

Minutes of the
Arrowhead at Vail Association
Board of Directors Meeting held
August 22, 2017

A meeting of the Board of Directors of Arrowhead at Vail Association (the “Association”) was held on Tuesday, August 22, 2017. In attendance were Board members Rick Bross, Cathie Bennett, George Bigley and Patty Strunk. In attendance by phone were Board members George Coleman and Dan Gallagher. Also in attendance were Jerry Hensel, Association Manager, Erin McCauley, Accounting Manager, Tim Baker, Sr. Director of Beaver Creek Village Operations, Jim Clancy, Director of Public Safety, Sid Schultz with Design Review Administration, Bob Shafer, representing the Arrowhead Metro District, and Carol Floyd, Secretary to the Meeting. The meeting was called to order at 9:01 a.m., and it was noted a quorum was present. Introductions were made.

Public Comment

Bob Shafer gave an Arrowhead Metro District (“AMD”) update noting nothing new to report in regard to the proposed Country Club of the Rockies golf cart lease program. Tracking sales, the average sale price per square foot is \$570. AMD will soon begin the 2018 budgeting process. Bob spoke briefly about the Gallagher Amendment. The question was asked, who is responsible for sidewalk maintenance? Jerry Hensel answered, Village at Arrowhead is responsible for the sidewalks and AMD for the curbs.

Meeting Minutes

George Coleman moved to approve the July 25, 2017 Board of Director Meeting minutes as presented. Cathie Bennett seconded the motion and it was unanimously approved.

Public Safety

Jim Clancy explained that Rod Moraga with Anchor Point was unable to be at this meeting as planned and would attend a future meeting to comply with the requirement of a public meeting for Firewise certification. Anchor Point has completed the Firewise application and Jim asked for the Board’s confirmation to proceed. The Board was in agreement. Jim said he and Rod plan to devise a detailed five-year plan in accordance with the findings from the forest health report. Jim informed the Board the reason the Cresta gate has been left open during the day is because of a large excavation project at the top of Cresta Road. The gate is closed evenings and weekends. No inquiries have been received for the Public Safety Committee. Patty expressed interest in participating on the committee. Jim offered for Public Safety to present topics of interest at the Board’s request. Discussion took place regarding the

enforcement of short-term parking at the skier drop-off area. Rick Bross said he has received several complaints pertaining to speed control. The Board considered various means of reducing speed and decided upon an additional flashing speed sign. Jim Clancy noted they are most effective when moved frequently. He will provide pricing for Bob Shafer to propose the purchase of a sign by AMD. Per Rick Bross, the Association's legal counsel has advised waivers are not necessary for the Labor Day community event.

Nominating Committee

Dan Gallagher said the number one candidate is moving from one property to another and for this reason will not be nominated for a position on the Board. Dan will present the Committee's final recommendations for nominees in the September Board meeting.

Public Comment (Part 2)

Cindy Engles, President of Trailside Homeowners Association, joined the meeting to address access through interior gates. She stated when the skier parking lot was purchased, the public was granted access to the parking lot and Village-to-Village trail from the base of the mountain. She noted cyclists are bypassing this trail access to ride up Cresta Road creating security and safety concerns. She suggested creating deterrents for non-homeowners to include directing bike traffic to enter through Public Safety where they would be given instructions on authorized access to the lot and trail. She proposed including questions on the next homeowner survey pertaining to satisfaction with the level of security. She further recommended signage at all entry and interior gates. Discussion took place regarding implementing a policy requiring owners to notify Public Safety in advance of the arrival of guests. Jerry Hensel responded that tags are issued to all guests and contractors upon entry. Bob Shafer noted every road in Arrowhead is public. Jim Clancy will bring signage and access proposals to the next meeting. Cindy also spoke about the need for a drone policy.

Design Review

Sid Schultz said the Design Review Committee ("DRC") is currently waiting for two additional proposals due by August 31st for the Design Guidelines revision project. Interviews with these firms will be held during the DRC meeting on September 7th. Sid will share this information with Rick Bross prior to the Town Hall meeting.

Financials

Cathie Bennett reviewed the financials stating, as of July 31, 2017, real estate transfer assessments ("RETA") were \$140K below budget. She will meet with Erin McCauley and Jerry Hensel to examine expenditures. Cathie requested Board members email her specific items and projects to be considered for 2018 in the September budget discussion. An increase in the annual assessment was discussed. Jerry Hensel suggested determining the percentage of budget assessments should be.

