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Association of Angel Fire Property Owners
Monthly Board of Directors Meeting
Minutes for September 12, 2007
5:00 PM Resort Hotel

President LeBus called the meeting to order at 5:00PM

1. Roll Call:

Jim LeBus, President, Present, Present
Karen Nichols, Vice-President, Present
Jack Fuehr, Treasurer, Present
Joan Ronchetti, Director, Absent
Jim Brown Director, Absent
Barry Rogers, Director, Present
Chuck Verry, Director, Present
Lovellette Upton, Director, Present
Anne Lott, Secretary, Present
7 Present, Quorum established.

2. Guests & Audience Introductions:

Vice-President Karen Nichols introduced Anita Ramsey as the new recording secretary. Vice-President Nichols then proceeded to introduce others in the audience who included B.U. Terry, Jon Reveal, Karen Kelly and Larry Leahy.

3. Approval of Minutes:

Vice-President Nichols made a motion to approve the August 8, 2007 minutes. Director Rogers seconded the motion. Treasurer Fuehr had some comments as to typographical errors in the copy of minutes he possessed. It was explained that the copy he had was not the most current copy and some of the errors to which he was concerned with had been corrected in the most current version that was submitted. Vice-President Nichols made a revised motion to approve the August 8, 2007 minutes with typographical errors corrected. Director Rogers seconded the motion. Motion to approve minutes passed with revision to fix typographical errors.

4. President's Report:

President LeBus stated the President's Report and the Revised Rules and Regulations Report are combined which are the only things to be reported on at this meeting. President LeBus stated Terry Kamm got back with him regarding his copy of the Rules and Regulations and stated that a great many of his comments had to do with Kendell Hanson's (OK) redline. Kamm also stated a letter needed to come from Kendell Hanson. President LeBus stated there were quite a few more comments - which are listed on the report - and he would like to get together with management of the Resort next week to discuss these items before AAFPO approves the Rules and Regulations.

5. Treasurer's Report:

Treasurer Jack Fuehr presented the Treasurers Report. There were no questions regarding the report.

6. Decision Items:

A) Form By-Laws Committee

Director Brown and President LeBus are on the By-Laws Committee. President Jim LeBus stated he had nothing to report.

B) Election Committee

Consists of Director Barry Rogers and Director Chuck Verry. Director Rogers reported that a lot of the information on the Website regarding elections needed to be updated. President LeBus recommended Director Rogers, Director Verry and Vice-President Nichols put together a report to be reviewed regarding the 2007 election.

7. Action/Discussion Items:

A) Amenities – Summer '08 Construction

Jack Fuehr attempted to explain the new Discretionary Spending Report showing the planned expenditures during the 2007-08 fiscal year, the projects currently planned, and the amount spent on each project. A report from Leigh Sprouls was presented on the minutes of the Amenities meeting. A motion to approve the changes to the Amenities budget was made by Vice-President Karen Nichols and seconded by Director Lovelle Upton. The motion was approved.

B) PID Status

Secretary Anne Lott had nothing to report.

C) Concord Replacement

Kendell Hanson not ready to report. Would like to be moved to next meeting.

D) Amenities Planning

Kendell Hanson reported that the Amenities Committee/AFR procedures are very confusing and they have come up with a very different approach to become effective. The projects are ill defined and forms describing each project must be part of the process. These would define the costs, the variables, and the time frame for completion. The Resort with the assistance of the Amenities Committee needs to develop a template that can be used for this purpose. Furthermore, many people have left this committee. There was much discussion about the committee needing to be more focused.

E) E/ACC Report

B.U. Terry reported that lots are getting too expensive and many are selling their lots, while the rest are keeping their money in their pockets. Lovelle asked if there was a way to compare Angel Fire building Resort permits to those outside of the Resort? It was mentioned that a report done by Don Borgeson or the Village might have that information. A concern was raised regarding NRPI raising the costs of lots and whether

the demographics of the area are changing with more high-end homes being built at the expense of mid-range homes. By doing this, the traffic the Resort and local businesses enjoy will be dramatically reduced. Another question raised was how many houses are actually built on NRPI lots? The answer was not many and most of the sales are investment portfolio sales. It was also added that in Pagosa Springs, the value of the lots did not decrease when NRPI left. Another comment made was real estate values should stay in a range that makes it affordable and not so overpriced that growth slows. Finally, it was mentioned the focus of the Resort is towards the families and how to accommodate the working families.

F) Web Procedures

Director Chuck Verry agreed to update content of Website www.AAFPO.org. A question was asked what type of procedure to follow regarding updating the Website. A motion was entered by Vice-President Nichols giving Director Chuck Verry the authority to remove old stuff. Director Rogers seconded. Discussion included a recommendation that minutes should never be in arrears more than 90 days, all minutes should be kept on the Website, get rid of old stuff, update old with new and put new content in. A revised motion was entered by Vice-President Nichols giving Director Chuck Verry the authority to suspend old content if there is no new content to replace it with, post new content where it should be and bring to the Board new content not already there that he proposes we put there. Director Rogers seconded. Motion carried all in favor.

8. Angel Fire Resort Report:

- Introduction of new staff, which include Jon Reveal, Chief Operating Officer, Karen Kelly (Hospitality Director), Zac Alexander (Human Resource Director) and Walt Foley, Ski Patrol Director and Risk Manager.
- Grading for the Country Club will begin soon.
- Putting in a geothermal system if the economics work (feasibility studies are underway)
- Golf course is completed.
- #10 green open any day.
- Old operations building behind the hotel demolished.
- Working on what needs to get done on #5 tee-box. Possibly remove trees instead of moving the tee-Box.

Questions were also raised regarding the agreement guaranteeing access to the AFR/AAFPO Membership Database. Kendell Hanson's response was they are working on it. Kendell Hanson stated they are in negotiations to use the second parking lot that was roped off last year. Kendell Hanson also stated evaluation of software to replace Concord was to begin soon. Treasurer Fuehr mentioned about the Long Range Amenities Planning Committee and if they wanted to set up a committee on it. It was established that Treasurer Fuehr and Director Upton

would be on the committee. It was stated that the whole idea is to get the plans out and start thinking three-year plans.

9. The following reports were submitted at the Sept. 12, 2007 meeting and filed:

- Discretionary Fund Management Report Revised 9-11-07
- Amenities Committee Report Dated 9-12-07
- AAFPO Treasurer's Report Dated 9-12-07
- Sept. 2007 Audit Report Dated 9-9-07
- Sept Finance Committee Report Dated 9-9-07

Also a legal opinion letter was received from Terry R. Kamm, regarding proposed Resort Rules and Regulations.

10. New Business:

Nothing to discuss.

11. Adjournment:

Meeting adjourned at 6:25 PM

The next meeting will be Wednesday, October 10, 2007 at 5:00PM

Jim LeBus, AAFPO Board President

Anne Lott, Secretary

Anita Ramsey, Transcriber