



**APPROVED MINUTES
ARROWHEAD IMPROVEMENTS ASSOCIATION
REGULAR BOARD MEETING
Saturday, March 19, 2022
ARROWHEAD MOUNTAIN LODGE**

****The Board of Directors wishes to thank Arrowhead Mountain Lodge for once again hosting the Winter Board Meeting. Their continuing support of Arrowhead community functions is sincerely appreciated!*

MORNING OPEN SESSION - 9:00AM

The open session was digitally recorded and owners may access the audio file at:

https://www.dropbox.com/s/nkkbctvvab24r1p/March%2019%2C%202022_Regular%20Mtg_AM.mp3?dl=0

The recording position for the start of each Agenda Item and Vote is highlighted in **yellow**.

CALL TO ORDER: President Lowell Kindschy called the meeting to order at 8:59 a.m.

DETERMINATION OF QUORUM: Present were: President Kindschy, Vice President Brad Fowler, Treasurer Rosanna Harris, Secretary Keith Dalton and Member Rachel Grasmick. Members Bill Brassfield & Dennis Roberts were absent excused. **00:35**

AIA Design Review Committee Manager Joanie Thompson was also in attendance.

Thompson requested to address the Board regarding the use of polymer shingle look exterior siding. She briefed the Board on their review of the material to date and the desire of the DRC for an opinion from the Board. This subject was an Old Business item already listed on the afternoon Agenda. **00:50**

ENTER EXECUTIVE SESSION: *Covering issues involving personnel, delinquencies/ collections, legal disputes with owners and legal advice from counsel under CCIOA (C.R.S. Section 38-33.3-308(4) (a), (b), (e) and (f).* **12:10**

CLOSE EXECUTIVE SESSION: The session ended at 11:53 a.m.

LUNCH BREAK

AFTERNOON OPEN SESSION – 1:00 PM

This session was digitally recorded and owners may access the audio file at:

https://www.dropbox.com/s/nssqjbk1bou2yr/March%2019%2C%202022_Regular%20Mtg_PM.mp3?dl=0

The recording position for the start of each Agenda Item and Vote is highlighted in **yellow**.

CALL TO ORDER: Kindschy called the meeting to order at 1:02 p.m. **00:02**

DETERMINATION OF QUORUM: All officers & member from the morning session were again present. The previously determined quorum remained. **00:15**

About 17 owners were also in attendance.

PLEDGE OF ALLEGIANCE: Kindschy led the owners in the Pledge of Allegiance. **01:00**



ADDITION/DELETIONS TO POSTED AGENDA: 00:24

Correction – New Business: #2a – Banking Resolution – remove Rob Harper (Toad) as signator at Bank of the West.

Additions –New Business: #2b – Banking Resolution – add three Board Officers as signators at CIT Bank.
#3 – Owner request for posting of No Soliciting signs at Winter Parking lot.
#4 – Resolution to approve an updated Fee Schedule.
#5 – Exemption request - Guest RV Regulation at 2020 Spruce Road.

EXPLANATION OF MORNING OPEN AND EXECUTIVE SESSIONS: Kindschy 02:50

APPROVAL - MINUTES OF REGULAR BOARD MEETING HELD ON JANUARY 15, 2022:

Vote – approve Regular Meeting minutes: Motion by Dalton, seconded by Grasmick - Unanimously approved. 03:45

REVIEW OF FINANCIAL STATEMENTS: Harris reported that financial reports from January & February were not yet available. With the change in management, all 2022 financials will be reproduced by Assurance. Once available, the reports will be posted to the Financials page of the AIA website for owner review. She also reported that AIA will not owe income taxes on the profit from the sale of foreclosed lots in 2021. This results in roughly \$20,000 in savings. 04:35

Vote - approve Draft Financial Reports for January & February 2022: To be presented at the May meeting.

OWNER COMMENTS: None.

OLD BUSINESS:

1. Discussion and statement from the Board regarding new building material – polymer shingle look exterior siding (AIA REGULATIONS- ARTICLE 20. DESIGN GUIDELINES - STANDARDS AND SPECIFICATIONS, 23. NEW CONSTRUCTION MATERIALS 07:25
 - Design Review Committee Liaison Rachel Grasmick read a statement from the Board.