Committees

Activities: George Coleman reported on various activities and events. There were 50 attendees for movie night. Tennis is going well and the issue of dampness on the Har-Tru courts will be addressed at the end of the season. Summer Camp has had higher attendance than last year. State certification for the camp has been received. Interest in pickle ball is proceeding well. The basketball court has been moved with the addition of a surrounding barrier fence. A shade has been installed at the slide on the playground. There has been no progress with FAC due to the expense being too high for Vail Resorts to absorb or the Association to mitigate. Activities planned for the 'Summer Salute' event include morning and afternoon community hikes, trivia, relay races, a hula hoop contest, and water balloon toss with prizes. A cash bar will be open. George asked fellow Board members to spread the word amongst friends and acquaintances. Rick added that pickle ball choose-ups will likely be rescheduled for a different day because of Sunday football.

Strategic Planning: George said the Strategic Planning Committee is waiting on the formation of the Snow and Transportation Committees and will reconvene with additional input from the first of two Town Hall meetings. Rick Bross updated the Board on two potential locations for a new pool that he and Jerry Hensel have looked at. Both sites are owned by Vail Resorts. One location near the water tower has four plats of land, one which has been deemed undevelopable because of unstable ground. The other site is currently leased by an outfitter. Jerry is waiting to receive a copy of the lease agreement. George Coleman suggested the possibility of relocating other amenities to utilize existing space. Rick Bross added there is space in the current pool location to add more hot tubs.

Image/Beautification: Patty Strunk talked about potential landscape improvements along Cresta Road from the parking lot to the Cresta gate. Jerry Hensel has obtained a proposal to place sod two feet in width along the right side of Cresta Road providing a better view of the creek with three portals of flowers and trees. The estimated cost is \$75K. Patty requested Jerry get sketches of the proposal and he agreed to do so noting there would be a cost associated. The front entry was discussed and Jerry recommended removal of the shrub bed to be replaced with flowers. Signage for the east side of the entrance is estimated to cost \$70K. Rick Bross asked for an update on cottonwood and crab apple tree removal throughout the community. Jerry said, other than one homeowner association, there has been minimal participation. Rick voiced his opinion that there is no need to replace the trees which have been removed.

Communications: Rick Bross reported there were only four attendees for the broker open house event. George Bigley advised there would need to be a community open house including all Arrowhead properties for sale to draw brokers.

Other Business

Trash Service Agreement: Jerry Hensel informed the Board the agreement has been revised whereby homeowners are responsible for containers. A surcharge will apply if diesel goes over \$3.00 per gallon. Jerry Hensel will notify Dan Gallagher.

Rentals License and/or Resort Fees/Tax: Rick Bross said the AMD's and Association's attorneys are working together on ideas for increasing revenue without impacting homeowners.

Irrigation: Jerry Hensel reported irrigation has been installed at McCoy Creek gate and will be close to budget. The Riverbend and main gates remain to be installed. In addition, the Metro District was connected to the raw system eliminating a water bill.

Bachelor Springs Annexation with Arrowhead: Rick Bross spoke about Bachelor Springs' interest in annexing into Arrowhead. There are 13 buildings and 26 doors which would generate approximately \$30K additional revenue from annual assessments. RETA would be collected. It was noted a similar request was previously declined because of potential for overuse of amenities. Comment was made the impact would be insignificant on the tennis courts, but more so on the already overcrowded pool. Discussion took place regarding the requirement of a buy-in and using those funds toward an additional pool. George Bigley mentioned yearly maintenance of an additional pool would cost in the range of \$100K. At Rick's request, Bob Shafer will obtain a comparison of assessed value for Bachelor Springs vs. River Ranch.

Tennis: Rick Bross announced with Hannah Thompson's departure, one of the Cliff Drysdale tennis pros from Bachelor Gulch will oversee the Arrowhead program through September.

There being no further business, the meeting was adjourned at 10:54 a.m.

Respectfully submitted,

Carol Floyd

Secretary to the Meeting

ARROWHEAD AT VAIL

Town Hall Meeting

September 1, 2017

Rick Bross introduced himself and fellow Arrowhead at Vail Association (“AVA”) Board members present: Patty Strunk, Cathie Bennett and George Coleman.

Rick presented AVA’s Vision, Mission, and Guiding Principles noting they are the first for the Association. They are also located in the Property Owner’s Directory.

