

RESOLUTION OF THE BOARD OF DIRECTORS OF THE ASSOCIATION OF ANGEL FIRE PROPERTY OWNERS (AAFPO)

Regarding the Funding Structure for the Addition of a Pickleball Center and New Chairlift in Partnership with the Resort

- A. WHEREAS, the Resort has plans to enhance the existing ski area with a new chairlift and to introduce a new amenity in the form of a pickleball complex along with a pro shop; and
- B. WHEREAS, these improvements are anticipated and permitted under the Amended Joint Plan of Reorganization (the "Plan") pursuant to Sections 4.16 (g), 4.16 (i) and 4.16 (j)(ii); and
- C. WHEREAS, AAFPO has the opportunity to contribute to these improvements through three approved funding methods as outlined in the Plan: capital improvement, new amenity, and discretionary funding; and
- D. WHEREAS, AAFPO and the Resort have tentatively agreed that AAFPO will contribute approximately \$5.2 million of the estimated \$16-20 million total cost for these improvements; and
- E. WHEREAS, the funding through capital improvement and new amenity categories will result in a dues assessment increase capped at 1.75% for each member for the improvements; and
- F. WHEREAS, 50% contribution of their discretionary funding from the "4% Fund" will cover the balance and will not result in any increase to member assessments;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of AAFPO (the "Board"), as follows:

1. **Approval of Funding Methodology:** The Board hereby approves the use of all three funding methods—capital improvement, new amenity, and discretionary funding as outlined in the Plan—for the purpose of contributing to the cost of the new chairlift and pickleball center.
2. **Financial Obligations:** The Board hereby obligates approximately \$5.2 million towards the purchase and installation of the new chairlift and creation of the pickleball center as a new amenity.
3. **Assessment Cap:** The Board confirms that capital improvement and new amenity funding will result in a dues assessment increase, capped at 1.75% for each AAFPO member for the next 15 years, for the new chairlift and pickleball center.
4. **Discretionary Fund Allocation:** The Board hereby agrees to allocate 50% of the 4% Fund every year for the next 15 years. Funding shall be allocated 30% and 70% to pay for the new

chairlift and pickleball center, respectively. This allocation will not result in an increase in member assessments.

5. Partnership Agreement: The Board authorizes its President and Secretary to analyze, develop, and unless deemed impermissible, finalize the details of the funding collaboration agreement with the Resort, outlining the roles, responsibilities, and financial obligations of each party in relation to the above-mentioned improvements. Any such final agreement contemplated hereby must be approved by properly noticed action of the full Board.

6. Review and Re-assessment: The Board commits its Finance Committee to an annual review of the financial contributions to ensure they are in line with this resolution, the funding collaboration agreement, and the goals and financial health of the Association.

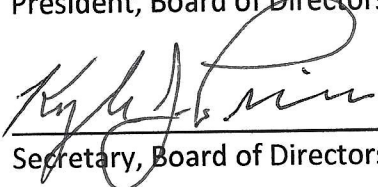
7. Notice to Members: The Board directs that the approved changes in funding and assessments be communicated to the members of AAFPO as soon as practical, in accordance with the Association's Bylaws.

8. Effective Date: This resolution shall take effect immediately upon its passage.

PASSED AND APPROVED by the Board of Directors of AAFPO this 1st day of DEC, 2023.



President, Board of Directors



Secretary, Board of Directors