



RIVER VALLEY RANCH

RVRMA EXECUTIVE BOARD MEETING Wednesday, Feb. 25, 2026 Ranch House Conference Room & Zoom Meeting Agenda

Executive Board of Directors

Michael Banbury, President
John Lund, Vice President
Todd Richmond, Co-Treasurer
Carl Hostetter, Co-Treasurer
Ben Johnston, Secretary
RJ Spurrier, Director
Laura Hanssen, Director

Management Attendees

Ashley Lynch, General Manager
James Maguire, Controller
Jessica Hennessy, Director of Design Review & Admin.
Services
Ali Royer, Director of Programming & Community
Engagement
Travis Green, Facilities & Grounds Superintendent

I. Call to Order- Establish Quorum

II. Approval of Minutes

- Approval of Meeting Minutes of the RVRMA Executive Board Meeting held on Wednesday, Jan. 28, 2026.

III. Public Comment

- Comments in public comment are for agenda items only.

IV. Month End Financial Review – James Maguire

V. Management Update

- General Manager Report- Ashley Lynch
- Programming & Community Engagement Report- Ali Royer
- DRC Report- Jessica Hennessy
- Finance Report- James Maguire
- Facilities & Grounds Report- Travis Green

VI. Old Business

- Ranch House Renovation Update

- Carbondale Agricultural Heritage Fund (CAHF) Update
- Community Survey

VII. New Business

VIII. Adjourn

IX. Executive Session

- Legal Matters – CAHF



RIVER VALLEY RANCH

RVRMA EXECUTIVE BOARD MEETING
Wednesday, Jan. 28, 2026
Ranch House Conference Room & Zoom
DRAFT MINUTES

Executive Board of Directors

Michael Banbury, President
John Lund, Vice President *absent*
Todd Richmond, Co-Treasurer
Carl Hostetter, Co-Treasurer
Ben Johnston, Secretary
RJ Spurrier, Director *via zoom*
Laura Hanssen, Director

Management Attendees

Ashley Lynch, General Manager *absent*
James Maguire, Controller
Jessica Hennessy, Director of Design Review & Admin.
Services
Ali Royer, Director of Programming & Community
Engagement
Travis Green, Facilities & Grounds Superintendent

Homeowner Attendees:

In-Person:

Jeff Krentz

Via Zoom:

Mara Meyers

I. Call to Order- Establish Quorum

Board President Michael Banbury called the meeting to order at 5:30 p.m., at which time a quorum was established.

II. Approval of Minutes

Board Co-Treasurer Carl Hostetter and Board Director, Laura Hanssen moved and seconded the approval of meeting minutes of the RVRMA Executive Board Meeting held on December 17, 2025. The motion passed unanimously.

III. Public Comment

No homeowners came forward to provide public comment.

IV. Month End Financial Review

James Maguire, RVRMA Controller, shared a Financial Insight Report that featured November's budget versus actuals, year-to-date figures, the reserve account, and an overview of renovation project funds.

For December, the Association reported a net operating deficit of \$7,135. Total

income of \$219,174 was \$1,160 below budget, while expenses of \$244,117 exceeded budget by \$6,334, resulting in the monthly deficit. Gross income was largely in line with budget.

For the full fiscal year ended 2025, total income was \$2,927,105, \$25,095 below budget, while total expenses were \$2,624,472, reflecting savings of \$37,528. The Association finished the year with a net operating surplus of \$14,777, within 0.6% of the approved budget, marking the third consecutive year within 1% of budget.

Revenue variances were primarily due to lower-than-budgeted DRC and property transfer fees, partially offset by strong HOA dues performance, which finished essentially on budget. Expense savings were driven mainly by grounds maintenance and lower utility and DRC-related costs, while personnel expenses remained closely aligned with budget. Overages occurred in irrigation water, computer/software, and HVAC repairs.

As of December 31, combined reserve balances totaled \$5,254,918, reflecting continued reserve funding, interest income, and planned expenditures related primarily to the Ranch House renovation.

James shared a slide that highlighted the contingency fund status of the renovation project. The slide showed that out of a \$500,000 contingency fund, \$230,000 (46%) has been utilized and \$270,000 (54 %) remains available for future needs.

