ARROWHEAD
IMPROVEMENTS ASSOCIATION, INC.

DRAFT MINUTES
ARROWHEAD IMPROVEMENTS ASSOCIATION
REGULAR BOARD MEETING
SATURDAY, OCTOBER 3, 2026
ARROWHEAD FIREHOUSE

MORNING OPEN SESSION – 9:00 AM

CALL TO ORDER: Deb Hoven, President called the meeting to order at 9:01AM

DETERMINATION OF QUORUM**:** Present: President Deb Hoven; Vice President Rachel Grasmick; Treasurer Warren Gore; Secretary Mike Wilson; Leilani Pacheco-Nichols (virtually); Bill Brassfield; and Dennis Roberts.

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) and (f). Pursuant to C.R.S. Sections 38-33.3-209.5(1.7)(a)(II), 38-33.3-316(11) and 38-33.3-308(4)(e) possible action in executive session to refer delinquent accounts to legal counsel for collection and to authorize foreclosure of the association's lien relating to the same.*

CLOSE EXECUTIVE SESSION

LUNCH BREAK

AFTERNOON OPEN SESSION – 1:00 PM

The afternoon open session was digitally recorded and owners may access the audio file at:
https://www.dropbox.com/scl/fi/x7mxciqafq3fymggq9ve3/261003_1259.mp3?rlkey=adl0mhz5tcny1wo8l6bnk223u&st=27yjkede&dl=0

The recording position for the start of most agenda items and votes are highlighted in yellow.
Note: The audio recording was paused when the meeting was temporarily suspended while the audio-visual equipment setup was changed to accommodate presentation(s).

RETURN TO ORDER AND DETERMINATION OF QUORUM – 00:06
Deb Hoven, President called the meeting to order at 1:01PM.
Present: President Deb Hoven; Vice President Rachel Grasmick; Treasurer Warren Gore; Secretary Mike Wilson; Leilani Pacheco-Nichols (virtually); Bill Brassfield; and Dennis Roberts.

ADOPTION OF AGENDA WITH ONE ADDITION – 00:27 Deb Hoven
One addition/clarification was made to also include approval of minutes for Owners' Meeting held on August 15, 2026.

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EXPLANATION OF MORNING EXECUTIVE SESSION – 01:00 Deb Hoven
Shared there was a three-hour morning Executive Session and the general type of information that was discussed. Covered issues involving personnel, delinquencies/collections, legal disputes with owners and legal advice from counsel. Also, any actions in executive session to refer delinquent accounts to legal counsel for collection and to authorize foreclosure of the association's lien relating to the same.

[Refer to the EXECUTIVE SESSION Agenda for applicable sections of CCIOA Colorado Revised Statutes (C.R.S).]

PLEDGE OF ALLEGIENCE 01:41

PRESIDENT'S OPENING REMARKS – 03:13 Deb Hoven
There was a slide presentation.

Link to Presentation:
https://www.dropbox.com/scl/fi/p7mwna0c5n6dvpgl177qe/President-s-Address-100326.pdf?rlkey=zcdo6fg4sg56zq4a0ad0vomha&st=pglu46gs&dl=0

Presentation highlights included:
Overview of "What is Arrowhead?". There are 835 properties with about 680 owners. There are undeveloped lots, seasonal camping lots, homes used part-time, and full-time owners. AIA has to operate year-round to accommodate all the owners regardless of whether some owners are present.

Sustainability of the community is a focus, but it demanding of the volunteer board members to maintain and operate AIA without a dedicated community manager.

Multiple part-time employees work for AIA in various roles, including Outreach, road maintenance and heavy equipment operation/maintenance, forestry, managing DRC (Design Review Committee), office management and accounting, communications, and IT. There are also several committees staffed by volunteers that are demand the time and attention from the seven-person Board.

Reviewed the Board priorities originally set in January. Priorities that did get addressed and/or were deferred were discussed. Some progress was made on multiple fronts. Numerous gaps were discussed.

Learning … very limited historical documentation available or readily accessible. Several things have fallen through the cracks or are at risk or doing so. The Board continues to look for ways to address this issue into the future.

