

ARROWHEAD IMPROVEMENTS ASSOCIATION, INC.
SPECIAL BOARD MEETING AGENDA
FRIDAY, OCTOBER 17, 2014 – 9:00 A.M.
ARROWHEAD FIREHOUSE

Call to Order, Quorum Determination: President Mike Wigent called the meeting to order at 9:00 a.m. Members present in addition to the President were Vice President John Moseman, Treasurer Al Hale, Member Kathy Krohn, Member Sharon Pugh and Secretary Linda Squirrell. This constituted a quorum. Member Tim Carlson was unable to attend.

John moved to go into Executive Session to handle privacy, delinquencies/collections, legal and personnel matters under CCIOA (C.R.S. Section 38-33.3-308 (4) (a), (e) and (f). Sharon seconded the motion which carried unanimously.

The Board recessed for lunch at 11:00 a.m.

At 1:03 p.m., the President reconvened the Special Board Meeting.

Report on Executive Session: Mike reported on the types of issues covered in the morning's executive session. He also reminded all present that the Work Session which the Board was now conducting in this special meeting was for the Board to do its work. However, there is always time set aside at the end of the session for owner comments.

Additions to Agenda: Owner Rich Krohn, who is an attorney but does not represent the Board, offered to provide some Board education on collections. John asked to add the background information he has compiled on Hazel Lake as well as an Update on the Website. John moved to adopt the agenda with these additions; Sharon seconded the motion, which carried unanimously.

Board Education on Collections: Attorney and property owner Rich Krohn first emphasized that he was not providing legal advice nor representation by either him or his firm to the Board. He often talks to groups on legal issues and felt the general information he could provide on this topic would be helpful. He went over CCIOA rules on collections which are covered in our Collections Policy. A lien by an HOA for past due dues is ahead of all others against a property except one that preceded the recording of the declaration of protection covenants, a first deed of

trust and unpaid property taxes. HOA's have a super lien (ahead of the first deed of trust) for an amount equal to 6 months of regular assessments.

Some collection alternatives include: (1) suing on the debt and enforcement by such means as wage or bank garnishment or recording and foreclosing on the judgment lien (with a priority only based on the recording of the judgment lien); (2) selling the collection and lien rights to a third party; (3) waiting for sale of the property for the loan to be paid; or (4) foreclosing on the HOA lien; redemption based on the subordinated portion of the lien after a foreclosure sale on the first deed of trust. An O&E statement from a title company (which shows the names of the owners and encumbrances against a property) should be obtained before pursuing either a judgment or a lien. Each delinquency needs to be considered on an individual basis as to the ability of the owner to pay, status of title, the value of the property, etc., before the Board determines how or whether to act.

Of course, under CCIOA, homeowners associations must offer a payment plan once. The property owner must keep current dues being assessed up to date while paying the payment for the delinquency under the payment plan.

The statute of limitations on non-payments to an HOA is 6 years for each payment missed. If judgment is obtained on the delinquency, the judgment lien is good for 6 years and can be renewed.

Kathy offered to work with Dave Tobler to create a flow chart for the Board to use in evaluating the steps to be taken in individual delinquency cases.

Review of any Board or Owner Comments on proposed 2015 Budget: John recommended that AIA set aside 5-10% of each year's total budget for reserves and show it as an expense item. Then the budget would be built around that. The Treasurer would recommend the exact percentage each year. He felt that this practice would make it very easy for property owners to understand how reserves were being treated. He also pointed out that AIA has \$325,000 in reserves presently, which puts the Association in good shape.

Treasurer Al Hale informed the Board that since the Hazel Lake aerators will not be turned off due to the costs to reinstall the meter and have a new State inspection, he has budgeted \$336 for the electric in Line Item 725, Hazel Lake Repair.

Review of Forms Requesting Driveway Openings: John will finalize the specific form for this from Kathy's draft for this spring. The waiver form already exists.

Discussion of 2015 Meeting Dates: After some discussion, the Board set the dates for the 2015 meetings. The Saturday, January 17th, meeting will include both the Special Meeting and the regular Board of Directors Meeting. These dates will be published on the website as well as in Smoke Signals and approved at tomorrow's Board of Director's Meeting.

Discussion of Regulations Cleanup Work: Kathy and Linda reported that this work continues. They plan to get together at one computer to put all their latest corrections in order for the attorney.

Discussion of Lease Renewals and Possible Storage Lease for ASC Groomer: Leases to be renewed are: the Robb Robbins lease at the winter parking lot, the firehouse lease (for which Linda suggested some snow removal language), the Winter Recreation lease, and the Forest Debris Site lease. Mike has been unable to talk with the new owner of the Forest Debris Site land since this is a very busy time of year for him but he will pursue this.

Mike passed out a list of considerations for a lease with the Arrowhead Snowmobile Club which would permit them to store their groomer at our winter parking lot. After much discussion about how to charge for the electricity they'd use, it was decided that the Club should pay the actual cost of electricity used. Mike will discuss this lease further with Lucia Lebon, President of ASC.

That discussion lead to a discussion of making sure both Will and our Patrol are keeping logs of diesel and gasoline use and keeping these tanks locked at all times.

Discussion of AIA's Commercial Lots: Board members feel that Lots 12 and 13 of the Commercial Area are a better fit for the Association than the lots AIA currently owns (Lots 3 & 4) because, while they are the same size, they will preserve access across them and provide a better location for AIA's future use since they are next to the Inn at Arrowhead with its restaurant (and future distillery) and the largest number of contiguous available lots are next to them should AIA decide that it needs more space in the future. Linda Squirrell did not participate in this discussion since she is one of the owners of these lots. Mike will follow up on getting this trade accomplished.

Discussion of Keeping Signed Directors' Oaths on File: All Board members present signed the Oath for Dave's official Board file. Tim Carlson is expected to sign it tomorrow when he will be present at the Saturday Board Meeting.

Further Discussion of Professional HOA Management: Mike reported on research he had done with a professional management company. They quoted a base rate of \$6/lot/month with additional charges for more than their standard duties. The Board feels that such management would not eliminate their work and the cost would be prohibitive. John felt that these figures were low and read a report on Professional Management vs Self-Management, which he had prepared. This will be attached to the minutes of Saturday's meeting.

Website Update: John has been working on the cost of storage on our website. He feels that the format design needs to be upgraded to take up less space. These efforts will continue.

Discussion of Work Plan: There were no changes to the Work Plan.

Owner Comments: A suggestion was made to update the calendar on the website; Bob Hernandez offered to handle this for the Board.

There being no further business before the Board, the meeting was adjourned at 5:12 p.m.

Linda Squirrell
Board Secretary