RJ commented that it is impressive that the organization remains closely aligned with the approved budget, which is reassuring to the Board and the broader community.

V. Management Update

- **General Manager Report- Ashley Lynch**
- **Programming & Community Engagement Report- Ali Royer**

Ali reported that Ranch House usage remains very high and nearly on par with last year, despite renovation-related impacts such as roof noise and reduced hot tub and pool hours. Event attendance also continues to be strong. Ali outlined immediate renovation impacts, including a temporary closure of the Great Room to allow for floor stain sampling, as well as a partial demolition of the pool deck. During this time, hot tubs and lap lanes

will remain open.

- **DRC Report- Jessica Hennessy**
- **Finance Report- James Maguire**
- **Facilities & Grounds Report- Travis Green**

VI. Old Business

- **Ranch House Renovation Update**

Carl noted that most of the updates are shared in the Renovation update report that can be found on the RVRMA website. He added that James shared a great slide in his report earlier in the meeting about the contingency usage on the project and it will be very helpful to keep an eye on.

- **Carbondale Agricultural Heritage Fund (CAHF) Update**

The Board discussed the Carbondale Agricultural Heritage Fund (CAHF), including progress on establishing bylaws and tax-exempt status, as well as future board appointments. Ben shared that the CPA recommended pursuing a 501(c)(4) exemption and that the filing process is underway. Mike noted that the original CAHF was also designated as a 501(c)(4). Ben added that CAHF is not yet ready to accept projects or contributions, as several procedural items are still being finalized.

Ben also shared that he plans to continue serving on the RVRMA Board and would like to eventually step off the CAHF Board, as he does not have the capacity to serve on both long term. He noted that one of the challenges of the original CAHF was trying to take on too much. It was discussed that CAHF is not intended to operate like AVL T or Wilderness Workshop and does not need to be overly complex; a simpler approach may be more effective.

Mike shared that he recently met with Suzanne Stevens and Mike Folwell and said it was clear they want to maintain a positive working relationship with RVRMA and the newly formed CAHF.

RJ emphasized the importance of maintaining a strong, long-term relationship with AVL T, noting the organization's positive impact in the community and its resources. AVL T has been a good steward of these funds in the past, and RVRMA was a key partner in successful projects such as Red Hill and Coffman Ranch.

VII. New Business

- **Construction Hours – Holiday Restrictions (Amendment)**

Jessica reported that the Twenty-Third Amendment is being presented to formalize the prohibition of any audible construction work on Sundays and on the following major holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

RJ added that the amendment introduces new language explicitly addressing the prohibition of audible work on Sundays and major holidays, which will be a new addition to the existing guidelines.

Jessica further noted that the proposed amendment will be posted for a 30-day review period, after which the Board may vote on its adoption.

- **Reallocation of Funds for Old Town, Settlement and RVRMA to Reserve**

Carl Hostetter motioned that the Board approve the transfer of the Fiscal Year 2025 net operating surplus of \$14,776.78 to RVRMA reserves and funding the Old Town deficit of \$1,162.15 and the Settlement deficit of \$5,714.30 from their respective reserve accounts and authorize management to make the necessary accounting entries. Ben Johnston seconded the motion.

James clarified that this is done every year and no comingling of funds from Old Town, Settlement or RVRMA takes place in the process.

The motion passed unanimously.

- **OTAC New Members**

The Board discussed the application submitted by Peggy "Margaret" Seanor to serve on the Old Town Advisory Committee. Laura Hanssen stated that she knows Peggy personally and believes she would be a strong addition to the Committee. The Board voted unanimously to approve Peggy "Margaret" Seanor's application to serve on the Old Town Advisory Committee.

- **Block F (Old Town) Painting Contract Inclusion Policy**

The Board discussed the updated Policy for Old Town (Block F), which was included in the meeting packet. Ali stated that the purpose of the discussion was to authorize posting the proposed policy to the website for public review, with a formal Board vote scheduled for March. Todd

commented that the policy is well written and effectively achieves its intended objectives. Carl noted that the Settlement will retain its existing policy at this time. The Board reached consensus to post the proposed policy to the website for feedback and to consider approval at the March Board Meeting.