Financials were discussed. A $77k unexpected expense for road grader repairs impacted the planned 2026 budget. While the cost was unexpected and impacted the annual operating budget, it did not affect AIA's overall financial solvency due to the level of existing reserve funds. Changes to employee compensation laws, legal expenses, fuel costs, and concerns/actions related to fire risks all created additional costs.

Hazel Lake, Winter parking, larger maintenance storage are unresolved challenges. Fire related concerns continue to be an issue. Some owners are unable to get home owner's insurance. Others are finding it difficult

to get affordable insurance. AIA fire mitigation and forest maintenance/ revitalization has not gotten the necessary historical priority. Historical related spending has been extremely low and usually did not utilize the limited funds that were annually budgeted.

There was a discussion about the AIA capital and operating reserve funds and how they probably have not been optimally utilized. The discussion emphasized the need to focus on future concerns that can have a serious adverse outcome on the community and its sustainability if left unaddressed.

APPROVAL OF MINUTES FOR REGULAR BOARD MEETING AND THE
MINUTES FOR OWNERS' MEETING HELD ON AUGUST 15, 2027– 36:37 Deb Hoven, President
Motion for approval: Grasmick; Second: Brassfield
Approved unanimously.

REPORT ON AND ACCEPTANCE FINANCIAL REPORTS FROM AUGUST AND SEPTEMBER, 2026 – 38:29 Warren Gore, Treasurer
Highlights: Review of monthly statements and data not yet available that will be posted on-line. Discussed major expenses incurred during the period. This included the forest chipper program, new vehicle tires, fire mitigation in the interior of the community, annual weed spraying, and insurance costs. The fire mitigation project costs were shared (as listed under New Business, AWM expenses). The forestry budget in August exceeded the prior year's total forestry expenses. Funds originally intended for road maintenance and gravel were allocated to cover forest mitigation expenses and the unanticipated grader repair expenses. Funds will now need to be reallocated from reserve funds to cover some of these approved annual expenses. The reserve accounts have had significant growth in the last two annual budget cycles. Updates to the balance of the reserve funds were provided. Current CD and money market investments currently utilized for the reserve funds were discussed.

Questions from the audience about the responsibility and expenses for the maintaining the Alpine Plateau Road were discussed This included some historical perspective from a past board member and long-time resident.

It was again reinforced that there is not an overall AIA budget shortfall. It is primarily a dollar allocation challenge about how expenses are allocated. It is not an issue whether the funds exist. The term "budget shortfall" appears to have created some confusion.

Motion for approval: Gore; Second: Grasmick
Accepted by unanimous vote.

OLD BUSINESS

1. A proposal was previously received about the Meadow Nordic proposal from Micah McKee – 1:07:10 Deb Hoven
   A motion was made to table the Nordic track proposed expansion for later consideration.
   Motion to table the discussion: Gore; Second: Brassfield
   Accepted by unanimous vote.

2. Transfer fee and Sustainability Fund update – 1:14:30 Mike Wilson
   As previously committed, the Board has indicated it would not seek to increase fees or property assessments without being explicit about how the money sought would be utilized. Therefore, the focus of the discussion was about the creation of a Sustainability Fund, how it would be utilized, its necessity, and how it would benefit the community. The amount of any actual fee has not been

determined. And, while a transfer fee is being considered and is considered one of the more equitable means to spread the cost for all owners, no decision has been made.

The topic has been discussed at multiple prior Board Meetings. There has been substantial community feedback that investments in fire mitigation, reforestation, and other neglected projects related to the future health and prosperity of the AIA community require attention.

Unfortunately, a false narrative about the financial impact, the source of funding, and its possible negative impact on property values has circulated within the community. The narrative has often lacked critical context or has been based on incomplete information. Claims that the board is seeking to address budget overruns, build a golf course, or create a resort community are just some of examples of misinformation circulating.

The primary focus of the ensuing discussion was focused on the purpose and merits of a Sustainability Fund intended to ensure the future prosperity of Arrowhead and the preservation of property values. The discussion focused on a one-page document describing the proposed fund and its purpose.

