

The Association of Angel Fire Property Owners, Inc.

Minutes of the March 11, 2021 Board Meeting of the Association of Angel Fire Property Owners, Inc. Board of Directors.

Location of Meeting:

Due to the Corona Virus restrictions and New Mexico governing requirements, all Board of Directors and members were together at a Virtual Meeting through ZOOM. Note that Zoom showed 116 participants in the meeting.

Time Commenced:

The Board Meeting of the Association of Angel Fire Property Owners, Inc. was called to order by Vice President Ham at 5:31 pm MST on March 11, 2021.

Opening comments made by Vice President Ham.

Roll Call: Establish a Quorum

Board of Director's Name	Present	Board of Director's Name	Present	Board of Director's Name	Present
Penni Davey	EXCUSED ABSENCE	Jim Miller	X	Carol Rupp	X
Holly Ham	X	Trevor Moore	X	Sandra Trom	X
Spencer Hamons	X	Hank Rennar	LOG IN ISSUES	Peggy Trott	EXCUSED ABSENCE

Six (6) Directors present. Therefore a quorum was established.

It was noted that President Penni Davey and Director Peggy Trott both had excused absences due to family medical emergencies.

Mark Manley, Resort ex-officio Member of the board was present.

VP Ham welcomed all directors and participants. She also stated that since we have a large audience on the Zoom call, that all participants are to mute their lines until they are recognized to speak. The chat function for this meeting has been disabled. VP Ham also gave an introductory welcome to Patricia Reymann, Professional Parliamentarian from St. Paul, Minnesota, to oversee the meeting as acting Parliamentarian.

1) Approval of the Agenda

Vice President Ham asked if there were any changes to the agenda. "Those in favor of adopting the agenda as presented say Aye. Those opposed, say No. The ayes have it, the motion carries and the agenda is adopted."

2) Approval of the December 10, 2020 Board Minutes

VP Ham asked if there were any changes to the December 10, 2020 Board Meeting minutes. No changes from the board. Mark Manley noted he needed additional time to review the minutes. VP Ham asked that the draft minutes be provided to Mr. Manley who then stated that he will review it the next day.

3) Guest Comments

Secretary Trom read highlights from Resolution 2020-003A listing the rules for Member Comments at the AAFPO Board Meetings and explained the full resolution could be found on the aafpo.org website. She explained that each speaker would be given two minutes to speak. These should be comments rather than questions. Any items requesting a response should be submitted to aafposecretary@gmail.com or executive-director@aafpo.org. All guests should state their name before commenting.

- a) *Guest & AAFPO Member, Elizabeth Ricketson*, requested questions sent in to the AAFPO board after the meeting be posted on the aafpo.org site.
- b) *Guests Sandra & Butch (did not receive last name)* commented on the ATVs and regulations of them inside the resort boundaries. They commented on the noise pollution and would like to see designated areas for ATVs. Secretary Trom commented that the Village has an ordinance for the ATVs and it could be found on the Village website.
<http://www.wildlife.state.nm.us/download/ohv/local-ordinances/Angel-Fire-OHV-Ordinance.pdf>
- c) No other comments from the guests/members.

4) Resort Report – Ex-officio, Mark Manley

- a) *Kalyn Whitacre, Director of Membership for Angel Fire Resort*, discussed office hours of the Membership Department and explained Covid procedures relating to the office. She mentioned that membership cards needed to be renewed every 3 years and this was the year for renewal. Kalyn talked about the new website changes that will benefit the members and said that the assessment dues for the 2021-2022 year will not be increasing.
- b) *Mark Seiter, CFO of Angel Fire Resort*, explained that AAFPO had 4,800 members; the Resort (the developer) has 1,200 platted lots, which equals a total of 6,000 lots. He said that over the past 11 years, 91% was the collected average of assessment dues with 93% assessment dues collected for the 2021 season.
- c) *Christy Germscheid* discussed the 2020-2021 Ski Season. She assured members that they were given priority to the ski mountain. She said that summer activities would be very similar to winter with the exception of less restrictions and suggested that visitors visit the website to receive more information. Summer activities would open May 15 through October 31st. Christy went on to explain the improvements to the golf course. She mentioned that Sunday Brunch would be added for the Country Club this year.
- d) *Mark Seiter* discussed future projected capital improvements such as redeveloping the base area of the ski mountain to make it more guest friendly. The redevelopment will include new restaurants, retail shops, rental shops, ticketing offices and restrooms. The architect chosen for these redevelopments is Bull Stockwell Allen (BSA). The scope of the design will be spread out over several years. Mark went on to explain the first stage of the development started last year. It involved relocation of the vehicle maintenance shop, the clinic and the mountain ops locker rooms.

Mark Seiter commented that the Angel Fire Real Estate market is very hot right now resulting in more demand and outpacing supply. Due to this market, the Resort is exploring new residential subdivisions. He explained the Resort has been working with the Village to build a small subdivision behind Lowes and Frontier Village. The subdivision anticipates 85 lots for construction of smaller, affordable homes, including the full retention of the Deer Greenbelt Trail.

VP Ham thanked the Resort employees for the presentation and asked if the board had any questions relating to the Resort report.

Director Ham said she had a question for Mr. Seiter. "Mr. Seiter, you stated that the collection rate for the last eleven years averaged about 91% collected. Is that 100% collected or portion collected. Because this information differs from what we were associating with delinquencies." Mr. Seiter responded, "that 800 of the 4800 members were delinquent. That is a little over 16%. The number of delinquencies at any given time is different than the amount of collections that are being made on an ongoing basis compared to the dues that are sent out each year." VP Ham responded, "Then can I draw the conclusion that 91% collected is 91% of dues assessed that are collected. So if a dollar was assessed, \$0.91 was collected." Mark Seiter responded, "That is correct". VP Ham said, "So you are stating in the last eleven years from 2009-2020, 91% of dues assessed have been collected by the Resort." Again Mark Seiter replied, "That is correct. Yes, you are absolutely correct."

