

ARROWHEAD IMPROVEMENT ASSOCIATION
BOARD MEETING
June 18, 2011
Approved July 16, 2011

The June 18, 2011, meeting of the AIA Board of Directors was called to order at 2:00 p.m. on Saturday, June 18, 2011, at the Arrowhead Inn with President Bob Hernandez presiding. The following Board members were present: Diane Benson, Bob Hernandez, Carol Flick, Rich Ostrom, and Donald Koeltzow. Bing Carlson and Paul McDermott were not present. Approximately 40 association members attended the meeting. President Hernandez determined that a quorum was present.

Order of Business:

1. Approval of the minutes: Donald Koeltzow stated that the draft of the May 21, 2011, minutes was distributed and asked if there were any questions, corrections, or additions. Hearing none, he moved that these minutes be approved as corrected. The motion was seconded by Carol Flick and the motion carried.

2. Financial reports: Diane Benson pointed out that the Association currently had \$326,991.26 on hand. She also commented that the income from line 410 Membership Lot Assessments was higher than expected due to the fact that some owners pay their entire annual dues early in the year. She handed out a sheet containing graphs of Delinquent Dues and Cumulative Delinquent Dues and Fees from the past four years (copy attached) and pointed out that, while the situation wasn't reason for critical alarm, both categories had been increasing. She stated that, at the present time there was an accumulated dues and fees short fall of \$37,000. She also stated that the Board had budgeted for a shortfall in membership dues of \$5,000 for 2011 but was concerned that it may be higher than this amount, and she wanted owners to be aware of this information. Ms. Benson then reviewed the collection policy that has been followed for a number of years which involves late fees that are assessed as delinquencies occur, an attorney sending a demand letter and, after that, an attorney sending a lien letter. Some 30 days after that, an attorney files a lien on the property. All of these procedures are being followed. When asked, she stated that the Association could go to foreclosure after the lien had been filed; however, since most of the delinquencies and fees for a lot were in the range of \$2,000 and the cost of foreclosure was in the range of \$3,500, it was not cost effective for the Association to do so. She stated that there are 30 accounts that are delinquent by only \$120. Most likely people will pay these, but the chronically delinquent numbers are continuing to increase. She was asked if the lien was good for only one year and responded that the lien was in effect until the assessments had been paid or the property was sold. She stated that, if a lot goes into bankruptcy and a bank or lender takes possession, by law, they are required to pay 6 months of the back dues. When

3. Management Reports:

- a. Communications: Bob Hernandez reported that Melissa Hernandez has agreed to be the new Communications Manager. Any communications, pictures, etc. for the Smoke Signals or the web site should be sent to her at missyenne@mac.com. He also announced that the web camera would be moved to its new location on the Fire House in the near future.
- b. Design Review. Joyce Boulter stated that 5 house plans for new houses and 2 remodeling plans have been approved for construction in 2011. She also stated that she had sent out 65 letters to owners who had purchased their lots after May 1, 2008, reminding them of the needed lot mitigation. She reminded owners that the Design Review Committee was going to start enforcing the mitigation regulations.
- c. Forest Management: Bob Rosenbaum invited owners to call him if they have questions regarding defensible space and mitigation. He stated that 1230 MCH packs and 7 traps had been placed in Arrowhead and that the traps were starting to collect beetles. He commented that last fall and this May, some 36 to 38 beetle infested trees had been felled, limbed, and covered with plastic. He stated that we will have a contractor mitigating in Arrowhead this summer, but at this time, we're not sure exactly where this will be done. Carla Vavrik has the information for the purchase of MCH packs if individual owners wish to purchase additional traps on their own. This fall, it would be possible for owners

- d. Maintenance and Facilities: Donald Koeltzow apologized for not publicizing the opening of the stump dump on the web site. He stated that, this year, the top soil and ash had to be separated from the non-burned stumps. As it turns out, Will and a crew of volunteers were able to take care of the situation rather quickly and the burn dump became available while he was out of town. Thus, a notice of availability wasn't posted.

