

**ARROWHEAD IMPROVEMENTS ASSOCIATION
SPECIAL BOARD MEETING
FRIDAY, AUGUST 19, 2016
ARROWHEAD FIREHOUSE**

CALL TO ORDER, DETERMINATION OF QUORUM:

President Mike Wigent called the Special Board Meeting to order at 9:00 A.M. Present were Secretary-Bridget Isle, Treasurer-Al Hale, Member-Dale Breckenridge, Member-Jim Matteson. Vice-President John Moseman was absent.

A quorum was determined.

DESIGN REVIEW:

Design Review Committee members Joyce Boulter and Tim Carlson presented the process of how future house siding and roof colors will be approved. Also Joyce made the request that the committee be allowed to increase their size by two more members.

JOHN KRALL AWARD:

Bob Hernandez discussed a committee recommendation for a special recognition award.

EXECUTIVE SESSION:

Mike adjourned at 9:40 A.M. to begin executive session.

REPORT OF EXECUTIVE SESSION:

Mike reconvened the special board meeting at 1:23 P.M. Mike reported that during executive session they discussed personnel, privacy issues, delinquencies and collections and legal matters.

CHANGES TO AGENDA:

Additions: Under new items-email statements, credit card processing, direct deposit.

Deletions: none

OWNERS COMMENTS:

None

OLD BUSINESS:

UPDATE ON PURCHASE OF PATROL VEHICLE:

Jim reported that the vehicle has been purchased for \$11,109 and is at Spring Works having upgrades installed on truck. Vehicle will be ready to be received next week. A radio, light bar and cell phone booster will be installed at a later date.

UPDATE ON PIPELINE PURCHASE:

Pipe has been ordered. Donny Squirrell will be storing pipe while the work is being done. A rider has been added to insurance policy to protect against loss.

UPDATE ON ALPINE ROAD WORK:

Jim-Forest Service owns the road with a schedule A maintenance agreement with Gunnison County. Gunnison Road Works Department is funded by fuel taxes, not our property taxes. Short term plan is to repair bad places on road with gravel from county. Forest service has some money in a fund to buy the gravel and we can contribute manpower. Long term plan is to work out an agreement with Forest Service, Gunnison County and AIA contributing. Arrowhead Owners are the major users of Alpine Road. A mobile rock crusher may be considered for use upcountry while timber sale is ongoing.

UPDATE ON INSTALLATION OF CAMERAS AT WINTER PARKING LOT:

Al reported he met with Superior Alarm. Only three cameras are needed to cover the main areas. Right now Internet isn't needed. The DVR will have capacity of forty-five days of recording before it is recorded over.

NEW ITEMS:

2017 BUDGET:

The board of directors discussed the 2017 budget that Al had put together.

TREE CUTTING BY ARROWHEAD PROPERTY OWNERS:

Mike reported that trees are being cut down without written permission from Design Review Committee or Forest Manager.

DISCUSSION OF APPOINTMENT TO OPEN VACANCY FOR BOD:

Mike reported that there were three applicants for the open vacancy. The Board of Directors (BOD) will appoint an applicant at tomorrow's regular board meeting.

WATER AGREEMENT BETWEEN AIA AND ARROWHEAD WATER CO.:

Donny Squirrell has agreed to the agreement (see attached). Mike will sign the agreement tomorrow at the regular board meeting.

EMAIL DUES STATEMENTS/CREDIT CARD PROCESSING/DIRECT DEPOSIT FOR AIA EMPLOYEES:

Agnes discussed her investigations into setting up emailing of dues statements to owners, being able to pay dues with a credit card and providing direct deposit for employee paychecks.

OWNER COMMENTS:

An owner asked if it is ok to trim trees on his property. Yes.

ADJOURNMENT:

3:10 P.M.

In compliance with CCIOA, all meetings of an HOA board are either regular or special meetings. Thus our Work Sessions are actually Special Meetings during which the Board works on Association business. No votes are taken during Work Sessions or any Executive Sessions. The Board will recess for lunch during this meeting.

Approved as corrected at the September 16, 2016 AIA Special Board Meeting.

Bridget Isle

Bridget Isle

Secretary

AIA Board of Directors

**Letter of Agreement
Between
Arrowhead Ranch Water Company
and
The Arrowhead Improvements Association**

This Agreement is made the 20 day of AUGUST, 2016 between the Arrowhead Improvements Association, Inc., a Colorado nonprofit corporation (AIA) and the Arrowhead Ranch Water Company, LLC, a Colorado limited liability company (the Water Company) regarding the water which flows by pipe from Arrowhead Lake to Hazel Lake.

Purpose:

AIA and the Water Company undertake a cooperative effort to ensure flow of water into Hazel Lake so that it may be used as a sport fishery and recreational lake for the benefit and use of AIA lot owners. The lake will also serve as a secondary source of water for the AIA central water system operated by the Water Company and as a source of water for firefighting in the area, including to protect the subdivision.

The parties agree as follows:

1. The Water Company will allow available spring run-off into Arrowhead Lake and flows from Pipe Spring via the diversion ditch to flow from Arrowhead Lake to Hazel Lake until Hazel Lake reaches a desired level as determined by AIA. It is understood that in periods of drought there may be little or no water.
2. The Water Company will provide AIA with the ability to regulate the incoming water flow from Arrowhead Lake as needed for maintenance and repair of Hazel Lake or to prevent overfilling.
3. The Water Company will retain the storage and water rights to Hazel Lake.
4. Ongoing maintenance of the diversion ditch from the Pipe Spring to the diversion box will be the responsibility of the Water Company; provided, however, that in its discretion AIA may provide financial and other assistance with the maintenance and improvement of the same.
5. AIA is purchasing the materials to install a pipeline from the Pipe Spring diversion box in order to improve water flow for use by the Water Company, and in turn water may be directed to Hazel Lake if water is sufficient. The Water Company agrees to install, maintain, and repair the pipeline to be installed as part of this pipeline project for Hazel Lake and to do so at its own expense. In the past, a joint effort allowed the installation of the pipe from Arrowhead Lake to feed Hazel Lake. That joint effort will remain with this agreement, if repairs are needed.

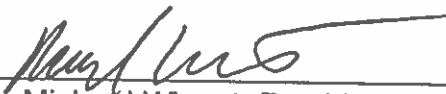
6. In the event that AIA purchases the Water Company or all or substantially all of its assets, including if the purchase results from the exercise of a right of first refusal, the purchase price will be reduced by the materials expenditure from AIA for the pipeline project for Hazel Lake. This is currently estimated to be at least \$26,198.76.

By signing this Letter of Agreement, the AIA and the Water Company understand and will follow through on all aspects of this Letter of Agreement.

Arrowhead Ranch Water Company, LLC


By: Donnie Squirrell, Member

Arrowhead Improvements Association, Inc.


By: Michael Wigent, President