Director Hamons stated that the Resort has done a great job managing traffic on the Ski Mountain this year and making sure the members had a great experience.

Director Miller commented that members pay different amounts of assessment dues and asked the Resort how the numbers transfer over to members in bad standing. After clarification and discussion, Mark Seiter restated that there are 800 members out of the 4800 members in bad standing.

Director Hamons summarized, "We have 4,800 members. 800 members are in bad standing. 700 members have upgraded memberships. In addition, there are 1,200 developer platted lots." The Resort agreed with this summary.

5) Action Items - Director Miller

a) Resort to address items from December 10, 2020 Board meeting:

i) *Operating Budget Status - Mark Seiter*

In accordance with a timeline from Director Ham, the Resort completed a budget in late December 2020 and submitted that to the Budget Review Committee. The Budget Review Committee in the month of January 2021 forwarded to the Resort some questions that the Resort was able to respond to in early February 2021. The 95% Budget Report is complete except for how the budget calculates the expenses to operate, improve and manage the Amenities. AAFPO Board believes that the percentage of member usage on the Ski Mountain and the Golf Course should dictate the amount of budget calculations. The Resort disagrees with them. This issue is in the core of the lawsuit and will have to be ruled on by a judge at a later date.

ii) *Capital Improvements - Mark Seiter*

Resort is behind on completing projects related to the Amenities. The Resort closes the ski mountain on March 21st so the team will then be focused on completing the projects listed on the Amenities Budget. Resurfacing the tennis courts and the basketball courts will have to wait till after May 1, 2021 due to weather restrictions. The committee responsible for completing the budget for the 2021-2022 fiscal year is in the process of completing this budget and it should be forthcoming soon. Mark Seiter stated that the Finance Committee receives a report from the Resort monthly and in the future will give the Finance Committee individual receipts related to the expenses. Director Miller requests this stay on as an Action Item for the next meeting.

iii) *Matters requiring AAFPO approvals* – keep on Action Items list

- b) Angel Fire Rotary & Garden Club Proposal to develop Community Garden – keep on Action Items list for Director Trott
- c) Wetlands Conservation Group – keep on Action Items list for Director Trott
- d) Roadrunner Tours to use trails – keep on Action Items list for Director Trott
- e) Support for Dog Park as a new Amenity – keep on Action Items list for Director Trott
- f) Liens on property owners for unpaid assessment dues – keep as an Action Item for Mark Manley
- g) NDA status - Director Davey wants to keep this as an open Action Item based on legal action

6) **New Business – VP Ham**

a) *Election Committee – Chair, Jay Mitchell*

Jay Mitchell stated he has researched three companies that specialize in voting software for homeowners associations. His top choice is a company called Inspectors of Election. Prices range from \$2500-\$6,000 for a turnkey election. These would be all 3rd party election software. The companies also provide online bios or resumes for the election on the software so voters could read candidate bios ahead of time.

Director Hamons stated that all forms necessary for running for the board are listed on the aafpo.org website and he would encourage anyone that is interested to get involved and run for the board.

The election date is June 26, 2020 at the Annual Meeting. A decision would need to be made by the board on the choice of software by April 25, 2021 at the latest.

b) *Resolution No. 2021-001 – Regarding Annual Dues for Unimproved Lots*
Secretary Trom read the proposed resolution regarding Annual Dues for Unimproved Lots. **(Attachment A)**. VP Ham asked if the board had any questions.

“Those in favor of adopting the resolution say Aye. Those opposed say No. The Ayes have it and the Resolution is adopted.”

c) *Approval of Jake Crain as the new Architectural Chairman*

Director Hamons made a motion for Jake Crain as new Architectural Chairman due to Mike Stille stepping down. Director Miller seconded. Discussion opened by Chair. No discussion followed. VP Ham replied, “Those in favor say Aye. Those opposed say No. The Ayes have it and the motion is carried. Congratulations to Jake Crain as the new Architectural Chairman.”

7) **Officer Reports**

a) **Treasurer – Treasurer Rupp**

All Checking, Money Market, & Trust accounts were reconciled as of 3/3/21.

AAFPO Checking - \$34,107.64 on 3/3/21

AAFPO Money Market - \$276,243.76 on 3/3/21

1% Collections deposit for February 2021 - \$2,159.50

AFEACC Checking - \$39,471.09 on 3/3/21

AFEACC Trust Account - \$95,559.74 on 3/3/21

Mark Manley asked Treasurer Rupp for the total amount of fees related to AAFPO’s lawsuit with Angel Fire Resort. He also asked for a total breakdown of all the Professional fees ytd. Secretary Rupp agreed to send him this information.

All Treasurer reports are attached. **Attachment B**

b) Secretary **Report – Secretary Trom**

No report

8) **Committee Reports**

a) **Amenities Committee – Director Trott** (*in Director Trott’s absence, Secretary Trom read the amenity report from Director Trott*) see **Attachment C**

VP Ham made motion to approve the \$15,000 for the fish stocking in Monte Verde Lake. Seconded by Treasurer Rupp. Discussion followed. VP Ham stated, “Those in favor of approving \$15,000 for the restocking of the 12” fish for the month of May 2021, please say Aye. Those opposed say No. The Ayes have it and the motion carries.”

b) **Architecture Committee (AFE/ACC) – Jake Crain, Co-Chair**

Jake stated that the committee hired a new Administrative Assistant and in doing so the office days will change from Tuesday-Thursday to Wednesday, Thursday and Friday. Hours will stay the same. Additionally the committee will be changing the Committee Meetings from the 2nd & 4th Tuesday of the month to the 2nd & 4th Thursday of the month to correspond with the new office hours.

