

Minutes of the
Arrowhead at Vail Association
Board of Directors Meeting held
June 24, 2019

A meeting of the Board of Directors of Arrowhead at Vail Association (the “Association”) was held on Monday, June 24, 2019. Board members present were Cathie Bennett, Diane Loosbrock, Randy Smith and Dan Gallagher. Board member, Tim Gropp, attended via video conference. Also in attendance by video conference was George Coleman, Ex officio. Others present were Jerry Hensel, Association Manager, Sid Schultz with Design Review Administration, Koby Kenny, Director of Public Safety, Mike Trueblood, Senior Director of Beaver Creek Village Operations, Bob Shafer, representing Arrowhead Metro District, Erin McCauley, Financial Analyst, GiGi Fisher, property owner, and Carol Floyd, Secretary to the Meeting. The meeting was called to order at 10:02 a.m., and it was noted a quorum was present.

Public Comment

Bob Shafer gave an Arrowhead Metro District (“AMD”) update. The financial audit has been completed and will be approved at the upcoming AMD Board meeting. Jerry Hensel has been working with Alpine Engineering to update the 10-year plan for road resurfacing to be reviewed by the AMD Board. The \$2m bond refinance is expected to close in September. Bill Roe continues to work on the Service Plan update to clearly define AMD’s role.

Design Review

Sid Schultz said there will be discussion in the next Design Review Board (“DRB”) meeting in regard to duplexes and the new guidelines; specifically, when changes are made to one side only.

Public Safety

Koby Kenny presumed the discrepancy related to boot placement and removal, of 24 vs. four year over year, is because the message is out and there are fewer infractions. He noted some items were not tracked previously. There were four minor complaints logged in May. Koby will work with Cathie Bennett and John Herbert to refine the report for the July meeting.

Short-term Rental Regulation: Jerry Hensel and Koby Kenny raised concern regarding enforcement of different fine structures for rental guests and property owners. Dan Gallagher stated these proposed fines have been presented to the community for the past year and that the Board will revisit one year after they take effect. Ms. Fisher questioned the reason for differing fine structures and why bad behavior would be treated differently for a short-term renter versus a property owner. She recommended everyone be treated the same. Dan Gallagher asked Cathie Bennett to take the matter of increasing fines for improper homeowner behavior to the Public Safety Committee for consideration. Diane Loosbrock suggested eliminating “for any duration” in the language of section 2 b. The Board was in agreement. Jerry Hensel advised seeking approval by legal counsel before making the aforementioned change. Tim Gropp commented on paragraph 5 and the Board was in agreement to change the heading to License Term and Termination.

Motion was made by Randy Smith to approve the Policy Regarding Residential Short-term Rental Licensing, Regulation and Rules for purposes of sending to the community for a 30-day comment period, subject to legal counsel's clarification of the deletion of "for any duration" in the last phrase of paragraph 2 b, and the addition of "and Termination" to the heading of paragraph 5. The Board may make revisions to this policy once it receives comment. Diane Loosbrock seconded the motion and it was unanimously approved.

Host Compliance: Cathie Bennett summarized the Host Compliance ("Host") implementation process. Host will identify short-term renters. License applications and renewals will be completed on line. There will be meetings with Host to customize the program in accordance with the Association's regulation and establish payment procedures. Randy Smith made the recommendation to disclose in the communication to property owners that a contract has been signed with Host. Cathie spoke about their reporting systems and data. Jerry Hensel offered to schedule an informational meeting with Beaver Creek who currently uses Host.

Cathie Bennett moved to approve the contract from Host Compliance for Dan Gallagher's signature with a contract effective date of July 1, 2019. Randy Smith seconded the motion and it was unanimously approved.

Committees

Hiking: Jerry Hensel gave an update on the new trail. The head of the trail is off the gate entering Arrowhead from Bachelor Gulch. The crew is approximately 200 yards from connecting with where the trail ended last fall. It is expected to be complete by July 4th. Jerry noted the trail was dropped outside of the view lines of homes in Bachelor Gulch. Dan said he, Jerry and others will hike the trail next week to determine where the return will rejoin the existing trail to allow for grooming. Discussion took place in regard to a sign for the start of the trail. All were in agreement to match the Beaver Creek color scheme. Jerry reported the Mountain Recreation kids trail run has been postponed for a date to be determined.

Activities: Diane Loosbrock spoke about success of the Ice Cream Social with attendance of 75. Randy Smith suggested changing event messaging to include residents and their house guests. The Board discussed ways of increasing social media engagement on the Arrowhead Facebook and Instagram pages.