He reported that the consensus of several opinions is that we need to put a cold roof on the west side of the fire house. He has requested that plans for such a structure be developed by an engineer at a cost of approximately \$200. The plan would be to remove the current roofing tin, repair or replace the ice and water shield where needed, then place 2 x 4 support stringers lying flat on the roof. A new OSB deck would be placed on top of these 2 x 4s, followed by a new water proof fabric that is better than felt but much cheaper than the ice and water shield, and finally, the current roofing tin would be placed back on top. The plan would be to use volunteer labor if we decided to proceed. The costs would include the 2 x 4 and new decking materials plus the ice and water shield needed to repair the current layer. This roof would accomplish two important things: First, it would further insulate the cold decking from the heated space which will greatly reduce the amount of thawing and freezing that leads to the ice dams that cause a water build-up on the roof. This is what penetrates into the interior of the structure. It also would greatly reduce any condensation that may form on the underside of the current decking. Second, it will provide an additional water barrier to the structure. Any water that penetrates the outer layer will fall on the ice and water shield and be carried off the end of the structure. However, no-one will guarantee that this roof will never leak.

He reported that there is a problem leak in a hydraulic hose on the grader which will be repaired this next week. After that, we will begin grading the filing roads. He stated that the front end loader has a cracked windshield that needs to be replaced and that he will be meeting with the maintenance personnel in the next couple of weeks to plan our road repair activities for the summer and will post the information as soon as it becomes available.

- e. Security: Reinie Masanetz reported that 13 vehicles had been left in the winter parking lot past the June 15 deadline and were now impounded pending \$100 fines. He also reported that Security had been very busy with fire pit recertifications. He reminded owners that fire pits must be built according to specific standards and asked that owners contact Security for further information. He stated that owners should keep fires in certified pits to a reasonable size and that no house hold trash is to be burned in these pits. He mentioned that the first load of 12-inch trout will be received on June 21st for the Flint Lakes. The final fish delivery will be made in August and will include 1000 fingerling trout for Hazel Lake. He reminded owners to obey the posted speed limit of 20 miles per hour and to slow down when approaching pedestrians. He commented that the stump dump trailer is to be used by reservations only. He reported that there has been a problem with people just using the trailer without making a reservation which is unfair to those who have reserved it. Finally, he informed the owners that he will be traveling to Europe beginning in two weeks and would not return to the mountain until September 1st. While he is gone, Leonard Wasileski will be in charge of Security.

4. Committee Reports:

- a. Covenant Committee: Don Koeltzow stated that the Board would like to thank all of the owners for their questions and comments. We are in the process of preparing the final version of the proposed amended Covenants for the vote. One change that the Board made yesterday was to remove the new section from ARTICLE III, paragraph 3d, that talked about Emergency Capital Expenditures and Assessments. This section would have allowed the Board to waive the required vote from the property owners for expenditures in excess of \$100,000 in an emergency. We have received enough negative comments regarding this provision that the Board felt that a majority of owners were not in favor of it at this time and that, in an emergency, you were telling us to do the best that we can with current provisions. So we have removed this provision from the proposed covenants.

Another area that was added in the proposal that members of the Board have received numerous comments on is the Article III, Paragraph 1e, where we included members of the Design Review Committee under the provision that allows Association personnel to enter private property without liability for trespass. There seems to be a feeling that this group has sometimes overused or abused their authority. [Note: After the Board meeting on Saturday, the Board has decided to remove the addition of the Design Review Committee from Article III, Paragraph 1e.]

There have been a number of grammatical and clarification corrections that are required as a result of owner comments.

The plan is to produce a final proposed version and post it on the web site. Then, this fall, (Targeting October), we plan to proceed with the vote. At that time, your voting committee will send out the final version along with a ballot and a return envelop for your vote.

Mr. Koeltzow asked the attendees what form they would like for the Board to use when presenting the proposed amendment to the owners for a vote. It was decided that the final draft of the proposed amendment would be posted on the AIA web site using the black text for current wording, blue text for new wording, and the crossed-out red text for wording that is slated for removal along with a new cover sheet as has been done in the past. However, the suggestion was made that, when the amendment is sent out for a vote, it be printed in black in order to reduce printing costs and that the new proposed text be underlined.

