



IMPORTANT ALERT – PLEASE READ

YOUR PROPERTY OWNER’S ASSOCIATION FILES A 175 PAGE LAWSUIT AGAINST THE RESORT

For some 23 years now, Angel Fire Resort and the Association of Angel Fire Property Owners (“AAFPO”) have enjoyed an extraordinary relationship. During this time, the Resort has worked hand-in-hand with every AAFPO Board to improve the amenities and implement projects chosen by the Membership for the benefit of the entire Angel Fire community. Until now, no Board had ever made a formal complaint against the Resort.

However, on October 20, 2020, the AAFPO Board, including the only 4 elected board members – Penni Davey, Sandra Trom, Carol Rupp and Holly Ham – without the courtesy of discussion or even notice, filed a 175-page lawsuit against the Resort, alleging among other things that the Resort has withheld payment of assessments owed to its organization.

This accusation is unfounded, it is without merit, it lacks a rational basis, it does not respect the governing documents both parties have followed for the past 23 years and was decided behind closed doors, but most importantly, it does not represent the wishes or opinions of the Membership. The complaint contains the cynical views of 4 board members acting without support or authority, in defiance of the AAFPO governing documents they agreed to uphold.

The Resort denies each and every claim of the lawsuit, and it will vigorously defend itself no matter the cost.

At the last annual election, the Membership selected 4 new board members to join the required 9-member Board of Directors representing over 5,000 Angel Fire property owners. However, within 60 days of the election, 5 of the 9 directors resigned presumably due to the actions and anti-Resort agenda of only a few Directors, the Resort alleges the Board of Directors did not have the required quorum and the ability to lawfully conduct business. Unconcerned, these 4 directors appointed new Directors and have been meeting in secret, making decisions effecting the Membership as a whole.

Since the election, the following events have occurred:

- Without even considering a replacement, the new Board fired AAFPO’s Executive Director of 8 years.
- Carol Neeley, AAFPO’s attorney of over 10 years, resigned due to the 4 directors’ agenda.
- The Manager of the Architectural Control Committee was threatened with termination.
- The Board’s newly-elected President resigned after discovering the 4 directors had continually undermined her authority.

- Despite a majority 5 of 9 directors to form a quorum, as required by AAFPO's Bylaws and recognized by every Board for years, without the support of law or common sense, Penni Davey unilaterally announced a minority of 4 was sufficient to form a quorum and appoint additional Directors.
- To hide their actions, the Board excluded the Resort's Ex-Officio Board Member from all communication and participation, despite repeated requests and even though the ex-officio may not vote.
- The Board has established an aggressive posture toward the Resort, rather than one of cooperation and compromise as required by the Amended Joint Plan.
- The Board deprived the Membership and the Resort of exploring an amicable resolution, avoiding the costly expense of litigation and long-term damage to the relationship.

As a result of AAFPO's action, the Resort will halt all development activities and capital expenditures until a resolution is reached. This includes, without limitation, improvements to the new base area, a new wind-resistant chairlift and three exciting new subdivisions and Townhome project. Instead, the Resort is now forced to conserve working capital to fight this ill-conceived and personally-motivated lawsuit, diverting time, energy and money away from its plans for future development. AAFPO's actions threatens your real estate values and future membership rights.

The Resort will, of course, aggressively defend this lawsuit. However, Angel Fire Resort believes it is important the Membership is apprised of the actions of AAFPO and how they intend to spend your Membership monies.

A few important things to know about Angel Fire Resort:

- The Resort was purchased out of bankruptcy in 1996 by its current ownership.
- Angel Fire's property owners voted in favor of the Amended Joint Plan of Reorganization.
- For 23 years now, both parties have successfully followed the terms and conditions of the Joint Plan.
- While many fail, Angel Fire Resort has been one of the most successful reorganization in New Mexico's history.
- 100% of your Membership dues go to the maintenance, operation, upkeep and improvement of the amenities (the ski mountain, golf course, member RV park, horse stables, tennis courts, Olympic Park, Monte Verde Lake and the greenbelts).
- Membership dues and expenditures are audited by AAFPO each year, and there has never been a contrary finding since ownership purchased the Resort in 1996.
- Ownership has never taken a single dime out of the Resort since its purchase in 1996.
- Ownership has reinvested every dollar back into the Resort and the community since 1996.
- Ownership has contributed an additional \$30M+ to the Resort and the Angel Fire community, which makes this lawsuit particularly insulting.

Resort ownership is now considering its options moving forward for Angel Fire. It is important that Membership sends a clear message that a few disgruntled and misguided people, acting without legitimate authority, shall not imperil a decades-old relationship so many worked so hard to create.

- Angel Fire Resort