Link to the Sustainability Fund document that was discussed and also available to the meeting attendees:
https://www.dropbox.com/scl/fi/cscjie9ch0ru73bu2d017/Sustainability-Fund-and-Transfer-Fee.v4.docx?rlkey=jtrpau66uv74t80qzzff9q4bg&st=a193gm59&dl=0

The discussion and audience comments/concerns are best conveyed by listening to the audio recording of the meeting. A written summation of the presentation and discussion could unintentionally introduce bias.

NEW BUSINESS

1. Report and review of Action Without Meetings (AWM) held between August 15, 2026 meeting until present date – 1:56:10 Deb Hoven
   a. AWM – 8/19/2026, approval for fire mitigation contract work of three interior common ground locations. Childs' Excavating, $12,280; Dynamic Timberworks and Land Management, $15,750.
   b. AWM – 8/27/2026, drone mapping of select common areas for analysis to assist in fire mitigation planning and forest management. No cost except a commitment for reimbursement of required liability insurance, not to exceed $300. The final cost was actually $65.

2. Consideration/possible approval of a pilot fire mitigation project proposal – 1:57:01 Dennis Roberts
   The project is one of two planned pilot projects that would each create a 40' wide fire break along approximately one-mile sections of the fenceline on the Western perimeter of AIA. The pilot projects are intended to inform future planning and the development of a comprehensive, strategic plan for forest management and fire mitigation. Multiple requests for Proposals (RFPs) have been received for each project. Both projects were described.

   The South Boundary Fire Mitigation Project, a fire break and access route that will extend approximately one-mile South from Three Fish Road along the AIA property line (roughly 5 acres),

would begin immediately if approved. Consideration of the second project, extending North from Three Fish Road, has been deferred until the Spring.

A Board member shared their experience about the challenges affecting owners' ability to obtain fire insurance and how projects like the ones being discussed can be important. An owner comment initiated a brief discussion about the status and functionality of the fire hydrants in the community.

Motion to approve Thompson Enterprises, LLC quote for $17,300 using Operating Reserve Funds to fund the South Boundary Fire Mitigation Project: Roberts; Second: Wilson
Approved unanimously.

3. Introduction Troy Rogers, Ranch Manager, Middle Blue River Ranch – 2:11:39 Mike Wilson
   The Middle Blue River Ranch has the longest property line border with AIA or any entity. It is roughly 7,000 acres to the West of Arrowhead. The ranch faces the same issues and challenges related fire mitigation and forest management that AIA faces. The ranch obtained a $450k source of funding for fire mitigation and Troy offered to help the AIA community learn from his experiences. But that funding, was subsequently delayed because of staffing shortages within the funding agency.

4. Approve the appointment of Election Committee members that will serve the remainder of 2026 and for the entirety of 2027 – 2:23:36 Mike Wilson
   New Members: Martha Harden Darby; Lynn Hoover; Robin Short; and Kathy Carlson
   Motion for approval: Wilson; Second: Brassfield
   Appointments approved unanimously.

5. Discussion about water in Hazel Lake – 2:25:47 Deb Hoven
   Hazel Lake has leaks and the water level is extremely low. There is also Cattail control spraying planned. There was discussion about possible steps that could be utilized and/or have previously been taken to address the issue. The importance of Hazel Lake as a water source to respond to a fire was emphasized. There was invaluable historic perspective shared. Years ago, a plan was developed, but funding was never approved. It illustrates another example of key infrastructure that has been neglected.

6. Awareness of computer and security camera proposals being developed for consideration/ possible future approval – 2:31:24 Deb Hoven and Kirk Bonner
   Items being considered for acquisition include a laptop and software for Forestry, a Board laptop, AIA owned video equipment for meetings, and another camera for the Winter parking lot. There could also be costs associated with connecting an older camera to the current monitoring system and seeking to resolve a camera blind spot. There may be an Action Without Meeting (AWM) required in the future if acceptable quotes or sales necessitate proceeding.