New Committee Member to put forth in front of the board. Jake read Randy Kaiser’s bio. VP Ham stated, “Randy Kaiser has been appointed by the Architectural Committee and needs to be approved by the board. All those in favor, say Aye. All those opposed to the appointment say No. The ayes have it so the appointment is approved. Welcome aboard Randy Kaiser.”

Building Permit Procedure – Jake Crain showed the audience how to find the building permits and other information needed on the aafpo.org website under the Architectural Committee button. He explained the current process of performance deposits of \$1500 per permit and how the committee would like to see these increase as an incentive for homeowners/builders to complete the requirements of the Committee/Covenants instead of forfeiting the deposit to *not* complete the project. He also noted that these permit deposits have not been increased in over 10 years.

Building Application Form - The proposed increase will be based on \$1 per total square feet as a performance deposit. Homeowners or applicants will be required to submit a total square footage including all conditioned spaces, garages and decks when applying for a building permit. The larger the square footage, the more money that is collected as a performance deposit and the substantial difference will hopefully entice homeowners to finish their projects on time and get a final inspection in order to return the full deposit to them. Note permit fees for maintenance will not increase – only performance deposits on builds. The committee will also be moving over all inspection fees to be applied against the Performance Deposits. All subsequent inspections, if required, would be deducted from the Performance Deposit. This might help with homeowners committing to finishing their project before calling for a final inspection.

Minor Application Form – The committee is recommending that the fence permit be raised to \$200 to match all the other fees in this category.

Attachment D – Proposed changes to AFE/ACC fees & verbiage

VP Ham asked for questions or discussion. Director Hamons wanted clarification on permit fees for rehabbing or doing maintenance on a deck. Chair Crain said there is a Maintenance Application (*improvements to a property*) that would apply to this situation. There are no permit fees or deposits needed for this type of application.

Jay Mitchell commented as Village Manager that the Village looks only at “heated square feet” when applying fees not garages, decks, etc. He requested that the Committee meet with him to talk about the application fees and types of construction involved. He would like to see the Covenants be in line with Village code. Jay noted that some covenants are currently in conflict with Village Code or Ordinance. He said the reason is that some of the Covenants were prior to the annexing of the land. Village Code is the law and wants to ensure that the Architectural Committee is meeting Ordinance requirements otherwise when reselling the property, there could be issues with the Village and the County on initiating that sale.

Chair Crain said he would be happy to meet with the Village to discuss these issues. He asked Jay Mitchell to state some of the examples where there would be issues. Jay Mitchell responded there were issues with setbacks and zoning. He discussed a specific situation where a gentleman was doing vertical construction such as a deck. Jay Mitchell said he would also like to see performance fees for encroachments in areas of Village right of ways.

VP Ham thanked both Mitchell and Crain for the discussion. She said the board will commit to discussing the new schedule of fees after Jake's meeting with the Village and the board will turn this around in a week.

Chair Crain then discussed current building permits. He said they finished up 2020 with 81 permits and currently has 5 permits active for 2021.

Attachment E

No additional questions or comments noted.

c) Finance Committee and Budget Review Committee – Chair Holly Ham

The Finance Committee and Budget Review Committee worked with the Resort on a three-month budget process based on the schedule submitted in 2020 by the Budget Review Committee. Chair Ham said that today, March 11, 2021, the Committee will present a budget for 2021-2022 and have the AAFPO Board vote on the recommended budget.

Attachment F – Resort's Proposed Budget & Finance Committee's proposed budget

The Resort proposed a budget for Direct Amenities Operating Cost utilizing the last 5 completed fiscal years.

Resorts' proposed budget total = \$6,688,000.000

Budget Review Committee's recommended budget total = \$2,944,000.00

(This is an adjusted budget that applies the percentage of member's use of the Amenities of the AAFPO Members versus the general public). This policy of percentage of use of AAFPO Members versus the general public is stated clearly in the Association of Angel Fire Property Owners, Inc. Bylaws, Article VIII, Section 14 and in the Association of Angel Fire Property Owners, Inc., Articles of Incorporation, Article II, Section E, which are both attached as Exhibits to the Amended Joint Plan of Reorganization. The adjusted percentages applied are 9% of the Ski Mountain by AAFPO Members and 60% usage by AAFPO Members of the Golf Course. All other Summer Amenities are listed at 100%.

Chair Ham stated, "With this information presented, the Finance and Budget Review Committee recommends to the AAFPO Board a Proposed Budget starting 05/01/2021-04/30/2022 a total of \$2,944,000.00. At this time I move the adoption of the budget." Mark Manley stated Point of Order. The Chair recognized Mr. Manley. Mr. Manley questioned which budget Chair Ham was speaking of and responded that the Resort objects to this as parcel of the lawsuit. Chair Ham thanked Mr. Manley for the objection and noted. Again, Chair Ham moved to adopt the budget and Director Hamons seconded. Chair Ham asked if there was any debate. Hearing none. Those in favor of adopting the budget say Aye. Those opposed say No. The Ayes have it. Motion carries. The budget as recommended by the Finance and Budget Review Committee for Budget year 2021-2022, totaling \$2,944,000.00 is adopted.

d) Legal Committee – Director Moore

Director Moore gave an update on the AAFPO v Angel Fire Resort Litigation.

Attachment G

Director Moore reminded everyone that the litigation update and copies of the various motions are available on the AAFPO website, aafpo.org, via the “Pending Litigation” link.

