



SPECIAL BOARD OF DIRECTORS MEETING MEETING MINUTES

August 19, 2021 12:00 pm

In Person at Aspen Valley Clubhouse and via ZOOM

CALL TO ORDER/QUORUM - Dennis Mayfield called the Special Board Meeting of August 19, 2021 to order at 12:01 pm.

Directors in attendance in person: Dennis Mayfield, Ed Gussio, John Harrington, Rissa Henderson, Frank Medina

Directors in attendance via Zoom video conference call: Tim Hansen, Randy Burton, Dave Wilder

Directors absent: Charlie Alfano, Alisa Carlson

Staff present: Ivy Sampson, Nicole Ellman

With 8 Directors in attendance in person and via Zoom video conference a Quorum was confirmed and the board meeting could proceed.

NEED FOR SPECIAL MEETING – Dennis Mayfield

Dennis Mayfield indicated that the Special Board Meeting was called to discuss the latest developments in the Continental Country Club Bankruptcy. Ed Gussio, Chairman of the committee charged with following the CCC Bankruptcy, stated that he had received an e-mail from Attorney Randy Nussbaum (who has been hired to represent AVGC) that summarized the latest developments with regard to the CCC Bankruptcy.

In the e-mail Mr. Nussbaum indicated that CCC does not place a high priority on revising the agreement to have the Reclaimed Water Contract with the City of Flagstaff assigned to Flagstaff Golf Maintenance Company (FGMC) at this time. According to Attorney Patrick Clisham who represents CCC in the Bankruptcy proceedings, CCC intends on proceeding forward per the status quo regarding the distribution of reclaimed water and is willing to address this matter at a later date. CCC wants to make sure that the bankruptcy case progresses in a manner which it would want to transfer the city agreement to the management company.

At 12:30 Attorney Randy Nussbaum joined the meeting and offered the following 3 step approach to securing the effluent water agreement that would protect AVGC's interest:

1. Negotiate an agreement with CCC to execute the assignment of the contract at a later date, but prior to any sale of the Golf Course to a third party. If CCC is amendable to this approach, the agreement would be drafted for execution at a milestone
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occurrence (i.e. Completion of the Bankruptcy proceedings, sale of the CCC Golf Course, etc.)

2. If CCC is not amenable to negotiating an assignment agreement to be executed at a future date, two courses of action are available:
 - File legal action within the Bankruptcy Court to assign the reclaimed water contract to FGMC
 - Wait for Bankruptcy proceedings to be completed and determine how the existing reclaimed water contract is impacted.

Mr. Nussbaum recommended that AVGC allow him to approach CCC Attorney about implementing Step 1. If acceptable to CCC, he will work with CCC to negotiate a future assignment agreement.

If CCC does not agree to Step 1, he will notify the AVGC Board of CCC's unwillingness to negotiate and discuss what future action will be required.

Tim Hansen made a **MOTION** to authorize Randy Nussbaum to seek an assignment agreement to be executed at a future date with CCC regarding the reclaimed water contract with the City of Flagstaff. Dave Wilder seconded the motion. The motion passed unanimously.

NEW BUSINESS - The September Board Meeting scheduled for Friday, September 24th was moved to Thursday, September 23rd to avoid conflicts with a charity golf tournament.

Rissa Henderson suggested the formation of separate committees to conduct initial investigations of feasibility and cost for alternative water sources for the AVGC. Two such sources include a separate reclaimed water connection from the Fox Glenn Park area and drilling of a potable water well. Costs for such committees were questioned, given the expenditures currently being made for legal services regarding the CCC Bankruptcy. It was agreed that the existing CCC Bankruptcy Committee will conduct preliminary assessments of the feasibility of such water sources without engaging technical experts (and associated costs) at this time.

Special Board meeting adjourned at 1:24 pm.