

**ARROWHEAD IMPROVEMENTS ASSOCIATION, INC.
BOARD OF DIRECTORS MEETING MINUTES
SATURDAY, SEPTEMBER 20, 2014 – 2:00 p.m.
ARROWHEAD FIREHOUSE**

Call to Order, Pledge of Allegiance, Determination of Quorum:

President Mike Wigent called the meeting to order at 2:00 p.m. and asked veteran Val Taylor to lead the Pledge of Allegiance. A quorum was determined since Sharon Pugh, Kathy Krohn, Treasurer Al Hale, Vice-President John Moseman, President Mike Wigent and Secretary Linda Squirrell were in attendance. Tim Carlson was absent.

Adoption of Agenda with any Additions or Deletions:

The new business item regarding foreclosing a lien was deleted. Two Board Announcement items were added; i.e., a re-presentation of the John Krall award because both recipients were now present and the date of opening the winter parking lot. John moved to adopt the agenda as amended. Al seconded the motion, which carried unanimously.

Report on Friday's Special Board Meeting and Executive Session:

Mike reported that the Board had held an Executive Session during the Friday Special Meeting to cover personnel, delinquencies/collections and legal matters in compliance with CCIOA. He also listed items discussed in Friday's Work Session which included reviewing the draft 2015 budget, the proposed groomer purchase, the directors' oath, opening driveways in spring, Regulations work in progress, firehouse matters, the Robbins lease, website traffic, winter logging and mitigation grants.

Approval of August Minutes:

Linda asked for corrections to the August Special Meeting Minutes, Regular Board Meeting Minutes and Annual Owners Meeting Minutes that were posted on the website. None were offered by either the Board or the audience. Therefore, she moved to approve the minutes as posted. Sharon seconded this motion, which carried unanimously.

Review of Financial Statements:

Al reviewed the financial statements for August indicating that expenses had been typical and that the weed spraying bill had been paid in August. There were no questions.

Facts vs Fiction:

Mike reported that he had received many e-mails about misinformation being spread by the Owners Forum and e-mail. The facts are that the Board always posts its agendas in compliance with CCIOA and our own governing documents including in those postings any possible executive session; the Regulations update the Board is working on is primarily for ministerial (housekeeping) purposes. Any substantive changes will be reviewed by legal counsel and then the Regulations revisions will be posted, as usual, on the website for owner review and comments prior to adoption. Our office manager is NOT an HOA manager under the new law and, therefore, does not have to be licensed (our Association is managed by our Board of Directors); the Board is complying with the policy on designation of voters that has been in practice (and in the Covenants) since Arrowhead's inception; neither this Board nor any previous Board has entered into any illegal agreement with ASC; and the members of the Board of Directors are not "the seven missing village idiots" nor are they "lining their pockets". Once again, Mike asked these accusers and mis-informers to work with the community and not against it.

Old Business – Report on Groomer:

John reported on his extensive research and efforts in identifying an appropriate groomer for Arrowhead at the most reasonable cost to the Association. The one he had found in August was sold before the Board could take action. He provided handouts of his report. Used groomers built between 1990 and 2000 range in price between \$20,000 and \$60,000 depending on use and condition. Those built between 2006 and 2009 now sell for between \$40,000 and \$85,000. Our purchase of a 2008 Prinoth from Vail will cost \$55,000 including \$2,000 worth of service on the machine. John spent a great deal of time evaluating our roads/trails and which type of machine would work best for our conditions. Ron Corder has been chosen to be our chief groomer operator and will train anyone else who operates the machine since skilled operation is key to successful grooming and longevity of the machine. John also explained why a tiller is needed to process the snow and that he had examined medical transport, fire protection, the age of our population, transportation, fuel costs and stress to the equipment in evaluating a groomer. He has arranged for servicing the machine through a Gunnison company that already services Crested Butte and Monarch ski area equipment. He reported on the long list of items inspected on the machine and will prepare a shop manual and maintenance checklist for it. The proposed groomer has been serviced every 250 hours (which, in terms of our normal use, would be once a year). The dealer

advises that, given good maintenance, we should recoup our investment if we decide to replace it after 3 years.