Finally, he reminded owners that the current covenants were well written and had withstood the test of time. He stated that the new proposed amendments to the covenants were needed to update this important document and that with a document this large and complex, it was almost impossible for everyone to be in total agreement on everything. He asked that owners consider the new proposed amendments to the covenants in its entirety and to not vote against it simply because of lack of agreement on any one particular issue.

- b. Fire Department: Brent Mims reported that plans were ready for the annual July picnic. It will be held on July 2nd beginning at 10:00 a.m. He also commented on the new structured training program that is being initiated by the Fire Department. In this program, a Task Book will be kept for each member of the Department. This Task Book will contain the record of all of the training that an individual member has received and been certified to do. He mentioned that training will be conducted every Tuesday. However, volunteers may take advantage of the new mentor program by contacting mentors who have been certified to provide the particular training needed and scheduling special training sessions with these mentors. These Task Books will be used to make duty assignments during emergencies.

Mr. Mims notified owners that the Department was initiating a preplanning program in order to be better prepared to fight a major wild fire in Arrowhead. In this program, he and several others will be visiting all of the 275 homes/structures in Arrowhead and assigning a defensibility rating to each property. He emphasized that these ratings (Green for good, yellow for medium, and red for bad) were simply

indications of fire protection priorities. It was not a punitive system in that a red rating for a structure did not mean that fire fighters wouldn't try to protect that structure in case of a major forest fire. A red rating simply means that a structure with such a rating is a lower priority than a structure having a green rating. The goal of the Fire Department in a major fire will be to protect as many of the structures in Arrowhead as possible.

He announced that, on Saturday, July 30th, he will conduct an outreach program to educate property owners concerning what they can do to protect their homes during a fire.

He also stated that the blue truck was being converted to a medical rescue truck.

Ron Benson announced that the Fire Protection District Board had met and evaluated Brent Mim's performance over the past year. Brent was given an excellent rating and his contract was renewed. The audience agreed with this decision and provided a round of applause.

- c. Hazel Lake Project: Linda Dysart stated that the aeration project for Hazel Lake would be completed in the next couple of weeks.
- d. Noxious Weeds: Linda Dysart reported that a private company will be spraying the larger concentrations of noxious weeds in Arrowhead. She also asked for volunteers to help with spraying some of the filing roads in mid July. This task involves pulling the sprayer with an ATV and spraying the weeds as needed. She stated that she will be involved with mixing the spray and assisting with the spraying operation. Volunteers who wish to participate should contact Linda directly. She reminded owners that noxious weeds should be disposed of by double bagging them and taking them to the Montrose or Gunnison County land fills.

5. Action Items:

- a. Acceptance of the Audit Report. Diane Benson reported that annual audit had been received from Chadwick, SteinKircher, Davis and Company and had been reviewed. The Audit was clean and there were no exceptions. She moved that this report be accepted. The motion was seconded by Carol Flick and the motion carried.

6. Announcements from the Board:

- a. John Krall Awards. Bob Hernandez announced that John Krall Award nominations were still being accepted until the end of June with the award winner being announced at the July meeting.

- b. Owners Wishing to Run for Board Positions. Bob Hernandez stated that those who were interested in running for the vacancies on the Board should send their letters of intent to Donald Koeltzow by July 31st.
- c. Clean-Up Days. Bob Hernandez announced that summer clean-up days would be held on July 23, August 27, and September 24. Carla and Clyde Vavrik volunteered to coordinate and plan the first two events. A volunteer is needed to plan and coordinate the third clean-up day in September.
- d. Death of Elaine LaForge. Diane Benson announced that Elaine LaForge had passed away and that her memorial service would be held at the Crippin Funeral Home at 2:00 p.m. on Monday, June 20, 2011.
- e. AIA Dumpsters. Bob Hernandez announced that the first community dumpster should be at the winter parking lot on approximately June 29. As in the past, the Association has contracted for three dumpsters that can be used to dispose of larger items. Owners are reminded that **ABSOLETELY NO ELECTRONICS** (TVs, computers, etc.) **OR** **CHEMICALS** (paint, pesticides, etc.) are to be placed in these dumpsters.