NEW BUSINESS:

1. Report and review of Action Without Meetings (AWM) held between November 13, 2021 meeting and present date – Kindschy 10:58
 - a. AWM – February 17, 2021 – vote to deny owner Formal Complaint – Unanimously approved.
 - b. AWM – February 17, 2022 – vote to approve Service Agreement with Assurance HOA Management – Unanimously approved.
 - *Discussion - Assessment billing and general questions about Assurance HOA Mgmt. 11:58-17:35
 - c. AWM – March 09, 2022 – vote to hire Harold Thompson as an employee of Arrowhead Patrol – Unanimously approved.
2. Banking Resolutions.
 - a. **Vote –Resolution to remove Rob Harper (Toad Property Mgmt) as signator at Bank of the West** – Motion by Harris, seconded by Dalton - Unanimously approved. 17:39
 - b. **Vote – Resolution to add Board Members Kindschy, Fowler and Harris as signators at CIT Bank** – Motion by Harris, seconded by Grasmick - Unanimously approved. 18:14



3. Owner Request to post “No Soliciting” signs at Winter Parking Lot. No action taken. 19:15
4. **Vote to approve updated Fee Schedule** – Motion by Harris, seconded by Dalton- Unanimously approved. 22:04
5. **Vote – to deny owner request for a season long exemption to the Guest RV Regulation at 2020 Spruce Road** – Motion by Dalton, seconded by Fowler - Unanimously approved (request denied). 23:49

COMMITTEE REPORTS:

1. Communications – Dalton 29:04
2. Design Review – Joanie Thompson 29:41
3. Forest Management – Harris 30:40
4. Heavy Equipment – Fowler 32:37
5. Arrowhead Patrol – Dave Reddish 35:40
6. Election Committee – Dalton 41:40

REPORTS FROM OTHER ENTITIES:

1. AVFPD – Jim Gelsomini, Chief 42:20
 - a. An AVFPD Board Member is needed for a three year term starting May 2022.
 - b. New Defensible Space booklets are now available.
 - c. AVFD is always in need of new volunteers.
2. AVFD Auxiliary – Carla Vavrik 46:00
 - a. Potluck – Tuesday at 6:00pm in the Firehouse.
 - b. Exercise – M/W/F from 10:00-11:00am in the Firehouse.
 - c. Auxiliary Meeting - Tuesday 04/05 in the Firehouse.
 - d. Fourth of July Fundraising Picnic – Saturday 07/02.
 - e. Chili Cook off – Saturday 04/02.
 - f. Clean up days – Fourth Saturday of each month starting in May.
 - g. First Responder Training Day – Monday 05/16.

BOARD ANNOUNCEMENTS: 57:15

1. Assurance HOA Management in Montrose is now the AIA office manager/bookkeeper.
2. Update on potential sale of Arrowhead Ranch Water Company.
** The correspondence referred to in the audio record is attached to these Minutes for owner review.*
3. Vehicles are required to be moved from Winter Parking lot for snow plowing!
4. All filing roads will remain closed to street vehicles & equipment until notice is posted on the AIA website:
<https://www.arrowhead1.org/> and our Facebook page
<https://www.facebook.com/ArrowheadImprovementsAssociation.AIA/> . Do not assume that a cleared section of roadway is open. Violators may be fined in accordance with AIA Regulations.
5. Hwy 50 Little Blue Canyon Project – updates & links available on the AIA webpage.
6. The AIA Board desires to form a Reserve Study Committee. Owners willing to volunteer please email the Board at: aiaowner1@gmail.com.

OWNER ANNOUNCEMENTS AND COMMENTS: None.

ADJOURNMENT:

Motion by Dalton, seconded by Harris - Unanimously approved. 01:07:43



The meeting adjourned at 2:09 pm.

Submitted by:

KEITH DALTON

Secretary/Member

AIA Board of Directors

03/25/2022

During the DRAFT phase of the Meeting Minutes, some reports, letters and/or correspondences presented by employees, committee members or BOD members may not be available for posting. They will be attached upon receipt if received before the DRAFT has been approved by the Board of Directors.

January 19, 2022

Certified Mail, Return Receipt

Rev. Lowell Kindschy, President
Arrowhead Improvements Association, Inc.

Re: Sale of Arrowhead Ranch Water Company

Dear Lowell:

We have been operating the water system serving Arrowhead in Gunnison Country Subdivision for over 43 years and it's time for us to retire. An entity wanting to seek non-profit status has approached us with a genuine interest in purchasing the Water Company to ensure a dependable water supply continues to be delivered to all lots in the community. We want to provide you with the following information:

1. We are in receipt of an unsigned and undated copy of a Right of First Refusal indicating it is between James F. Squirrell and his family's trust and Arrowhead Improvements Association, Inc.
2. While no one appears to know of or possess a signed copy of the Right of First Refusal, we want to be completely transparent and courteous and provide you with this notice of a proposed sale of our water company.
3. Now we have received an offer from a company seeking non-profit status. Their purpose would be to operate, maintain and protect the entire water supply system for all owners in the Arrowhead community.
4. The terms of the offer we have received include a purchase price of ONE MILLION EIGHT HUNDRED THOUSAND (\$1,800,000) Dollars paid in cash with a closing date no later than June 30, 2022. We request that your board advise us no later than January 31, 2022 whether AIA desires to match this offer. If we do not get a timely response from AIA, we will understand that AIA is not interested in exercising any claim under what we understand is an unsigned Right of First Refusal.
5. Again, I have worked up here at Arrowhead since I was 14 years old; now I'm ready to retire and want to see the community continue to be served

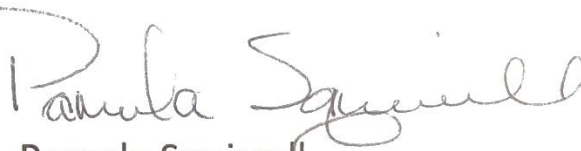
by a dependable water delivery system (and the best tasting water anywhere).