The groomer will have to be delivered as a “wide load” which will require Arrowhead Patrol’s assistance during the haul up the Alpine Plateau Road. As soon as the date for delivery is set (believed to be the end of October), the Patrol will be notified and an e-mail blast will be sent out to owners signed up for that.

The audience gave John a round of applause for all his efforts on this and Mike announced that the groomer will be affectionately called “Big John”.

New Business Action Items –

Purchase of Groomer:

John moved to purchase the 2008 Prinoth Bison Groomer from Bob-Bardier Snowcat Services, LLC, in Loma, Colorado, for a purchase price of \$55,000 (including the \$10,000 deposit already made pending Board vote today) with the remaining \$45,000 to be paid on or before the delivery date. There will be an additional \$1,000 for delivery due at that time. Al seconded the motion, which carried unanimously, and Mike pointed out that Tim is also in agreement with this action.

John pointed out that there will be a laminated priority grooming map kept in the machine at Jim Gelsomini’s suggestion.

Date for end of Season Removal of Camping Equipment:

In keeping with our Regulations, the Board set the final date for removal of camping equipment from Arrowhead for Monday, November 17th. Property owners need to pay attention to weather and snow conditions in case they warrant earlier removal. This date will be posted on the AIA website.

Reports -

Arrowhead Patrol: John Moseman reported on the new stainless steel locking sign-in boxes that he and his son-in-law will finish with chalet roofs and space for forms. He suggested they be removed from Lake Road and Ute Drive during the winter with one installed at the winter parking lot then. He also reported that he has provided a new computer and printer with individual passwords for Patrol personnel who will be trained by Jim Gelsomini, who has rejoined the Patrol. He also reported that Joanie Aufderheide has resigned from the Patrol and he asked for volunteers to assist our officers in the winter. Staff training for all employees will be held in October. John also discussed the winter parking lot and its plowing as

well as new vehicle stickers. The Patrol will stop unregistered vehicles. Guest and contractor passes are available from Arrowhead Patrol.

John explained the liability release now required for Requested Service Activities for winter and the form for requesting such activities, both of which will be available on the revised Arrowhead Patrol page of the website as well as from Patrol personnel.

Mike reported that AIA will install a base unit radio into our Arrowhead Patrol vehicle with the help of Jim Gelsomini, Rich Leary, Al and himself. This may be a winter project. John will bring the new Arrowhead Patrol snowmobile up to Arrowhead on October 16th.

Communications: Cappi Castro reported that the October/November issue of the Smoke Signals will come out October 1st, and the deadline for articles or information from the Board is September 25th. She has spruced up both bulletin boards and encourages all to sign up for the e-mail blasts which notify owners of urgent or emergency information. She also reported that our Facebook page is popular.

Design Review: Joyce Boulter reported that there have been 21 property sales through the end of August. She is giving property owners with whom she meets copies of the Arrowhead Awareness booklet. She reminded all owners who have driveways that they are to put up address signs and should see the Regulations for sign rules. Reflective numbers are recommended since they can be seen by emergency personnel at night. Joyce has taken county mapping personnel through the community to help them better understand our layout.

Three homes are almost complete; 1 foundation is in for construction next summer; there have also been 4 garages and 2 sheds built and Joyce has performed 5 driveway walk-ins.

Forest Management: Bill Conway encourages owners who have signs at the beginning of common driveways to also put them at the beginning of their individual driveway. He also reported that there will no winter log hauling from Forest Service lands this 2014/2015 winter. However, there are 1 million board feet left to remove. The Grand Mesa/Uncompahgre/Gunnison National Forest is working on a plan to deal with the ongoing spruce beetle attack but can only access 2-3% of the beetle problem due to wilderness, roadless areas and private lands. While the infestation is currently at a low level here at Arrowhead, some new areas

are appearing. Forest Service entomologists are pessimistic about our ability to fight off these beetles since 375,000 new acres of infestation have been identified in Colorado this year, including from here to Lake City and east to Monarch Pass.