Pool Advisory Council: George Coleman stated the Pool budget is expected to be adopted by July 1st. Tim Gropp said he has received no feedback on pool hours other than from two Board members who suggested deferral to the Village residents, and implementing a consistent schedule for summer and winter.

Intercommunity Council: Randy Smith stated he is waiting to bring the council together once decisions are made in regard to facilities and operations at Country Club of the Rockies.

Strategic Planning: The next meeting is scheduled for July 12th at 10:00 am.

Landscaping/Beautification: Jerry Hensel reviewed the first rendition of the lighting proposal including the replacement of street lights, parking lot lighting, and installing stone on existing pilasters. Innovative Lighting would like feedback from the Board and have offered to attend the next meeting. Jerry will send an email to the Board defining lighting ownership between the Association, Village at Arrowhead Association, and AMD. Jerry noted one outstanding matter is the color scheme and whether to change from green. Dan Gallagher requested a working group be formed for this multi-year project consisting of Randy Smith, Cathie Bennett, Tim Gropp, Bob Shafer, Mike Trueblood, and Jerry Hensel. Cathie Bennett explained planting is slightly behind schedule because of weather. Jerry added all planting will be complete by

July 4th. Diane Loosbrock asked about the status of a tree which has been cut down at the west gate. Jerry answered the tree will be removed and replaced with a rock. Dan suggested doing a drive around to identify areas in need of enhancement or upgrade. Randy Smith proposed consulting a community design architect. Dan spoke about the need to look at overgrowth of trees. Cathie will contact Kathy Aalto, Landscape Architect.

Communication: Randy Smith said he has received positive feedback on the new newsletter format. Posters have been put up at the gates for the Ice Cream Social, and will be posted for future community-wide events. Ads will be placed in the Vail Daily for the Thursday Afternoon Club events. Diane Loosbrock requested an email blast be sent regarding the first Bravo! bus. Jerry clarified the 4th of July bus will run on 30 minute intervals and the route will be added to the Village Connect app.

Public Safety: Discussion took place in regard to constructing a sidewalk/bike path from the main gate along the south side of Highway 6 to the Miller Ranch light. Cathie Bennett said she has inquired with Avon Town Council about the process for getting a traffic light. The response she received was that it is complicated, requires involvement of Colorado Department of Transportation and other governmental agencies, and can take a long period of time. Jerry Hensel said this issue was previously addressed seven years ago and after six months of negotiations with the State, the speed limit on Highway 6 was lowered by 5 mph. The Board asked Jerry to schedule a meeting with State officials to reexamine options. Cathie will oversee this matter with the Public Safety Committee.

Nominating: Diane Loosbrock reported she has received ten recommendations for Board nominees. The next step will be for the committee to discuss potential candidates.

Financials

As a follow-up to the last Board meeting, Tim Gropp said one CD has been reinvested for ten months. There are three CDs currently invested that will mature in April and May of 2020, and May of 2021. On the Income Statement, the unfavorable variance for trash removal and insurance savings have been carried forward to year end. Real Estate Transfer Assessments (“RETA”) is \$488K through May, \$33K favorable to budget. \$300K in RETA is anticipated to close by the end of July. Tim said he expects to exceed the budget of \$501K for the first half of the year. Cathie Bennett commented that inventory is low. Dan Gallagher will contact Kathy Iverson to get a list of current inventory on the market. Jerry Hensel gave an overview of the status of capital projects. Windscreens are complete. Village landscaping has not yet been done. The initial lighting analysis was accomplished as previously discussed. The Tennis Center ball machine has been received. There is a \$20K positive variance for the gate system feasibility study that was determined to be unneeded. A positive variance of \$10K is expected upon completion of the east end hiking trail project. One Public Safety security vehicle has been purchased with a savings from budget.

Other Business

Electronic Voting: Jerry Hensel asked for the Board’s direction whether to move forward with electronic voting through a third-party company for the upcoming annual election or to continue with paper ballots. He noted the need to engage legal counsel for review of governing documents in regard to the electronic voting process. The Board was in agreement to proceed with electronic voting and to consult with legal counsel.

Diane Loosbrock moved to engage Greg Perkins to review the Association’s Bylaws and Articles to allow for electronic voting. Randy Smith seconded the motion and it was unanimously approved.

There being no further business, Randy Smith moved to adjourn the meeting. Cathie Bennett seconded the motion and the meeting was adjourned at 11:49 a.m.

Respectfully submitted,

Carol Floyd

Secretary for the Meeting