

Angel Fire Public Improvement District 2007-1  
3465 Mountain View Blvd. Suite 14  
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Angel Fire, NM 87710  
575-377-3483

**PID Special Board Meeting Minutes**

August 20, 2008 at 3:00 p.m. at the PID Meeting Room

- I. Call to Order – Chairman Jim LeBus called the meeting to order at 3:00
- II. Pledge of Allegiance – Chairman LeBus called for the Pledge of Allegiance.
- III. Roll Call – Present were Chairman Jim LeBus, Vice Chairman Dan Rakes, Directors Chuck Verry, Gerald White and Steve Oliver. Also present was Penni Davey, Administrator and Carl Abrams, Consulting Engineer. A quorum was present.
- IV. Approval of Agenda – Vice Chairman Rakes made a motion to approve the agenda, Director White seconded the motion. Motion carried 4-0.
- V. Approval of Minutes to the August 13, 2008 Board Meeting – Director White made a motion to approve the August 13, 2008 Board Meeting Minutes, Vice Chairman Rakes seconded the motion. Motion carried 4-0.
- VI. Requests and Responses from the Audience (Limit to 3 minutes) –  
Kurt Marshall, Estimator of ERS Constructors Pipeline Division was present. He stated that he wished to observe and made no request or response.  
David Patton, a PID property owner stated that he had attended a previous meeting and wanted to follow-up on some additional questions. He referred to payment options on the assessments and how these payment options might work. He stated that he had five additional questions to address;  
1) Time in full, 3-5 years, or 30 years, or can balance be paid off at any time with no interest penalties? Vice Chairman Rakes addressed the question that if you pay in full there is a pre-payment clause. Also, he suggests that Patton wait until the financing is finalized and the interest rate may be much lower. If there are Grants then they would be deducted from the assessments. Vice Chairman Rakes also stated that the only other option would be to pay it off in 30 years. Patton asked if it could be paid off in a 3-5 year period. Vice Chairman Rakes indicated that he did not believe that this was an option. It is believed to be laid out in the General Agreement should the property be sold and if the new owner or seller would like to pay off the assessment at that time. Patton's next question;  
2) What guarantee of no further liability if paid in full? What if there are cost over-runs? Vice Chairman Rakes stated that we have XX amount of dollars, which was voted on by the owners not to exceed that amount. If the bids are lower than that amount and if we have cost over-runs then they would be paid within the amount and additional assessments would be required. But you would not have to pay an amount above what was voted on. Chairman LeBus additionally clarified the answer by stating that we would have our bids in by the end of December, 2008 and our selection would be made in early January, 2009. Director White also stated that this will be a guaranteed maximum price and we will own the contingency. The over all budget includes the engineering, administration, design build contractor and any additional expenses to do the project. Patton questioned if he paid the full sum of the assessment and he receives a Release how can we come



back to receive more money when it has already been recorded as paid in full? Director Verry stated that your assessment is based on the maximum we can charge. If it were to exceed the maximum we would need to acquire Grants or some other way of collecting the funds or lastly go to another vote of the PID owners. Vice Chairman Rakes reiterated that we can not go past the amount voted on. Patton's next question;

3) What method of refund if any if work is completed for less than the bid? Will part of the assessment be refunded? Vice Chairman Rakes stated that the assessments would be adjusted. The assessment would be adjusted down just as if the project became more it would be adjusted up. Paul Cassidy stated that the November assessment will be set at the maximum and if in two years the amount is different than the maximum it will be adjusted at that time. It is being collected as a source of funds for the project and then in the future you would get that credit. Patton asked how I will know when to pay the full amount. Chairman LeBus stated that you will not know what the total of the assessment will be until the project is completed. Everyone will pay the stated assessment in November. Patton's next question;

4) What if work is not completed or is greatly delayed or not done to specifications? Director White stated that it would be bonded. Patton's last question;

5) Will any money paid in advance of the work be put in escrow until work is completed? Paul Cassidy stated no, the funds will not be put in escrow but will fund the project. Vice Chairman Rakes explained that neither party can touch the funds while in an escrow account. We need to use the funds for the project as it is progressing.

Chairman LeBus also thanked Patton for his questions and concerns and stated that as we progress and get things firmed up more information will be forthcoming.

VII. Announcements and Proclamations - None

VIII. Business

1) New

- A. Presentation by Paul Cassidy of RBC Capital Markets – this item was moved to G. as Paul Cassidy had not arrived at the time of this item.
- B. Discuss Responsibility of Road Maintenance on the PID properties – Director White stated that while he was meeting with Melissa Vossmer, Administrator for the Village of Angel Fire, she reminded him that they do not provide any maintenance to the PID lots until they have been accepted by the Village. Vice Chairman Rakes confirmed that Angel Fire Resort will continue to maintain the roads that they have currently been maintaining while the project is being completed. There are a few roads that will not be maintained and have not been previously i.e. Behind the Valley Market and Back Basin road. The roads will be accepted by the Village for snow removal and maintenance, section by section.
- C. Discuss Assessment Schedule by the County – Vice Chairman Rakes stated that he is working with Nann Winters, Department of Public Finance and the County. DFA approved the budget and order on August 14, 2008. We are sending a letter to the County that we've complied with the law. Chairman LeBus stated that he believes the concerns of the County are the liability issues. Director Verry also stated that he believes this is also a concern because they are dealing with entities that have already been funded or bonded. Vice Chairman Rakes stated that he just received an up date from Nann Winters. She met with Isaac Montoya from DFA and the Levy Order & budget is all that is required to go ahead with the assessments. Therefore, Winters will send a letter to the County with this information from DFA by September 1<sup>st</sup>.