Director Moore explained/recapped the five counts on the lawsuit:

- i) to have the current board declared properly constituted
- ii) to have the declaration from the court that the AAFPO board has the right to information on collection and spending of assessment dues
- iii) to have a declaration from the court that the board has the right to contract with a third party, other than the Resort, for collection of assessments
- iv) to determine whether the Resort has been fulfilling its fiduciary duties to AAFPO Members regarding collections and spending of assessments
- v) for injunctive relief requiring the Resort to pay AAFPO 5% of the collections as set forth in the bankruptcy plan

On the question of the constitutionality of the board, AAFPO filed a motion for partial Summary Judgment. The relevant motions, including the Resort’s response, and reply from AAFPO are available on the aafpo.org website, including a memorandum with points and authorities that set out the legal arguments. The hearing for the motion took place on February 8, 2021 and we are just waiting for the court’s decision and expect that at any time.

On the question of AAFPO’s entitlement to information regarding collection and spending of assessment dues, the Resort noted earlier in connection with the action items that it will continue to require AAFPO Board Members to sign an NDA (non-disclosure agreement) in order to obtain any of the financial information. It is the opinion of AAFPO’s legal counsel that AAFPO Board Members cannot sign an NDA because much of the information sought is information that AAFPO is obligated to provide to its member under the Homeowners Association Act (SB-150). The Resort responded that they do not agree that AAFPO is a Homeowners Association under the Homeowners Association Act and, therefore, are not under any obligation to provide the financial information to members. As a result, on January 28, 2021, AAFPO filed a motion to compel, in which it asked the court to order disclosure of that information without requiring an NDA. The Resort subsequently filed a response to that motion and AAFPO subsequently filed a reply requesting a hearing on the motion to compel.

Finally, AAFPO is also seeking information on how much money was spent on the Country Club construction and whether the information that was provided to AAFPO is consistent with the terms of the contract between AAFPO and the Resort where AAFPO agreed to pay 40% of the 4% collections to help fund the construction of the Country Club.

That completes the update, Director Moore asked if there were any questions concerning this data. No comments or questions followed.

e) Covenants & Restrictions Committee – Director Miller

Director Miller said that the committee had been busy reviewing the many pages of the Covenants & Restrictions to determine which neighborhoods had expired covenants. Their research shows 7 neighborhoods have expired covenants, which expired anytime from 1992-2018. In talking with the Legal Committee, the only way to renew the covenants is to have 100% member agreement in those neighborhoods. In order to bring these Covenants up to date, the board would have to submit the approvals to all property owners in those neighborhoods and the committee does not have the database to list all this information. Director Miller said the Committee would send an official request by US Mail and email to request this information. The Committee will also be looking at other options such as reviewing key individual Covenants and comparing those to other covenants' key items.

Jay Mitchell requested to be recognized. Chair recognized Mr. Mitchel. He said that the Village could inform AAFPO of every lot within the Village. Director Miller is to contact Jay Mitchell to request this information.

VP Ham asked for questions. None presented.

f) Communications Committee – Director Hamons

Director Hamons said this committee is still being formed. Intentions are to have AAFPO Members on this committee that are not Board Members. The difficulty in doing this at this time is that the communication that the Committee wants to send out is related to the Legal Lawsuit and this may cause conflict with privileged information.

In February 2021, the Committee put out a newsletter on the aafpo.org website and on the AAFPO Facebook page. They also posted the election Candidacy forms necessary to run for the Board in the next election. Director Hamons encouraged members to get involved and run for the Board.

Webpage – the Committee has improved the navigation on the webpage to keep all members involved and informed.

VP Ham asked for questions or comments. None were presented.

11) Adjournment

The next Board Meeting is scheduled for May 6, 2021 at 5:30 pm (MST). It will be a virtual meeting and the agenda and call in information will be posted on the AAFPO website (aafpo.org). Vice President Ham asked if there was any more business that needed to come before the board. Hearing none, she stated therefore the meeting is adjourned.

The meeting adjourned at 7:32 pm MST.

Respectfully submitted, March 11, 2021.

Sandra Trom, Secretary

Date

Holly Ham, Vice President

Date

The Association of Angel Fire Property Owners, Inc.
PO Box 21, Angel Fire, NM 87710

BOARD OF DIRECTORS

Resolution No. 2021-001

Regarding Annual Dues for Unimproved Lots

Whereas: In June 2006, Angel Fire Resort Operations, LLC (the “Resort”) increased Annual Dues for Property Owners with unimproved lots to match those of Property Owners with improved lots, effective May 2007;

Whereas: It has come to the attention of the Board of Directors that the changing the dues structure established in the Supplemental Declaration of Restrictive Covenants and Easements¹ requires a recorded amendment, with the consent of a majority of the Property Owners;²

Whereas: Neither the consent of a majority of the Property Owners was sought nor an amendment recorded;

Now, Therefore, Be It Resolved: The Board of Directors shall put the question of the changed Annual Dues structure for unimproved lots to the Membership.

Introduced by: AAFPO Finance Committee, February 24, 2021

Board Action: **Adopt** **Adopt as Amended** **Rejected**

The President and Secretary hereby certify that the aforementioned Resolution was adopted by a majority of the directors present at a duly-noticed meeting of the AAFPO Board held on March 11, 2021 at which a quorum was present.

Penni Davey Date:_____

Signature: _____, President

Sandra Trom Date:_____

Signature: _____, Secretary

¹ Supplemental Declaration of Restrictive Covenants and Easements, filed for record on September 27, 1995, at Book 6, page 6959, in the real estate records of Colfax County, New Mexico (“Supplemental Declaration”).

² See Supplemental Declaration, Section 12.