7. Announcements from the Audience:

- a. Linda Squirrell announced that Friday night, special entertainment at the Inn would be provided the Cowboy Poet from Gunnison on June 24th. She also reminded attendees that the Inn was open on the weekends.
- b. Linda Dysart announced that the wildflower walk will be held on Saturday, July 9th beginning at 9:30 a.m. at the Inn.
- c. Kathleen Belgard announced that Bill Misare and his band will be providing entertainment at the Inn on Saturday, July 2nd.

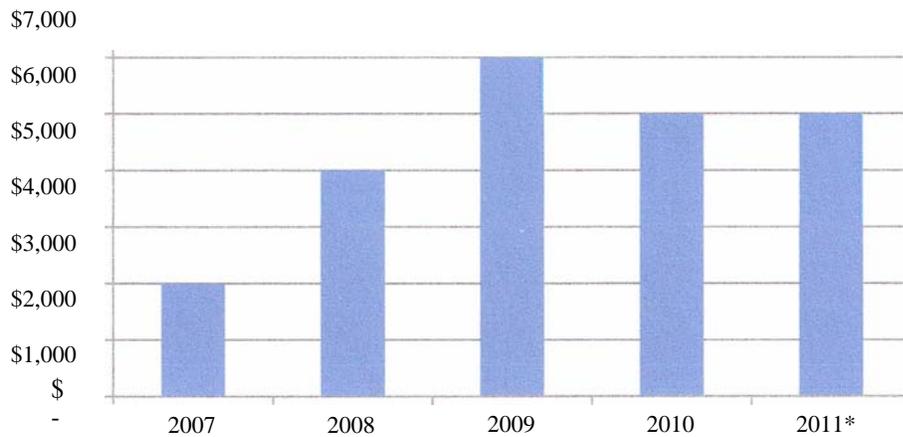
8. Adjournment: Diane Benson moved that the meeting be adjourned. Rich Ostrom seconded the motion and the motion carried. The meeting was adjourned at 3:10 p.m. The next meeting will be held on July 16th. This will be the annual meeting followed by the new member reception.

Arrowhead Improvements Association

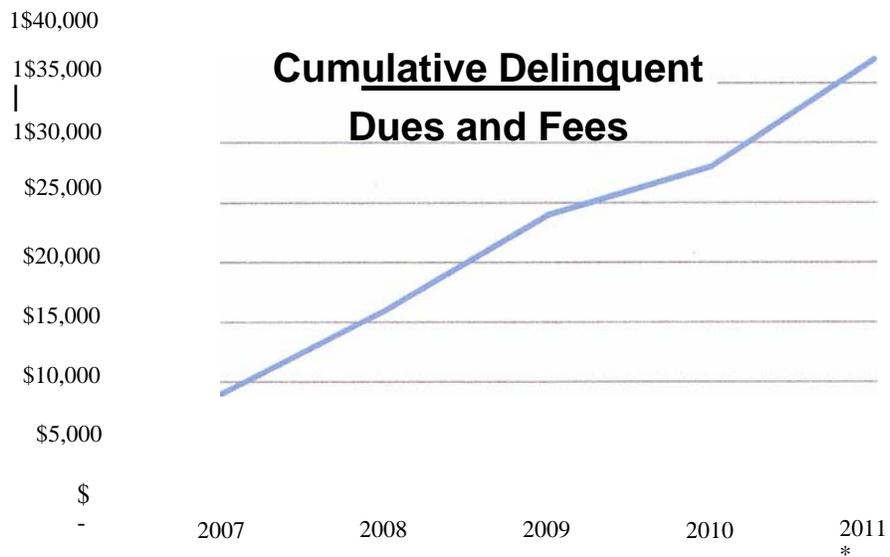
June 18, 2011

1.

Delinquent Dues



* Budgeted Amount



* As of May 31, 2011