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7. Communicate 2027 Regular Board Meeting dates – 2:35:06 Mike Wilson
   The schedule for the following year's AIA Board and Owners' Meetings will be:
   a. January 16, 2027
   b. March 20, 2027
   c. May 15, 2027
   d. July 19, 2027
   e. August 21, 2027 - Annual Owners Meeting [Note: Agenda typo indicating 2021 was corrected]
   f. September 18, 2027
   g. November 16, 2027

   Some 2027 dates may be subject to change if a Board quorum would not exist. There was also a warning that upcoming November 2026 Board Meeting may need to be changed due to this issue.

COMMITTEE REPORTS 2:38:25

1. Forest Management – Dennis Roberts (Jim Gelsomini unavailable)
   Drone project update provided including current data challenges. New software and AI are being considered which might increase the value of the drone imaging. The first load of logs from AIA property have been removed for which AIA will receive payment. Further will likely follow. Jim Gelsomini is looking at sources of trees that could be used for reforestation and is also looking at possible grants.
2. Heavy Equipment/Maintenance – Dennis Roberts
   Road work is weather conditions. Recent rains have permitted additional grading of the Filing Roads and the Winter parking lot. All heavy equipment maintenance has been completed in preparation for the Winter.
3. Arrowhead Outreach – Leonard Wasilewski
   Three new Outreach employees have completed training and were introduced. Be cautious around NNTC work areas on Crest where heavy equipment is being utilized.
4. Communications – Rachel Grasmick (Stacey Paznokas unavailable)
   New advertising program has been successfully implemented. Several new website pages and a new home page are now live (www.arrowhead1.org). A new one-page overview of AIA is now available on-line. A new RFP page is under development and an owner/guest info page and corresponding pdf is nearing completion. An on-line process that potentially replaces guest and owner registration that is currently paper based is getting ready for rollout.
5. Design Review Committee (DRC) – Joanie Thompson
   Last meeting of year planned for October 12th. Recent approvals: 2 sheds, a roof change, a driveway redesign, a cabin, and a garage. Joanie has resigned and a replacement is being sought to Chair the DRC. Joanie has committed to stay involved to help with training and during a transition. There was significant appreciation expressed about Joanie's effort and commitment to the community in the role.
6. Guest Committee – Deb Hoven
   The committee has provided recommendations to the Board. They are recommending an initial 12-month communication and data collection initiative addressing unaccompanied guest in lieu of any new rental regulations at this time. An overview was provided of the thirteen recommendations. Several of the recommendations are related to gathering more data to help inform appropriate next steps. The committee's recommendations will be posted on the AIA website.

The current AIA Covenants do not prohibit short term rentals. It would require a vote of the owners to change the Covenants.

7. Dust Mitigation Committee
   No update
8. Election Committee
   No update
9. Sustainability Committee – Deb Hoven
   A request was made for a Sustainability Committee. People interested in participating on the committee should let the Board know. The committee will play a crucial role in setting priorities and identifying funding needs for the community.

REPORTS FROM OTHER ENTITIES 3:01:20

ASC Poker Run date set for February 20, 2027.

BOARD ANNOUNCEMENTS – Deb Hoven 3:01:57

1. Special recognition for Bill Brassfield. The meeting is his last as an AIA Board member and he was recognized and thanked for his service.
2. Street legal vehicles, snowmobiles, tracked OHVs, and cargo trailers may be parked in the designated areas at the Winter Parking Lot after Thursday, October 15th.
3. The AIA designated close date of the 2026 camping season and the horse corrals is dependent upon continuing dry weather and road conditions. Early significant snowfall could require closure of Filing Roads at any time. Owners should monitor weather forecasts, the AIA website, and CDOT website and plan accordingly. Currently the date is set for November 15, 2026.
4. Please refer to the notes at the end of the agenda.

OWNER ANNOUNCEMENTS AND COMMENTS

None

BOARD MEMBER CLOSING REMARKS

None.

ADJOURNMENT 3:04:12

Meeting was adjourned at approximately 4:08 PM. Duration: 3 hours, 7 minutes

Mike Wilson
2026 AIA Secretary
11/04/2026