Thanks you for your consideration of this matter. I look forward to hearing from the AIA Board at its earliest convenience.

Sincerely,

A handwritten signature in cursive script, appearing to read "Donny Squirrell".

Donny Squirrell

A handwritten signature in cursive script, appearing to read "Pamela Squirrell".

Pamela Squirrell



January 24, 2022

Mr. and Mrs. Donny Squirrell

Dear Mr. and Mrs. Squirrell,

First, I would like to thank you for your transparency and courteousness with regard to the Right of First Refusal agreement that appears to exist.

In order for Arrowhead Improvement Association to determine whether or not to purchase the water company for the amount and by the deadline provided, and according to the Right of First Refusal, we would request to first have access to whatever due diligence documentation has been provided to the prospective buyer and also have a copy of the contract so that we can see the full list of terms and conditions that would apply, such as due diligence deadlines, etc for the purpose of making the necessary parallel offer.

After examination of due diligence documents, if it is determined that we are unable to exercise the Right of First Refusal, AIA would be willing to waive such right and certify to your buyer that we will not exercise said Right of First Refusal upon receipt from buyer to Arrowhead Improvement Association an agreement in an acceptable form stating:

- (i) all water and water rights associated with the water company and subdivision at this time will not be alienated or used for any other person or entity other than lot owners and the association, and
- (ii) the rates charged to lot owners and the association will comply with all applicable law.

Thank you.

Lowell Kindschy, AIA president

January 31, 2022

Certified Mail, Return Receipt

Rev. Lowell Kindschy, President
Arrowhead Improvements Association, Inc.

Re: Your Letter Dated January 24, 2022

Dear Lowell:

Thank you for your January 24th letter. We believe we have complied with the unsigned and undated First Right of Refusal by:

1. Notifying you of the offer we have received by mail which your wife signed for on January 20, 2022. Your 45 day period to match the offer ends March 5, 2022.
2. Providing the price, terms and closing date of the offer.
3. The First Right of Refusal does not entitle you to see the contract, nor any due diligence the Buyer may request nor to impose any requirements on the Buyer.

Please let us know as soon as possible (at least no later than March 5, 2022) whether you intend to match the offer.

Yours truly,

Donny Squirrell
Donny Squirrell

Pamela Squirrell
Pamela Squirrell

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. POSTAGE WILL BE PAID BY ADDRESSEE.
CERTIFIED MAIL®



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March 4, 2022

Mr. and Mrs. Donny Squirrell

Dear Mr. and Mrs. Squirrell,

In our first response I said: "In order for Arrowhead Improvement Association to determine whether or not to purchase the water company for the amount and by the deadline provided, and according to the Right of First Refusal, we would request to first have access to whatever due diligence documentation has been provided to the prospective buyer and also have a copy of the contract so that we can see the full list of terms and conditions that would apply, such as due diligence deadlines, etc for the purpose of making the necessary parallel offer."

Such a minimal request is the nature of the Right of First Refusal. The board of directors of Arrowhead Improvements Association, Inc. cannot approve a contractual commitment to purchase the water company for over a million dollars without having certain inspections and appraisals. These minimum requests are what any fiscally accountable purchaser would require. As you will not provide the same information provided the potential purchaser, you have not satisfied the obligations of the Right of First Refusal.

Sincerely,

Lowell Kindschy, AIA president

March 7, 2022

Certified Mail, Return Receipt

Rev. Lowell Kindschy, President
Arrowhead Improvements Association, Inc.

Re: Your Letter Dated March 4, 2022 and Received March 7, 2022

Dear Lowell:

We have strictly complied with the specific terms of the First Right of Refusal by notifying you of the price and terms as well as the closing date of the offer which we have accepted to purchase the Arrowhead Ranch Water Company.

The 45 days which the First Right of Refusal allows you to match the offer has expired. The AIA has not timely exercised its First Right of Refusal. Therefore, we will proceed with the contract which we have already accepted.

Yours truly,

Donny Squirrell
Donny Squirrell

Pamela Squirrell
Pamela Squirrell

Mr. and Mrs. Donny Squirrell

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Rev. Lowell Kindschy, President
Arrowhead Improvements Association, Inc.

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