Trapping efforts to determine the extent of spruce beetle infestation here and use of MCH packs have been experimental this summer, and the Forest Service will review our results.

Our best means of combating both spruce beetles and Douglas fir beetles so far are: MCH packs and reporting blowdown of spruce, reporting woodpecker activity, pitch streamers and sawdust at the bottom of trees to Bill for quick evaluation and owner removal.

Bill has been working on 9 mitigation grant applications by our lot owners through the Western Region Wildfire Council. These are a 25% lot owner/75% Council cost share.

Bill estimated about 84,000 cu. ft. of tree debris to be burned this year and he is working on our burn permit. And Don Koeltzow reported that there is a lot of good firewood (mostly aspen) available in our forest debris pile now (before it is burned).

Maintenance and Heavy Equipment: Linda Squirrell reported on the road grading and winter preparation work being done by Will, that the propane tank has been filled for winter, and that sensor lights to automatically turn lights on and off at the winter parking lot bathroom and door closers have been installed. Ron Corder has done a beautiful job on the warming hut which should save AIA on utility costs. She thanked Toby Ezell for the electrical work he did on this and Rich and Kathy Krohn for the insulation they donated. She also thanked John Moseman for the substantial financial contribution he made to this project at yesterday's Work Session.

John will look into replacing our fuel tanks and improving the containment area around them at the winter parking lot.

Fire Department: New Fire Chief Jim Gelsomini commended the time and effort Kevin Stilley has contributed to Arrowhead as not only its Fire Chief but as a Fire District member. Jim is currently working on checklists for safety equipment, maintenance, etc., and the transition from summer to winter equipment. In that vein, he is seeking storage space for the fire department's white truck. Jim thanked

Toby Ezell, Gary Broughton, Al Hale, Ron Corder and Will Hobson for the many hours of work they have contributed in getting the trailer which will carry our water tank ready for winter.

Jim has already made contacts with the local fire chiefs and departments and reported that our volunteers have undergone over 183 hours of training time this year. He thanked them all for their efforts.

He is adding or replacing fire extinguishers so that they are more appropriately sized for in the areas where they are needed and working with Bill Conway with the Western Region Wildfire Council.

Committee Reports –

Election Committee: Linda Dysart reported that the ballots are ready for mailing on the 30th and the deadline for their return is November 17th.

Note: All written reports will be attached to these minutes.

Board Announcements:

Mike re-presented the John Krall Award to Don and Kathy Koeltzow since Don was not able to attend the August meeting.

Mike announced that the winter parking lot will open October 15th per our County permit. Leonard Wasilewski noted that the fee to store snowmobile trailers is \$50 and the fee for plugging in a diesel truck is \$265 for the season. He asked owners to contact Arrowhead Patrol before parking their vehicles in the lot for the winter so that we may keep it well organized.

Mike introduced Curt Treichel and Val Taylor who are candidates for the Board election and were in attendance. Dale Breckenridge, who is also a candidate, was not present. Mike invited owners to meet and talk with the candidates following the meeting.

Owner Announcements:

Carla Vavrik thanked all who participated in the 4 clean up days held this summer; as many as 32 owners participated. She suggested all owners mark their calendars for the 4th Saturday of May, June, July and August next summer. Mike thanked Clyde and Carla for all their hard work on this project every year and the great pulled pork barbecue they held at the end of the summer.

Owner Comments:

Don Gladwell suggested that the Board look into hiring a professional homeowners' association manager due to the workload. However, John pointed out that the cost of this is significant due to our location and the uniqueness and complexity of our community. Mike had researched this somewhat and had found no companies offering this service in Crested Butte, Gunnison, Montrose and only 1 in Grand Junction. The Board could add research on this topic to their work plan.

Lucia Lebon read a statement addressing false statements made by some property owners concerning the Arrowhead Snowmobile Club.

Curt Treichel encouraged everyone to support the Inn at Arrowhead especially over the fall and winter seasons because having a community gathering and recreation place like this is in everyone's interest.

