



October 28, 2020

Association of Angel Fire Property Owners, Inc.
www.aafpo.org

For Immediate Release

AAFPO Complaint against Angel Fire Resort

The AAFPO Board of Directors has filed the following legal Complaint in the 8th Judicial District Court seeking full transparency from the Angel Fire Resort concerning how it is managing and spending AAFPO Members' dues.

<https://aafpo.org/d-809-cv-2020-aafpo/>

<https://aafpo.org/supporting-docs-102020-complaint/>

The lawsuit seeks financial documents from the Resort that each and every property owner/Member has a right to see for themselves according to the Amended Joint Plan of Reorganization (<https://aafpo.org/amended-joint-plan-of-reorganization-4-20-1995/>) and the AAFPO Bylaws <https://aafpo.org/aafpo-by-laws-7-10-95/>.

In response, the Resort is framing the lawsuit as an existential threat to its existence, when in fact the Board of Directors of the Association of Angel Fire Property Owners is only asking Angel Fire Resort to comply with court orders that have been in-place since 1995, yet has seen only sporadic compliance.

Why? What is the Resort trying to hide?

The Board of Directors of the Association of Angel Fire Property Owners, Inc. responds to the allegations made by Angel Fire Resort with the following:

- Resort's claim of a "175-page lawsuit": **False. In fact:** The complaint is 15 pages, with 160 pages of supporting documentation such as references to the Amended Joint Plan of Reorganization from 1995, AAFPO Bylaws, various sections of New Mexico Statute and others.
- "An extraordinary relationship": **False. In fact:** For years, Angel Fire Resort has enjoyed an extraordinary lack of transparency with the property owners comprising the membership of Association of Angel Fire Property Owners ("AAFPO").

- “The Resort has worked hand-in-hand with every AAFPO Board”: **False. In fact:** Board Meeting Minutes show that for years the Resort has withheld financial information requested by the Board.
- “Until now, no Board had ever made a formal complaint against the Resort”: **False. In fact:** Prior Boards have repeatedly complained about the Resort’s lack of cooperation, transparency or responsiveness – to no avail.
- “Without the courtesy of discussion or even notice, filed a 175-page lawsuit”: **False. In fact:** The Board and its attorney spent months trying to obtain financial documents from the Resort which the Association is legally entitled to – only to be stonewalled by the Resort.
- “It does not respect the governing documents”: **False. In fact:** The very basis of the Complaint is that the Resort has failed to follow the provisions of the governing documents.
- “It does not appear to reflect the wishes or opinions of the Membership”: **False. In fact:** The Resort has unleashed a cynical P.R. campaign claiming that the current Board is acting against the wishes of the Membership while simultaneously denying the Board access to its own Member database which would allow it to communicate with Members.
- “The complaint contains the unrepresentative views of 4 board members acting without any discernible support or authority”: **False. In fact:** The complaint contains the view of all 8 of the owner-Board Members. The very purpose of the complaint is to obtain a judgment from the court that the Board Members are acting under legal authority (*see page 2 of the complaint*).
- “Undeterred by the Resort’s expressed concerns, these 4 directors appointed new Directors and have been meeting in secret, making decisions effecting the Membership as a whole”: **False. In fact:** The Board has notified the Resort and its *ex officio* representative of each and every Board Meeting. Nevertheless, the Resort’s representative to the Board has chosen not to attend or to participate in those Meetings.
- “Without even considering a replacement, the new Board fired AAFPO’s Executive Director of 8 years”: **False. In fact:** The previous board had handled off most of the duties of the board to the executive director (which worked part time). The newly elected directors instead accepted their duties as required under the Bylaws and thus eliminated the need and cost for the Executive Director. There was no malice in this action. Note the costs for the Executive Director were \$41,000 for the 6-month period she was on board in 2020. The elimination of this job saved the board money.
- “Carol Neelley [sic], AAFPO’s attorney of over 10 years, resigned due to the 4 directors’ agenda”: **False. In fact:** The AAFPO Board needed an attorney to stand up for its members. Carol Neelley resigned without speaking in detail to any of the new directors, and after being confronted about allegations of a conflict-of-interest.
- “The Board’s newly-elected President resigned after discovering that the 4 directors had continually undermined her authority”: **False. In fact:** The newly elected President resigned for personal reasons. The board supported her in her actions.
- “Although AAFPO’s Bylaws specify that a majority of 5 of 9 directors constitutes a quorum, and although the Board has followed this rule for years, Penni Davey unilaterally announced that a minority of 4 was sufficient to form a quorum and appoint

additional Directors”: **False. In fact:** The 4 remaining Board Members acted with legal authority to reconstitute the Board, and the legal arguments supporting this authority is specified on page 3-4 of the complaint.

- “The Board has excluded the Resort’s Ex-Officio Board Member from all communication and participation, despite his repeated requests to receive information and participate”: **False. In fact:** This is patently untrue. The Resort’s previous representative to the Board resigned due to personal reasons, and the newly appointed representative to the Board has chosen to boycott Board Meetings and refused to participate in Board decision-making.
- “The Board has established an aggressive posture toward the Resort, rather than one of cooperation and compromise as required by the Amended Joint Plan”: **False. In fact:** The Board and its attorney have attempted to work cooperatively with the Resort from the get-go, only to be repeatedly stonewalled by the Resort which has now unleashed a vicious P.R. campaign against it.
- “The Board deprived the Membership and the Resort of the opportunity to explore an amicable resolution, avoiding the costly expense of litigation and long-term damage to the relationship”: **False. In fact:** The Board and its attorney have repeatedly sought an amicable resolution with the Resort and have been rebuffed by the Resort at every turn. The Resort has a vested interest in this time of COVID to avoid public discussion with the Board because the Resort know the AAFPO Board of Directors fiduciary responsibility is to the owners, not to the Resort, and the Board expects the Resort to honor its responsibility to the owners who pay dues in exchange for use of amenities that may not be available to the owners.
- “AAFPO’s actions threaten your real estate values and future membership rights”: **False. In fact:** The very purpose of the lawsuit is to assert and affirm property owners’ Membership rights, including the right to financial documents the Resort is refusing to provide which may have a direct impact on property values, and which are designated in the various documents referred to in the complaint.

P.R. Scare Tactics

- “The Resort denies each and every claim of the lawsuit, and it will vigorously defend itself no matter the cost.” Purpose: To intimidate Members with the threat of costly litigation.
- “Undeterred by the Resort’s expressed concerns, these 4 directors appointed new Directors and have been meeting in secret, making decisions effecting the Membership as a whole.” Purpose: To convince Members the Board is acting in bad faith. This is absolutely not true.
- “AAFPO’s actions threaten delay of development until a resolution to the lawsuit can be reached.” Purpose: To tie the lawsuit to delayed development, while the Resort can operate without transparency to the homeowners who are entitled to the use of amenities and common areas. As an example, the State of New Mexico is requiring the Resort to cooperatively discuss how members will be impacted by this requirement and “made-whole” in accordance with organizational documents. By delaying recognition of the Board of Directors, Angel Fire Resort can act unilaterally and place blame back on the homeowners and the Board.