Management Report

Association of Angel Fire Property Owner, Inc.
For the period ended April 30, 2021



Prepared on
March 10, 2021

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Profit and Loss

May 2020 - April 2021

	Total
INCOME	
1% Net Collections	62,217.69
HOA Disclosure Certificate prep	64,590.00
Interest Income	621.46
Total Income	127,429.15
GROSS PROFIT	
	127,429.15
EXPENSES	
AAFPO Board Election	
2020 Election	299.60
Total AAFPO Board Election	299.60
Annual Meeting	
2020 Annual Meeting	64.39
Total Annual Meeting	64.39
Bank fees	35.00
Business Licenses and Permits	70.00
Computer and Internet Expenses	
Computer Software	1,170.87
Total Computer and Internet Expenses	1,170.87
Insurance Expense	
Surety Bond	271.69
Total Insurance Expense	271.69
Office Supplies	1,641.28
Payroll Expenses	
Taxes	14.79
Wages	135.00
Total Payroll Expenses	149.79
Postage and Delivery	191.40
Professional Fees	22,812.50
Audit	11,326.87
Board Administrative Assistant	9,071.70
HOA Disclosure Act Work	15,867.62
Total Board Administrative Assistant	24,939.32
Chamber Membership	225.00
Legal Expense	5,400.76
Legal 5152-001	11,395.18
Legal 5152-002	256.98
Legal 5152-003	36,001.13
Legal 5152-004	1,924.77
Legal 5152-005	54.22
Total Legal Expense	55,033.04
Tax Preparation	750.00
Total Professional Fees	115,086.73

	Total
State of NM Maggie Toulouse Oliver	10.00
Uncategorized Expense	238.66
Website Services	452.73
Total Expenses	119,682.14
NET OPERATING INCOME	7,747.01
OTHER EXPENSES	
Taxes	
Federal Income Taxes	15.43
Total Taxes	15.43
Total Other Expenses	15.43
NET OTHER INCOME	-15.43
NET INCOME	\$7,731.58

Balance Sheet

As of April 30, 2021

	Total
ASSETS	
Current Assets	
Bank Accounts	
International Bank - Checking	14,690.35
International Bank - MM	276,243.76
Total Bank Accounts	290,934.11
Total Current Assets	290,934.11
Fixed Assets	
Accumulated Depreciation	-1,637.59
Computer	753.80
Desk	250.00
Printer	420.29
Scanner	429.59
Total Fixed Assets	216.09
TOTAL ASSETS	\$291,150.20
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Federal Income Taxes Payable	-266.00
New Mexico Income Taxes Payable	-97.00
Payroll Liabilities	
Federal Unemployment (940)	0.81
NM Unemployment Tax	1.35
NM Worker's Compensation Fee	4.30
Total Payroll Liabilities	6.46
Total Other Current Liabilities	-356.54
Total Current Liabilities	-356.54
Total Liabilities	-356.54
Equity	
Retained Earnings	283,775.16
Net Income	7,731.58
Total Equity	291,506.74
TOTAL LIABILITIES AND EQUITY	\$291,150.20

Management Report

AFEACC

For the period ended March 10, 2021



Prepared on

March 10, 2021

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Statement of Activity

May 1, 2020 - March 10, 2021

	Total
REVENUE	
Fee Revenue	25.00
Forfeitures	1,000.00
Permit Fees	21,450.00
Building Permit Fee	1,650.00
Minor Projects Building Fee	400.00
Total Permit Fees	23,500.00
Total Fee Revenue	24,525.00
Interest Income	10.67
Int. Inc. - ISB OCD Checking	11.35
Int. Inc. - ISB Operating	6.16
Total Interest Income	28.18
Uncategorized Income	700.00
Total Revenue	25,253.18
GROSS PROFIT	25,253.18
EXPENDITURES	
Administrative Assistant	13,068.63
Bank Charges	10.78
Contract Labor	4,535.00
Contract Labor - Inspections	700.00
Total Contract Labor	5,235.00
Office supplies	1,117.88
Postage	116.95
Reconciliation Discrepancies	-0.09
Software Subscriptions	105.14
Unapplied Cash Bill Payment Expenditure	-27,535.56
Total Expenditures	-7,881.27
NET OPERATING REVENUE	33,134.45
OTHER EXPENDITURES	
PO Box Rental	56.00
Total Other Expenditures	56.00
NET OTHER REVENUE	-56.00
NET REVENUE	\$33,078.45

Statement of Financial Position

As of March 10, 2021

	Total
ASSETS	
Current Assets	
Bank Accounts	
Operating Account XX1542	39,471.09
Trust Performance Deposits XX2021	94,223.33
Total Bank Accounts	133,694.42
Other Current Assets	
Undeposited Funds	700.00
Total Other Current Assets	700.00
Total Current Assets	134,394.42
TOTAL ASSETS	\$134,394.42
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Performance Deposits	0.00
Perf.Deposits Rec'vd	3,600.00
Total Performance Deposits	3,600.00
Total Other Current Liabilities	3,600.00
Total Current Liabilities	3,600.00
Total Liabilities	3,600.00
Equity	
Retained Earnings	97,715.97
Net Revenue	33,078.45
Total Equity	130,794.42
TOTAL LIABILITIES AND EQUITY	\$134,394.42

Attachment C

AAFPO Amenities Report
March 11, 2021

The Amenities Committee worked diligently on behalf of the AAFPO membership to insure that we secure the best funding and budgetary allocations possible for our members in regards to the established amenities. The committee members are: Peggy Trott (chair), Scott Johnson (golf), Dave Hartson (ski mountain), Brian Renegar (Monte Verde Lake) and Fonda Brown (trails). We have submitted a detailed budget to the Finance Committee which will be shared with the membership at the March 11, 2021 meeting. I would like to thank all the committee members who worked diligently on the amenities.

It should be noted that the recommended bulk of our budget went to the golf course which is the most used amenity (percentage wise) by our members. There is some discussion about the tennis courts being used as pickle ball courts. Those discussions will continue, but they are not unlike the discussions that occurred when the ski mountain also became the snowboard mountain.