Kathy Koeltzow announced that the planned Bags of Love Brunch in support of children who have to be removed from their parents due to abuse, criminal or other problems in our nearby communities will be posted on AIA's Facebook page.

There being no further business, the meeting was adjourned at 4:12 p.m.

Linda Squirrell, Board Secretary

September 2014 Communications Report
Cappi Castro
September 20, 2014

The next issue of Smoke Signals will be published October 1st. President's Message, Forest Service Message, Arrowhead Patrol, Design Review, and Health on the Mountain columns are all due by September 25th.

The bulletin boards have been cleaned up and spruced up!

We continue to receive requests for people to be added to our "email blast" list. With winter approaching, please encourage those who are not signed up to have their email added. This can be helpful for road conditions, etc. To sign up, email arrowheadblast@gmail.com. We do not share this list.

The Arrowhead in Colorado (AIA) facebook page continues to include current community information and events. Our last clean up day was recently posted. Send in those beautiful Fall photos! Questions or comments to AIA communications can be sent to aiasmokesignals@gmail.com.

Design Review
Report for September, 2014 Board meeting

It has been a beautiful summer with a lot of work being done. It looks like a beautiful fall and the winter will be here soon.

There has been 21 Property sales as of the end of August. These new owners are reading the Regulations and asking questions. They are excited about their new property and anxious to start using the property. When I visit with the new owners I give them our Arrowhead Awareness booklet. This provides valuable information for Arrowhead property owners. There are still problems with owners identifying their property. If there is a driveway, there must be a sign showing the address numbers. This was pointed out during the evacuation, as some of the lots were impossible to find. This is a 911 regulation for fire and emergency location of your property. I would also like to compliment many owners for their beautiful signs on their property.

There are 3 houses near completion and 1 more slated to start this fall, 4 garages, 2 sheds and 4 driveway walk ins. I have also made many visits to lots to talk to owners about regulations and how they can use their property. I have also approved many owners to remove trees in driveways, to allow easier access to the lot, house or RV.

FOREST MANAGER REPORT
9/19/14

Grants – Good progress has been made toward getting mitigation and defensible space grants for individual lots from the Western Region Wildfire Council (WRWC). The process includes establishing project boundaries (usually the property boundary), flagging either take or leave trees, in some cases marking pruning heights in specific areas, taking pictures of each lot, writing the scope of work to be done on each lot, preparing a bid sheet (separate bid for each lot), preparing maps for each lot, conducting a show me trip for contractors, getting at least 3 bids per lot, filing out applications for each lot and getting owner signatures, coordinating all of the above with the State Forester in Gunnison, and submitting the whole package electronically to the WRWC. Submission of the information will occur in October.

Selection of the successful bidder for each lot will then occur and work will be done within a designated 90 day period next summer. There are 9 individual lots and 3 small adjacent pieces of common land involved in this process. Once bids are received, the WRWC determines how much of each project they are willing to fund. Owners will then have the option of continuing with the process or dropping out.

Bark Beetles – I spent the day of Sept 17 with entomologists Roy Mask and Tom Egger from the US Forest Service and State Forester from Gunnison Sam Pankrast reviewing the bark beetle situation at Arrowhead. Although we didn't find anything dramatically different than I had identified, we did discuss some adjustments to the bark beetle trapping program. They also indicated that even more expansion of the MCH program would be the best defense against Douglas fir bark beetles.

We also discussed the overall Douglas fir beetle and spruce beetle situation in southern Colorado. Douglas fir beetles are showing a somewhat surprising increase including in the immediate area around Arrowhead. Continued and increasing application of MCH packs and timely removal of infected trees are our best defense.