- D. Discuss Banking Issues and Set-up Finance Committee – Director Verry addressed the fiduciary responsibility to the PID. He stated that 1<sup>st</sup> National Bank has pledged the funds to cover the amount we have in the bank. Paul Cassidy states that under state law they are required to collateral 50% of the amount in the account. They can decide to collateral a higher amount. Paul suggest contacting the NM Treasurer office to verify if they are AAA rated and if there is an investment pool available to us. Paul states that when we hire an independent auditor to review the accounts this is an additional time to review the collateral amount authorized to each account by the bank. Vice Chairman Rakes is it customary that communities accept the 50%? Paul indicated that many communities request 100% to get the business. Chairman LeBus suggests that Director Verry contact Bank of America to see what they will offer. Director Oliver asked Paul if we should be concerned with any of the New Mexico banks foreclosing. Paul states that banking climate around the country has been volatile therefore it is important that we keep up with the monthly watch list put out by the New Mexico Treasurers office. Director White asked if we should re-define Paul's scope of services at this time. Chairman LeBus stated that a Finance Committee should be developed with Director Verry as the Chairman to review these financial issues. The committee will be made up of Paul Cassidy, Carl Abrams, and Jim LeBus.
- E. Discussion of saving trees 25 years and younger to be moved to new commercial/ industrial sites ie. Sendero Trail, walkways, Plaza del Sol. – Director White talked with the Village and they suggested that we open the areas for individuals and landscapers to collect the trees. He suggested that permits and liability release be issued. We can charge \$5.00 per foot to come and collect the trees. Director Oliver stated that unfortunately the areas will need to be defined before we can remove any of the trees. More than likely this will not be able to be done until next spring until a good survey is reached.
- F. Consider and approve control survey cost proposal. – Carl Abrams stated that the original survey that was completed was aerial topography. Now we need to tie into the on the ground flight marker to the corner monuments which overlay the plats. This is critical for the design build contractor to develop their bid. Surveying Control will be able to begin in September if approved by the Board. Vice Chairman Rakes made a motion to approve the survey cost proposal, Director White seconded the motion. Director White asked if a contract or agreement should be entered into with Surveying Control Inc. Director White made a motion to amend the previous motion to include a contract or agreement with Surveying Control Inc. Vice Chairman Rakes seconded the motion. Both motions carried 4-0. Vice Chairman Rakes will supply the Agreement.
- G. Presentation by Paul Cassidy of RBC Capital Markets – Paul and Carl Abrams are working together to complete the funding application. Carl stated that they working on the PER and EID documents to complete the application. Chairman LeBus asked if we would have this information by October 1<sup>st</sup>. They concurred that they should have all the information completed by then. Paul states that RUS does not have any funds to loan until March, 2009. The legislature will need to authorize the amount of funding and the funds are depleted for this year. To complete the application we need the geo-technical work complete. Vice Chairman Rakes stated that it is imperative that this application be filed as soon as possible. Paul stated that he needed additional information from this office. Vice Chairman Rakes stated that Penni can help them fill out these items needed from the PID. Paul indicated that a PID financing was publicly marketed for a sub-division on the Westside of Albuquerque

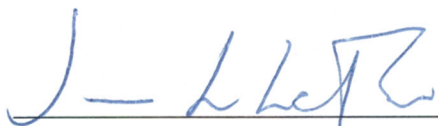
(Volcano Cliffs area) with a 7 5/8% interest rate. Therefore, it is imperative that we exhaust all possibilities for funding. He also stated that in the next couple of months we may want to develop a prospectus to submit for various funding options. Particularly if we go out for public offering. Chairman LeBus stated that he knew of several owners that would be interested in purchasing bonds because they are tax free. RUS also has a loan guarantee program where they do not need cash to commit funds for a project. A meeting will be scheduled for 9:00 on Friday in Carl's Albuquerque office to work on the application. Vice Chairman Rakes and Director White will attend.

#### IX. Reports

- 1) Finance Report - none
- 2) County Assessment Report – as stated above
- 3) Presentation of bills and expenses – the bill was provided by the Village, Director White asked that the bill be broken down into hours and what days the work was completed. Chairman LeBus asked that Director Verry follow-up with the Village on the specifics of the invoice including the increase in hourly fees. Sheehan invoice was also received and reviewed.
- 4) Any other reports – Director White stated that his construction committee met to discuss the Village standards. Carl will go through each of the current standards working with the Village engineer. Current road way easements may not be acceptable because of encroachments onto private properties.

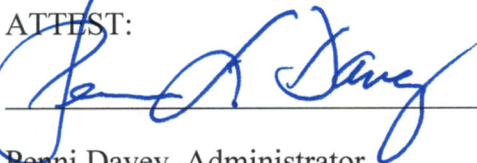
X. Adjournment – Chairman LeBus adjourned the meeting at 4:40 pm.

Minutes approved this 10th day of September, 2008.



James LeBus, Chairman

ATTEST:



Penni Davey, Administrator

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