We have one motion that needs consideration at this meeting: **Peggy Trott (amenities chair) makes a request that the Board approve \$15,000 for the fish stocking at Monte Verde Lake.** While this money will not be paid until the fiscal year beginning May 1, we need to get the order placed now. *It is interesting to note that the membership pays for ALL of the fish stocked at the lake. That means that all the fish out pulled out of the lake by visitors are paid for by the members.* There is an \$8,038 allowable for Monte Verde Lake by the resort, but I understand that money is for environmental controls and water testing (required by law) at Monte Verde Lake, Olympic Park, and the ski mountain – it is not inclusive of Monte Verde Lake.

There were several action items from the December meeting that required the attention: our committee. Among these: Judith Polich and the Wetlands Group was advised that they had full support of the amenities group to place signs and a kiosk at the trailhead of the wetlands area just south of Mountain View Boulevard (by the Angel Fire Resort sales office). There is no charge to AAFPO. Doreen Krebs (dog park representative) was advised that John Kitts had send me an email stating the Resort would NOT consider any new amenities until the legal complaint was resolved. The same would apply to the Rotary Club/Community Garden and a sledding hill.

It is also interesting to note that while I received two emails from John Kitts (most recent dated January 19, 2021) stating new amenities would not be considered, that the Resort has mentioned in an email to members that they would have an announcement about a dog park at this March meeting. While I don't understand the discrepancy between the emails I received and the published announcement to members, I am pleased that perhaps some action regarding new amenities is being considered.

I apologize for my absence this evening. Serious family health issues have me away at this time and I have secured an excused absence for this meeting.

Respectfully,
Peggy Trott, Amenities Chair

Perspective Changes to AFE/ACC fees and verbiage as per Committee meeting on 2/23/2021:

Snapshot of current verbiage on the Building application. Permit fees will not change see below for suggested changes to the Performance Deposit section:

SCHEDULE OF FEES AND DEPOSITS

PERMIT: A non-refundable permit fee, paid by the **OWNER/CONTRACTOR/BUILDER**, and payable to AFE/ACC.

For Multi-Family and Commercial Projects	minimum \$550.00 (determined by AFE/ACC)
Single Family Residence	\$550.0
For Additions and improvements	\$300.00
Other-Decks & Sheds	\$200.00

PERFORMANCE DEPOSIT: A performance deposit, paid by the **Property Owner** is required. The deposit will be refunded to the **Property Owner** after final inspection and approval by the Committee, showing the project has been completed in accordance with the approved building application. Permits are good for one year from the date of approval. Two separate six month extensions may be requested. If a project fails a requested final inspection, there will be additional inspection fees withheld from the performance deposit. If construction is not completed as permitted, all or a portion of the performance deposit may be forfeited.

Single Family Residence	\$1500.00
Commercial / Multi-Family	TBD on scope and value
Additions or improvement:	
• 120 sq. ft. or under	\$150.00
• Up to 399 Square Feet	\$500.00
• 400 to 699 Square Feet	\$1,000.00
• 700 Square Feet or more	\$1,500.00

**Any proposed deviation from approved plans requires submission of a variance request before the change is made.*



Suggested changes to reflect new performance deposit and inspection fees:

PERFORMANCE DEPOSIT: A performance deposit, paid by the **Property Owner** is required. The deposit less an Inspection Fee of \$100 will be refunded to the **Property Owner** after final inspection and approval by the Committee, showing the project has been completed in accordance with the approved building application. Permits are good for one year from the date of the approval. Two separate six month extensions may be requested at no additional costs. If a project fails a requested final inspection or the inspector is called out for any additional inspection, there will be an additional \$100 inspection fee per occurrence (other than the First and Final inspection) withheld from the performance deposit. If construction is not completed as permitted, all or a portion of the performance deposit may be forfeited as determined by the Committee.

Performance deposits are determined by the total square footage of the entire project to include the main floor, additional floors, garages, porches/patios/decks and linear square footage for fences as follows:

Single Family Residence	\$1 per sqft for total sqft plus \$100 Inspection fee
Commercial/Multi-Family	TBD on scope and value plus \$100 Inspection fee
Additions or improvements	\$1 per sqft for total sqft plus \$100 Inspection fee

***Any proposed deviation from approved plans requires submission of a Change Request before the change is made.**

Snapshot of the second page of the Building application: Need to make the following adjustments:

Adjust Garage to read Garage/Shed/Storage

Add after Decks/Porches/Patios a line for

Fences (Linear Sqft) _____

The Committee requests that you submit actual color samples for each the following:
(An application without color samples will not get approved.)

Main Floor: _____

Additional Floors: _____

Garage: _____

Decks/Porches/Patio: _____

Total Square footage: _____

Percentage of total lot coverage, including pre-existing structures: _____

Exterior Finish Material: _____

Exterior Color: _____

Roofing Material: _____

Roof Color: _____

Garage Door Color: _____

Stem wall Finish Material: _____

Stem wall Color: _____

Retaining Wall Material: _____

Retaining Wall Color: _____

Pier Finish Material: _____

Pier Color: _____

Propane Tank: Buried below the surface: Yes: _____ No: (please fill out the follow) _____

Sided: _____ Material: _____ Color: _____

General Landscaping Plan (For Valley of the Utes only):

Snapshot of current verbiage on the Minor application. Recommend increasing fence permit fee to \$200 to match other fees.

SCHEDULE OF FEES AND DEPOSITS

PERMIT: A non-refundable permit fee, paid by the **OWNER/CONTRACTOR/BUILDER**, and payable to AFE/ACC.

Fences	\$150.00
Deck Replacement	\$200.00
Roof Replacement	\$200.00
Siding and Color Changes	\$200.00
Retaining Walls	\$200.00

PERFORMANCE DEPOSIT: A performance deposit of \$300, paid by the Property Owner is required. The deposit will be refunded to the Property Owner after inspection and approval by the Committee, showing the project has been completed in accordance with the approved building application. Permits are good for one year from the date of approval. Two separate six month extensions may be requested. If a project fails a requested final inspection, there will be additional inspection fees withheld from the performance deposit. If construction is not completed as permitted, all or a portion of the performance deposit may be forfeited.

