fall within the 45-day period. He also passed out the budget (\$5,500) and advised it needs approval as well. Barry also advised the Annual Meeting is tentatively scheduled for June 14th. Barry also asked if anyone has concerns or suggestions to please talk to him or Chuck Verry and not go to individual members of the Election Committee. Maren advised that the June Member Social has been changed to coincide with the Annual Meeting and will be held immediately after the Annual Meeting.

Barry made the motion to approve the budget and the date of the Annual Meeting; Karen seconded. No discussion; motion carried.

See Attached.

G. "The Mountain View" – Jack Fuehr

Jack advised he will try to have "The Mountain View" out in time to coincide with the elections in early May and it will include the profiles of the candidates. It will be posted on the web site.

Jack suggested that the mailer with the ballots and candidate profiles include a notice to look for "The Mountain View" on the www.AAFPO.org web site. Maren also announced that a similar notice would be included on all membership dues invoices mailed in April.



H. AAFPO Website

Not addressed.

8. Resort Updates - Maren Bryan, Karen Kelly

A. Spring Break

Maren distributed a report on the activities for the weekend and Spring Break. Due to the number of events at the summit, Maren also announced that a reduced-fee lift ticket is now available for people who want to ride the lift for lunch or the summit events.

B. Concord Replacement

Karen Kelly advised she had just received the proposal from Kendy Hanson on the new database but a decision has not been reached as of yet.

C. AAFPO/AFR Agreement – Access to Database

Karen Nichols will be meeting with Karen Kelly and/or Dan Rakes to discuss.

D. Country Club Progress – Jim LeBus

Jon Reveal stated there will be a meeting on March 27th and that the Gerald Martin contract has been extended through the completion of the foundation. Jim advised there would be a letter coming to the Resort asking for verification of the start date. He also asked if there was an estimated size of the Country Club and Jon stated it would be around 28,000 sq ft. Jon said he had been approached by members who are concerned that they will be losing features that were promised with the Country Club and he has assured them nothing has been removed.

E. Starfire

Karen Kelly advised that Linda Howell had gone to the Albuquerque Film Festival and met with two different groups, one of which is interested in using the Starfire in an “abandoned building” scene and wanted to blow the building up. It is still under discussion.

F. Resort Hotel

Karen Kelly stated that replacing part of the roof on the hotel had been approved. Four rooms are being renovated to ascertain final costs and gauge public acceptance. If all goes well, sixty-two (62) additional rooms will be renovated at a cost of approximately \$25,000 per room. Plans for renovations of the lobby and public areas have been developed but have not yet been approved.

Jim LeBus suggested that it would be beneficial for the Resort to have full-service restaurant service for guests and residents for the 2008-09 winter season. Karen Kelly responded that the restaurant was open this winter and was not profitable. Jim LeBus suggested that an operator



be brought in to handle the restaurant on a contract basis. Jon commented that there were occasions when 120 guests were in the hotel and only four showed up for dinner. The consensus of the Board was that a restaurant could be viable if the food was consistent and the schedule was reliable.

G. Summer Activities

Karen Kelly advised that Dave Dekema is working with the Chili Pepper Bike Company of Moab, UT (for summer biking) and Extreme Sports (for summer guided Razor and ATV tours). Karen also announced that Ted Nugent is filming a hunting series ("Spirit of the Wild") in New Mexico and Angel Fire has volunteered to be the site for several segments of the program.

The lifts will be open on Saturday/Sunday from Memorial Day to July 4th. From July 4th to Labor Day, the lifts will be open four days a week (Friday through Monday). The Saturday/Sunday schedule returns for the first three weeks of September. The Resort is considering hosting Saturday dinner at the Summit House between July 4th and Labor Day.

Karen Kelly is also interviewing a horse vendor who would be operating trail rides from the stables.

Karen Kelly also advised that the Resort Hotel would be closing from March 31st through May 15th as part of the recently instituted Variable Operating Plan. There is a possibility that the VOP will be instituted again in November and early December. This will give the employees a "breather" and permit the sales staff to concentrate on the more productive weeks during the year.

She said the Resort would be hosting the April Member Social at the Sprung building at the Golf Course or Monte Verde Lake. The July 4th Social will be held at Monte Verde Lake in the afternoon. This event is sandwiched between the parade in Eagle Nest in the afternoon and the fireworks at night. Having the Social in the afternoon on a weekend will permit many members visiting over the long weekend to attend a Social for the first time.

See Attached.

Jon advised that Bill Baker has been hired as the new Golf Pro and would be in Angel Fire in two weeks. He is also a ski pro and will be helping out there during the ski season.

9. New Business

Election of Board Secretary

Barry said he thought Jack should serve as the Board Secretary. Jack advised he would do it until the election. Lovelle made the motion that Jack serve as Board Secretary/Treasurer until the election. Jim LeBus seconded. No discussion; motion carried.

Selection of new Legal Counsel



Karen Nichols commented that Terry Kamm is most interested in working strategic issues and not the sporadic individual items that we have been referring to him. Jim LeBus commented that there might be a potential conflict of interest between AAFPO and the Resort and a potential client. Lovelle counseled that it might be beneficial to offer a retainer to Terry. This item has been tabled until the next meeting.

Jim LeBus also mentioned that Terry had suggested that the Board hire an administrator on a part-time basis.

8. Adjournment

Meeting was adjourned at 6:10pm.

Respectfully submitted by: Bayne McCutchen (temporary recording secretary)

Date: 03/30/08

Approved by: J. LeBus

Date: 04/09/08