



August 13, 2020

Association of Angel Fire Property Owners, Inc.
Attn: Secretary
Post Office Box 21
Angel Fire, NM 87710

Re: Board of Directors (the "Board") of Association of Angel Fire Property Owners, Inc. ("AAFPO") – Failure to Maintain Quorum

To the Board:

As you are aware, AAFPO's President Ginger Lagasse, sent her letter of resignation to the Board Friday afternoon, August 7, 2020. Ms. Lagasse's resignation was received and accepted in writing by Vice President Penni Davey ("Davey") later that evening. Davey assumed and immediately began her President's succession duties for AAFPO. Their correspondence is attached.

According to AAFPO's Bylaws and New Mexico law, the Board has failed to maintain its quorum of five (5) directors, necessary for the transaction of substantive business. *See AAFPO Bylaws – Article VI, Section 1.* The purpose of a quorum is to prevent an unrepresentative group from taking action in the name of the organization. Substantive actions taken without a quorum are void and unenforceable, and depending on circumstance, may be unlawful. The Board's ability to act under this unusual circumstance is specifically limited to calling a regular meeting to order, discussing topics informally, continuing the meeting and adjourning the meeting. The Board may not enter executive session, and even if it were permitted, could take no action there.

It is also my understanding that members of this Board have engaged in ex parte communications related to AAFPO matters, including without limitation, the resignation of Ms. Lagasse, while specifically excluding the Resort's representative on the AAFPO Board of Directors. Therefore, this letter shall serve as written demand for the preservation and production of all correspondence and communications between members of the Board related thereto, including without limitation, emails, details, notes and minutes containing such discussions and communications. You are advised under New Mexico law, the intentional destruction of evidence can result in an adverse evidentiary inference, and may otherwise be unlawful.

Finally, I remind the members of this Board of their ongoing fiduciary duty to the Association's membership. The Board has been placed on notice that actions taken without a quorum are void and unenforceable. Immunity from personal liability does not extend to damages caused by a director's willful failure to perform their duties, including without limitation, taking action they know to be void and unenforceable.

The Resort, and I personally, look forward to working with a properly constituted AAFPO Board in the near future. Thank you for your time and consideration.

Best regards,

ANGEL FIRE RESORT OPERATIONS, LLC



Mark E. Manley
General Counsel &
AAFPO ex-officio Board member

*Cc: John Kitts, CEO
Daniel Rakes, Executive General Counsel*

Attachments (2)

On Fri, Aug 7, 2020 at 1:17 PM Ginger Lagasse <glagasseaafpo.20@gmail.com> wrote:

I feel like the executive committee of our Board is spending way too much time and effort fighting amongst ourselves and that is detracting from our main goals of 1) having members pay the appropriate amount of dues, and 2) finding a way to allow AAFPO to take control of collecting dues and managing member policy. Accordingly, I am now resigning from the AAFPO board.

It's clear from the meeting Penni called last Thursday that none of us are happy with the way the board is operating. And since then I believe the operation has become totally chaotic and embarrassing because directors are ignoring common protocols and acting without discipline. There are fundamental divergences within our board that are causing the board, in my opinion, to look foolish and which I cannot further abide. For example:

- I respect roles and responsibilities which generate accountability. To me it is important to understand the difference between redundancy regarding tasks, versus operating with a group-think/group-authority mode which in my opinion undermines accountability and impedes progress.
- My view is that hiring the law firm that will produce the best outcome in the long run is vital – more important than meeting an arbitrary deadline or being driven by ego rather than logic and discipline. It's my nature to address retaining a law firm with a thoughtful approach that includes a planned, specific outcome.
- My view is that integrity requires knowledge and commitment to use that knowledge. I find it inappropriate for leaders with responsibilities to act or speak without full knowledge of verifiable facts, and when those leaders have the facts, I believe it is incumbent upon them to act in accordance with them. A **very few** examples:
 - Accepting and honoring the privileges and responsibilities of an Ex-officio member of the Board in accordance with Robert's Rules of Order
 - Providing 95% AFR budget in HOA certification packages in accordance with NM SB 150 requirements
 - Reporting verifiable savings from eliminating our Executive Director position rather than just choosing a dollar figure that will get members up in arms
 - Speaking to members about the expiration of AAFPO covenants based on actual knowledge rather than hearsay

I don't see a possibility that these basic differences can be corrected. I wish you all the very best. I've already transferred all of the files you might need. I won't bother you with my advice. I can leave all the AAFPO materials in the AAFPO office with the keys, or if you prefer you may pick them up from my home.

Ginger

From: Penni & Mike Davey <daveytmp@gmail.com>

Date: August 7, 2020 at 9:46:14 PM MDT

To: Ginger Lagasse <glagasseafpo.20@gmail.com>

Cc: "Holly L. Ham" <holly.l.ham@gmail.com>, "carolruppartwork@gmai.com" <carolruppartwork@gmai.com>, Sandra Trom <strom427@gmail.com>, Dan Rakes <DanR@AngelFireResort.com>

Subject: Re: Resignation

Ginger,

We respect, acknowledge and accept your resignation from the AAFPO Board of Directors. We would like to thank you for your efforts while you have been on the board. It will be difficult in replacing hardworking and dedicated people such as yourself. We appreciate your commitment to turn over all files and keys to the AAFPO office and your assistance for a smooth transition.

We wish you the very best in your future endeavors.

Sincerely,

Penni Davey, Vice President AAFPO