Rick spoke about accomplishments over the last five years by the community as a whole with the involvement of many property owners, the Metro District Board, and Vail Resorts. Rick complimented Jerry Hensel who is the Association Manager for AVA and works closely with the Metro Board. Some of the accomplishments include:

- Security: Substantial upgrade to the security system with greater camera resolution to read license plates. Cameras have been added at the skier drop off by the Alpine Club and at the skier parking lot. Larger monitors are now in place at the Public Safety office with a capacity to store more video for a longer period of time. New entrance fobs and lime green stickers have been implemented to identify homeowners. To assist Public Safety in patrolling the community, hang tags are issued to employees, contractors, skiers, and Vista patrons. The gate system has been improved. Rick noted the Cresta gate has been open recently due to a large construction project at the top of Cresta Road. He added Vail Resorts has done a very good job managing the skier parking lot this past year.
- Transportation: Weekly shuttle to Vail. Instead of two roundtrips to Vail, one will be offered this season in accordance with ridership in previous years. More than 3.6 miles of road has been resurfaced in the last three years. The skier lot was restriped to add 14 homeowner parking spaces. George Coleman noted the Metro District has just added three additional spaces.
- Trail: The AVA Board’s recommendation is to add two new trails to the east and west. Doug Sewell and his wife have been hiking and tying off a route for consideration. Doug said there is an opportunity to put in two trails that intersect with a nice mixture of sage, Aspen and Pine forest along the spine going toward Bachelor Gulch. They would be named Comanche and Apache, to stay with the Native American theme, unless someone has a particular interest in another tribe. Rick Bross noted this project has been an approved capital investment in the last two budgets. George Coleman spoke about the rationale for why it was in the budget and not done. The Board watches revenues as they come in to ensure they are able to make budget. The budget is closely tied to property sales, and because sales were slightly down this project was postponed but not forgotten. Rick added although real estate transfer assessments have been close to budget the past two years, when they come in late in the year it is too late to start a trail project.
- Playground: New equipment and restrooms have been a nice addition to the community.
- Beautification: Patty Strunk is Chair of the Beautification Committee. Many landscaping improvements have taken place at the base of the lift with completion of the east side this year and the addition of large flower pots. This space is being well utilized. Brush has been removed by the stream and boulders added for seating and stepping over to the Alpine Club.

This year a lot of overgrown shrubs and trees were removed at the main entrance to Arrowhead. The Committee will continue to look at other areas throughout the community where this can be done. Replacing trees will be considered, but the Committee is leaning toward cleaning up and opening up. There is currently a program to waive fees on removal of Cottonwood and Crabapple trees. Cottonwood are dirty trees that were planted because they are fast growing and there were no trees when the community was developed. Crabapple trees are a safety concern because they attract bears. In collaboration with Country Club of the Rockies (“CCR”), the irrigation system has been upgraded at the east, west, and McCoy gates. Two additional hook-ups remain to be done. These upgrades provide a quick return on investment because of the connection to free water.

- Social Activities: Movie Night was a success with 50 adults and children in attendance. Last winter, there were a Wine and Cheese and Après ski event for non-Alpine Club members in collaboration with the Alpine Club. Although they were not well attended, they will be offered again this winter season. The Labor Day event begins Sunday with a morning hike up to the yurt and an afternoon hike on the new trail. George Coleman stated this event was in response to the community’s request via the survey to have a Labor Day event similar to Fourth of July.
- Tennis Courts: The tennis program is managed by Cliff Drysdale. The pro shop and pavilion have been remodeled and the grass area and landscape enhanced, lending itself to other activities if the space is needed. A drinking fountain and bottle filling station were installed. Tennis memberships were offered to non-resident Alpine Club and CCR members, and four or five were purchased. The hard courts on Aspen Meadow Drive have been striped for pickle ball with the addition of a new restroom and patio with table and chairs. Pickle ball equipment is located at the courts. Weekly free clinics and choose-ups are offered.
- Other: Communication with property owners has been enhanced with more frequent email and Town Hall meetings. The Board has worked on collaborating with the Alpine Club, Vail Resorts, CCR, and the Metro District with liaisons amongst each Board to avoid surprises.

Rick thanked the Strategic Planning Committee members: George Coleman, Dan Gallagher, Brad Kornfeld, Diane Loosbrock, Mary Pat Rapp, and Doug Sewell for their participation. They worked with the Urban Land Institute (“ULI”), met with the Board, and interviewed a variety of property owners to get input. From there they created the survey which went out and the results were posted on the AVA website. There was great participation on the survey with 508 total and 384 unique responses. 95% were very satisfied or satisfied with the quality of life in Arrowhead. 71% were very satisfied or satisfied with the sense of community. With the increased number of events, the hope is for this percentage to go up. 58% of respondents are members of the Alpine Club, 36% are members of CCR, and 152 CCR members belong to the Alpine Club. This signifies a lot of interaction between the different organizations. 81% of respondents were age 55 years of age or older.