The Committee meets on the 2nd and 4th Tuesday of each month. **The permit application must be submitted on or before noon on the preceding Thursday.**

Permit applications must be complete. If there are any missing items, the permit will be discussed at a future meeting once all items are submitted.

Please complete the checklist to make sure your submission is complete.

Permits will be approved or disapproved within 30 days of receipt of complete submissions.

See below for suggested changes to the Performance Deposit section:

PERFORMANCE DEPOSIT: A performance deposit of \$300 plus \$100 Inspection Fee, paid by the **Property Owner** is required. The deposit less inspection fee will be refunded to the **Property Owner** after inspection and approval by the Committee showing the project has been completed in accordance with the approved building application. Minor application deposit for Fences are good for up to 300 linear sqft and anything more will be assessed at \$1 per linear sqft. Permits are good for one year from the date of approval. Two separate six month extensions may be requested. If a project fails a requested final inspection or the inspector is called out for any additional inspection, there will be an additional \$100 inspection fee per occurrence (other than the First and Final inspection) withheld from the performance deposit. If construction is not completed as permitted, all or a portion of the performance deposit may be forfeited as determined by the Committee.

Attachment E

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Single Family	28	31	52	57	59	82	60	58	62	78	80	71	37	16	15	15	13	8	16	13	12	16	9	19	15	15	27	3
SF Additions	14	14	9	23	18	15	23	17	15	18	29	24	13	17	22	18	39	28	26	21	21	22	25	21	25	20	28	1
Commercial	1	0	1	2	4	1	0	2	0	0	0	0	1	2	1	1	0	1	0	0	0	0		0				
Comm Add	0	2	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	1	0	0	0	1	0	0				
Multifamily	0	1	0	0	0	0	0	1	5	0	2	0	4	2	2	0	0	0	0	0	0	0		0				
Preconst.													4	2	1	1	2	0	1	0	0	0		0				
Minor Improv.																			12	18	29	17	17	20	16	27	26	1
TOTALS	43	48	62	82	81	98	83	79	82	96	111	96	59	39	41	35	54	38	55	52	62	56	51	60	56	62	81	5

Committee Reports: Finance Committee and Budget Review Committee

Activity	Responsible		Due (no later than)	Output
	AAFPO	Resort		
Meet as deemed necessary	X	X	Ongoing	<ul style="list-style-type: none"> AAFPO Board and Resort personnel meet as deemed necessary
Submits preliminary budget		X	December 11, 2020	<ul style="list-style-type: none"> Resort preliminary budget Ancillary documentation to assist AAFPO Committee with review
Reviews preliminary budget	X		January 15, 2021	
Provides questions regarding preliminary budget	X		January 22, 2021	Clarifying questions
Provides responses to ABRC questions		X	February 12, 2021	Responses to Committee questions
Submits "secondary" budget		X	February 12, 2021	Resort "secondary" budget
Reviews "secondary" budget		X	February 26, 2021	
Presents to AAFPO Board	X		March 11, 2021	Recommendations for Resort budget
Approves final budget	X		March 19, 2021	Approval of Resort budget (with right to veto line items)

Resort's proposed budget – pg 1 of 2

Fiscal year ending April
30, 2022 (resort
proposal)

Direct Amenities Operating Costs

Summer Amenities	
Monte Verde Lake	\$ 68
Olympic Park	\$ 27
RV Park	\$ 13
Stables	\$ 3
Amenities Administration	\$ 36
Golf Course (exc. Merchandising)	\$ 784
	\$ 931
Winter Amenities	
Mountain Administration	\$ 205
Guest Services	\$ 46
Nordic Center	\$ 26
Lift Operations	\$ 532
Slope Operations	\$ 341
Ski Patrol	\$ 216
Base Area Services	\$ 69
Snowmaking	\$ 452
Vehicle Maintenance	\$ 280
Trail Maintenance	\$ -
Lift Maintenance	\$ 414
Transportation	\$ 121
	\$ 2,702

H. Ham

Note:
Resort prepared
this budget using
an average of the
last 5 completed
years.

Resort's proposed budget – pg 2 of 2

Country Club	
Country Club Operations	\$ 277
Country Club Discretionary Funds Reimb.	\$ (94)
	\$ 183
Insurance and Property Taxes	
Insurance	\$ 369
Property Taxes	\$ 146
	\$ 515
Common Expenses	
Executive - 75%	\$ 251
Accounting - 85%	\$ 431
Human Resources - 75%	\$ 271
Information Technology - 50%	\$ 185
	\$ 1,138
Membership Administration/Services	
	\$ 444
TOTAL OPERATING COSTS	\$ 5,913
Amenities Depreciation	
	\$ 775
TOTAL COSTS	\$ 6,688

H. Ham

Committee adjusted budget – pg 1 of 2

H. Ham

	9%	Fiscal year ending	Adjusted based on
<i>AAFPO members ski mountain usage</i>		April 30, 2022 (resort	AAFPO member
<i>AAFPO members golf usage</i>	60%	proposal)	usage
Direct Amenities Operating Costs			
Summer Amenities			
<i>Monte Verde Lake</i>	\$ 68	\$ 68	
<i>Olympic Park</i>	\$ 27	\$ 27	
<i>RV Park</i>	\$ 13	\$ 13	
<i>Stables</i>	\$ 3	\$ 3	
<i>Amenities Administration</i>	\$ 36	\$ 36	
<i>Golf Course (exc. Merchandising)</i>	\$ 784	\$ 470	
	\$ 931	\$ 617	
Winter Amenities			
<i>Mountain Administration</i>	\$ 205	\$ 18	
<i>Guest Services</i>	\$ 46	\$ 4	
<i>Nordic Center</i>	\$ 26	\$ 2	
<i>Lift Operations</i>	\$ 532	\$ 48	
<i>Slope Operations</i>	\$ 341	\$ 31	
<i>Ski Patrol</i>	\$ 216	\$ 19	
<i>Base Area Services</i>	\$ 69	\$ 6	
<i>Snowmaking</i>	\$ 452	\$ 41	
<i>Vehicle Maintenance</i>	\$ 280	\$ 25	
<i>Trail Maintenance</i>	\$ -	\$ -	
<i>Lift Maintenance</i>	\$ 414	\$ 37	
<i>Transportation</i>	\$ 121	\$ 11	
	\$ 2,702	\$ 243	