Spruce beetles are spreading even faster than expected. An estimated additional 375,000 acres were colonized in Colorado by spruce beetles in 2014. Spruce beetles continue to be at endemic (low) levels within Arrowhead but the potential is increasing for all of our spruce to die in the next few years. In the opinion of entomologists, it is virtually impossible to keep this from happening. We had a detailed discussion on the extensive spruce beetle trapping program that I started in 2013. There is no real experience to show that this approach can prevent the spruce beetle invasion. There is some concern that the lures on the beetle traps can attract more beetles to the area. On the other hand the entomologist feel that the beetle invasion will occur if we do nothing. Based on this discussion I will be analyzing additional information, including our trapping results, over the winter and then making decisions on appropriate adjustments to the trapping program.

Using blowdown and standing spruce as trap trees and then removing those trees before the beetles fly to adjacent trees continues to be an important element of spruce beetle management.

What can owners do to deal with bark beetle problems?

- Order and install MCH packs, ordering information will be in the next smoke signals and on the AIA web site
- Inform the forest manager of any Douglas fir or spruce blowdown on their lots or common land

- Inform the forest manager of any Douglas fir or spruce showing indicators of beetle attack:
ie. Red needles, woodpecker activity or pitch streamers.

I recently discussed winter logging with Norm Birtcher, logging manager for Montrose Forest Products. He said that they will not be logging this winter on Forest Service land above Arrowhead. They do have additional logging to do in that area and his best estimate is that work will occur next summer or the following winter.

Clean up day on September 13th was another great success with 15 people doing a great job of cleaning up four different locations.

The burn permit application is in progress and the fire department will burn the no stump dump during a snow storm in December.

William Conway
Arrowhead Forest Manager

HEAVY EQUIPMENT AND MAINTENANCE REPORT
SEPTEMBER 20, 1024

Filing Roads - Will has been grading and gravelling Aspen Trail and Flint Road. He has also been pulling ditches and checking culverts in preparation for winter.

Equipment - Propane has been filled for the winter, a new tank strap has been installed on the water truck and the stop sign on Lake Road has been replaced.

Parking Lot Bathroom - Sensor lights to automatically turn lights on and off as well as door closers have been installed on the bathroom.

Winter Warming Hut - If you haven't looked inside the warming hut at the winter parking lot, you really should stop by. Ron Corder has done a beautiful job of insulating it and finishing the inside. This should save us money on electricity and provide a much more pleasant place to be should you ever be stranded at the parking lot. Many thanks to Toby Ezell for his electrical work on this and Rich and Kathy Krohn for their donation of insulation for this project.

Linda Squirrel, Heavy Equipment & Maintenance Liaison

FICTION VS. FACT SEPTEMBER

Since our last meeting there have been numerous posting/emails that are untrue, ill-informed or could be viewed as intentionally inciting.

Here are a select few that I would like to share.

FICTION: We have been accused of entering into ES without owner knowledge for the purpose of limiting information to owners.

FACT: We post in the Friday special meeting agenda that we may enter into ES. If we do, I report at both the open special meeting and the Saturday board meeting the topics areas that had discussion. We are required by CCIOA to address certain topics in ES. We consider carefully if a topic should or should not be an ES item. This is an unfair and unwarranted criticism of the board for carefully following CCIOA guidelines.

FICTION: The board is changing the regulations without owner input.

FACT: Yes, we are rewriting the regulations as stated in previous meetings. The vast majority of the changes are typographic errors or grammatical errors. After getting into the rewrite we have found that there are a few conflicting substantive issues that need to be rectified. If we and/or our legal counsel feel those changes need to be posted prior to adoption, we will do so.

FICTION: Our office manager is not qualified under HB1277 to manage the association

FACT: Our office manager does not need to be certified under HB1277. He does not manage the HOA.

FICTION: The board is attempting to limit/exclude owner's votes if they do not designate an owner to vote.

FACT: This board, and to my knowledge no board for 40 years, has never disallowed a ballot to be counted because a voter designation was not declared. This board, nor the election committee, raised the issue. An owner raised the issue of a current board members eligibility to run for a board position and of that board members legitimacy to be on the board because of how that persons AH property was legally held. The board referred the question to the election committee and they sought, with board approval, legal clarity of the question. The designation decision has been posted by the election

committee for all owners to consider. That answer cost you over \$800.00. By the way, the same owner that made multiple records requests that have cost you over \$800.00 made this request. This one owner has cost you in excess of \$1,600.00 this year.