Based on survey responses, there were several recommendations: 1) A pool and spa for homeowners only: Locations are being explored and the outcome is uncertain at this time. A question was asked pertaining to ownership of the swimming pool. Bob Moroney answered Vail Resorts/Alpine Club own the pool; compensation is provided by two association, AVA and Village at Arrowhead Association (“VAA”), to offset some of the expenses. Jerry Hensel added AVA and VAA each contribute \$30,000 annually toward this expense. 2) Benches and seating at the base of the lift: The Board will be looking into this going forward. A question was raised in regard to the allowance of lap swimming in early morning. Jerry Hensel said this is something that should be discussed further. 3) More lighting and signage throughout the community: Rick said the environment will be taken into consideration for this improvement. An additional sign on the east side of the main entrance was approved in the current budget, but is on hold dependent upon Real Estate Transfer

Assessments (“RETA”) received. 4) More social events - a Labor Day event, holiday party, and snowshoe lunches. Rick thanked George Coleman for all of the work he has put into these events and activities. 5) Updating of the Arrowhead Design Guidelines: Rick said, of all things that could be done to increase property values, home design is most important. The Design Review Committee will work with an outside firm and members of the community to form a Design Guidelines Committee (“DGC”). A number of people have expressed interest in being involved. David Cooper, DRC member, said they are hopeful to have a consultant in place by the end of September. Open Houses will be held toward the end of the year to communicate DGC recommendations for guideline revisions. The goal is to have a new set of guidelines for the DRC to use in reviewing projects by mid-spring or early summer of next year. David said the DGC welcomes dialogue from community members. Rick commended the DRC’s sincerity and hard work.

Under consideration are casual dinners, walking/nature related activities, biking, and more inexpensive activities for kids. Rick noted these were more important to relatives of homeowners than to homeowners. Rick said it takes a lot of time and effort to put on the event that is happening on Sunday. George Coleman and other Activities Committee members have been doing that. The Board is considering a part-time position to assist with these events. George is working on this, and the Board will determine how many hours are needed and the cost associated. Working with Vail Resorts on a sledding hill and kids’ adventure zone is also being considered. Single-stream recycling would involve an added expense to trash collection. A new trash collection agreement has been signed, effective January 1st. Single-stream is not included, but can be added at any time. Jerry Hensel explained with single-stream recycling, one 90 gallon container is used for everything recyclable. It allows for broader recycling and is separated at the plant. Additional shuttles to Vail during the day and Beaver Creek at night were high on the list of amenities. 88% of respondents would prefer to pay on an ‘as you go’ basis for weekend and evening service to Vail and Beaver Creek. 61% of respondents would prefer to leave parking lot as it is. The topic of how to make Arrowhead more private was discussed. Rick Bross said Arrowhead Metro District (“AMD”) is responsible for the roads. There are gates requiring security codes for access. The Board has requested Public Safety be more diligent. Cindy Engels spoke in regard to interior street access and her concern over non-homeowners using Cresta Road for bicycling. Rick said the Board is working with AMD and attorneys on this issue. The question was raised about renaming Arrowhead at Vail. George Coleman said if this were to take place, it would involve reimagining including logo, website, literature, etc. Rick Bross said there will be a touch pad installed at the entrance to the swimming pool for access by homeowners and their guests only. Rick stressed the importance of not giving out the access code. The pool and restrooms will have the same code. Rick said the Board is exploring all possibilities of ways for non-homeowners to share expenses. Also under consideration is requiring property owners to notify Public Safety in advance of their guest’s arrival.

George Coleman said there will be a follow-up Town Hall meeting in January. Notes from this meeting will be posted on the website. He said it is the intention of the Board to keep property owners informed. This Sunday, 3:00 pm - 7:00 pm, is the Arrowhead Summer Salute. Activities will include BYO BBQ, lawn games for children and adults, outside music, morning and afternoon hikes, trivia contests and prizes throughout the event. This will be an opportunity to get together and mingle with fellow residents. There will be a cash bar available, and complimentary water and soft drinks.

Rick Bross said locking the east and west gates from midnight to 6:00 or 7:00 a.m. is being considered. This would require everyone to enter and exit through the main gate.

Rick said many committees have been formed. The Board is looking for participants on the Public Safety Committee. Anyone interested with security, security system, police or military experience should contact John Herbert. The Snow Committee is in need of a couple additional members.

Rick stated the Board has requested Vail Resorts provide a yellow coat designated specifically for Arrowhead.

Comment was made that notice should be given prior to spraying trees, signs dated, and a link to the Material Safety Data Sheet - G. Jerry Hensel answered spraying is weather dependent making it difficult to give advance notice. He further stated Vail Resorts is very concerned about what is sprayed in the community, the creeks and watershed.

Concern was expressed about a stretch from the Windermere Circle stop sign at Arrowhead Drive west to Turnberry that is very dangerous for walkers. Rick said more signs that flash vehicle speed are being purchased and will be moved throughout the community.