Committee adjusted budget – pg 2 of 2

H. Ham

Country Club			
<i>Country Club Operations</i>	\$ 277	\$ 277	
<i>Country Club Discretionary Funds Reimb.</i>	\$ (94)	\$ (94)	
	\$ 183	\$ 183	
Insurance and Property Taxes			
<i>Insurance</i>	\$ 369	\$ 221	
<i>Property Taxes</i>	\$ 146	\$ 88	
	\$ 515	\$ 309	
Common Expenses			
<i>Executive - 75%</i>	\$ 251	\$ 151	
<i>Accounting - 85%</i>	\$ 431	\$ 259	
<i>Human Resources - 75%</i>	\$ 271	\$ 163	
<i>Information Technology - 50%</i>	\$ 185	\$ 111	
	\$ 1,138	\$ 683	
Membership Administration/Services	\$ 444	\$ 444	
TOTAL OPERATING COSTS	\$ 5,913	\$ 2,479	
Amenities Depreciation	\$ 775	\$ 465	
TOTAL COSTS	\$ 6,688	\$ 2,944	



WALCOTT HENRY & WINSTON, P.C.

ATTORNEYS AT LAW

DONALD A. WALCOTT

ALISON M. WALCOTT

CHARLES V. HENRY, IV

RACHEL L. WINSTON

March 1, 2021

Litigation Summary

AAFPO v. Angel Fire Resort Operations, D-809-CV-2020-00183

A summary of AAFPO's Complaint in the Eighth Judicial District Court, County of Colfax against Angel Fire Resort Operations, and the reason for filing the Complaint, was provided to the members at the October meeting of AAFPO's Board of Directors. The following is an update on what has happened in the litigation since that time, in an effort to keep AAFPO's members informed.

AAFPO filed the Complaint in this case for the following reasons: (1) to have the current Board declared legal; (2) to have a declaration that the Board is entitled to have information regarding collection of assessments and how assessments are spent; (3) to have a declaration that the Board has the right to contract with a third-party that is not the Resort for collection of assessments; (4) to determine whether the Resort has been fulfilling its fiduciary duties to AAFPO's members regarding collection and spending of the assessments collected from AAFPO's members; and (5) for injunctive relief to require the Resort to pay AAFPO 5% of collections, as set forth in the Bankruptcy Plan from 1996.

The threshold question in this case is whether the Board is legally constituted. Three days after the Resort filed an Answer to the Complaint, AAFPO filed a Motion for Partial Summary Judgment on this issue. You can see the legal arguments in the Memorandum of Points and Authorities, Response by the Resort and the Reply in Support of the Motion. Hearing on the Motion was held on February 8, 2021. We are waiting for the Court's decision.

In this lawsuit, AAFPO primarily seeks transparency and accountability. The main point of the litigation is for AAFPO to obtain information on how much the Resort collects in assessments, what property owners are not paying assessments, and how the assessments collected are being spent by the Resort.

Historically, the Resort has provided summaries of budgets for expenditures and summaries of how assessments were spent. However, AAFPO does not have access to backup documentation showing how the assessments were spent. Additionally, AAFPO does not have access to the database that shows what members have paid assessments and what members are not paying assessments. AAFPO also does not have access to any bank account records for any account that may be holding assessments collected from members of AAFPO.

The Resort has required AAFPO's Board members to sign a non-disclosure agreement in order to obtain any of the above referenced information. It is the opinion of AAFPO's attorneys that AAFPO's Board members cannot sign the NDA proposed by the Resort because much of the information sought is information AAFPO must provide its members under the Homeowner Association Act.

The Resort does not agree that AAFPO is a Homeowner Association under the Homeowner Association Act. That is why, on January 28, 2021, AAFPO filed a Motion to Compel, asking the Court to order disclosure of information without NDAs required. The Resort has filed a Response to the Motion, arguing that AAFPO is not a Homeowner Association, and even if it is a Homeowner Association, it would not have a right to share the Resort's financial information with its members. AAFPO has filed a Reply, stating that AAFPO is a Homeowner Association, and it has a duty to obtain and disclose information regarding how much money is collected in assessments from its members, and how that money is being used. We have requested a hearing on the Motion to Compel.

AAFPO is also attempting to obtain information on how much was spent on construction of the Country Club, and whether this information was provided to AAFPO, consistent with the terms of a contract between AAFPO and the Resort wherein AAFPO agreed to pay 40% of its 4% of assessments collections that are earmarked for amenities.

AAFPO is attempting to carry out its duties of loyalty and candor to its members by obtaining important information regarding how much is being collected from members and what is being done with that money. Pursuant to the Bankruptcy Plan, these funds are to be placed "in a separate segregated account to be held in trust for the Property Owners. . . ." The assessments are to be used only for "the upkeep, maintenance, operation and improvement of the Amenities." In this lawsuit, AAFPO's Board of Directors is attempting to obtain the records necessary to determine whether the Resort is complying with the terms of its agreements, and living up to its fiduciary duties to AAFPO's members. Ultimately, we want to make sure we're obtaining information on how AAFPO's members' money is being used.

Sincerely,

/s/ *Donald A. Walcott*

Donald A. Walcott
don@walcottlaw.com