FICTION: The board entered into an illegal agreement with the ASC.

FACT: This board and no previous board ever entered into an illegal agreement with the ASC. The annual agreements were with the ASC-- not the state or the state snowmobile association. When the state deemed the agreement would no longer be available, AIA finished out the grooming year, with state approval, and sought other grooming options going forward. The allegations of AIA entering into an illegal lease agreement with the ASC are unfounded, meant to incite and are indeed fiction.

FICTION: The board of directors are the seven missing village idiots and someone is lining our pockets.

FACT: The seven directors are all dedicated volunteers that do not deserve to be denigrated in this manner. Being a director costs each one of us out of pocket with no reimbursement. Not one director has asked me for reimbursement as allowed for in our governing documents, for anything from travel expenses to printer cartridges and office supplies, etc. Linda had to upgrade her computer service at personnel expense to be able to conduct board business and all of us have bought a lot of fuel and put on a lot miles to attend not only board meetings but other expected obligations.

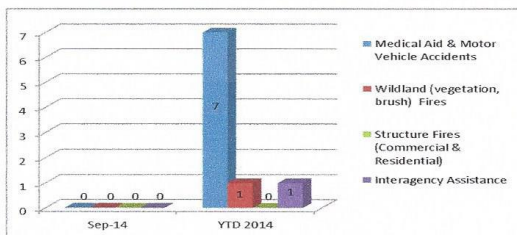
I absolutely support the First Amendment. However, making statements like these under First Amendment rights, does not make it right. It shows to me a lack of maturity and demonstrates a mean spirited agenda. Once again, please stop this behavior, ask us directly for information, participate in the process by attending meetings and stop running down our community's reputation and all of our property values.

Arrowhead Fire Protection District's Fire Chief Report

Date of Report: **September-2014**

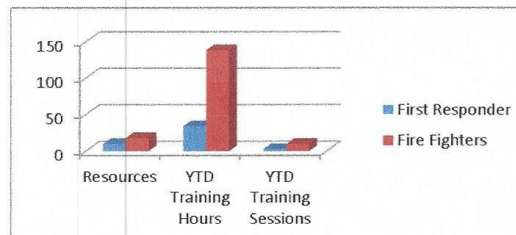
Part-I.) Emergency Events:

Description	Sep-14	YTD 2014
Medical Aid & Motor Vehicle Accidents	0	9
Wildland (vegetation, brush) Fires	0	1
Structure Fires (Commercial & Residential)	0	0
Interagency Assistance	0	1



Part-II.) Training:

Category	Resources	YTD Training Hours	YTD Training Sessions
First Responder	10	34.00	3
Fire Fighters	18	138.50	10
AVFD Combined	28	172.5	13



Part-III.) Personnel (staffing):

First Responders = (10)

Fire Fighters = (18)

Part-IV.) Buildings & Grounds Inspections:

1. Winter warming hut – Installation of Fire Extinguisher(s)
2. Main Equipment building – installation plan for two fire extinguishers, primary shop area and vehicle space

Part-V.) Fire Apparatus Fleet & Agency's SCBA's:

1. Preventative maintenance list for SCBA Backpacks and tanks
2. Preventative maintenance list AED; location, battery expiration date, paddle expiration date

Part-VI.) Interagency & County & Association Meetings:

1. Western Region Wildland Fire Council – Montrose, 9/11 impact of insect infestation to local and landscape fires

Part-VII.) Communications

1. Installation of vehicle mounted radio in AIA Patrol vehicle, improve reliability, and range for Patrol personnel to communicate with base and handheld units during event.

Part-VII.) Miscellaneous:

AVFD meeting schedule – AVFD business 1st Tuesday, 2nd Tuesday Fire fighters, 3rd Tuesday Responders (once a Quarter 4th Tuesday, joint training, Fire Fighters, First Responders, and Patrol)

Community notices (preparation activities for coming season)