- **Community Survey**

Jessica shared that the Community Survey was sent out to the community on January 16 and will likely be left open until the first week of February. There have been 247 responses so far. Jessica emphasized that it is an anonymous survey.

VIII. Adjourn

Ben Johnston moved to adjourn the meeting and Laura Hanssen seconded the motion. The meeting was adjourned at 6:15 p.m.

IX. Executive Session

- Legal Matters Associated with CAHF



February 2026

General Manager's Report

Governance/Operations:

- Please refer to the renovation report for updates on construction.
- The community survey has closed what a strong turnout of 337.
 - I am working with Robin Boyer to compile results to share with the community
- The Block F and Block A Painting Inclusion Policy was posted to the website following January's Board Meeting. It has been featured in the newsletter in advance of the board's consideration at the March RVRMA Board Meeting.
 - I will share any feedback received with the Board for discussion.
- As the RVRMA Executive Board is aware, the Master Association's annual insurance renewal is upcoming. With Mountain West as our broker, we have received a proposal that was in keeping with our budgeted assumptions for the Commercial Package, D&O policies etc. (retaining the same coverages). The Excess Liability policy, which has current limits of \$25M, increased dramatically (\$13,902.55 expiring premium vs. a \$30,853 renewal premium).
 - An attempt was made to shop this, but there are no companies found offering a policy for us until our construction/renovation comes to a close.
 - Given the Surfside disaster in Florida (among other things), these policies are becoming prohibitively expensive and there is reason to believe that policies of around \$10M may be the max offering in the near term.
 - While these policies had been viewed as good value in the past, the premiums are now escalating dramatically.
 - The recommendation is to proceed with a \$15M policy for next year. Once construction concludes in 2027 we can consider alternative quotes.
 - This should bring us in line with our budgeted premium.
 - The deadline to commit to coverage is 3/1/26.
 - The proposal from Mountain West is included in the board packet

Staffing

- We are fully staffed but lifeguard staffing discussions have begun for the 2026 season

Sub-Associations & Neighborhoods

- **The Boundary** – Their last meeting was held on 1/15 at 3pm
- **Crystal Bluffs** – Board meeting was held on Wed 2/18
- **The Fairways**– No updates

- **Old Town and Settlement –**

- We had our last advisory committee meetings for Old Town on 1/7/26 and the Settlement on 8/28/25.
 - Upcoming Meetings: 5/12/26 Old Town; 4/2/26 Settlement
 - See previous notes concerning the siding/exclusion policy.

- **Thompson Corner**

- No Updates

A Custom Insurance Program

PREPARED FOR:

River Valley Ranch Master Association
444 River Valley Ranch Dr.
Carbondale, CO 81623

PRESENTED BY:

MEGHAN WILSON, CIC

201 Centennial Dr., Fourth Floor
Glenwood Springs, CO 81601
Phone 970-945-9111 or Toll Free 800-255-6390
Fax 970-945-2350



We are pleased to present this proposal, which is valid until 02/28/2026

CAI GOLD SPONSOR OF THE ROCKY MOUNTAIN CHAPTER

This is not a contract of insurance. No coverage is provided by this summary, nor does it replace any provisions of any policy ultimately delivered. The policy alone determines the scope of insurance protection. Please read your policy carefully and review its Declarations for complete information on coverage. If you would like to discuss this account or obtain sample forms and endorsements, please contact your agent.

Your Mountain West team is available to assist you when you need to make a change to your policy, require claim service, and/or have any questions. The primary duties are listed below for everyone; however, all these members are available at any time for any issue.

Meghan Wilson, CIC, Commercial Lines Producer

Direct Line 970-384-8239

meghanw@mtnwst.com

- Visits to review and discuss operational changes in your organization
- Presentation of coverage recommendations and competitive pricing options
- Review of contracts and provides insurance recommendations to your firm on an ongoing basis
- Analysis of claims data
- Offers risk management recommendations

Taylor Westley, CISR, CIC, Account Executive

taylorw@mtnwst.com

- Serves as your primary contact for insurance solutions
- In-house review and analysis of coverage
- Manages the insurance placement process to provide coverage options and competitive pricing

Michelle Davis, Account Manager

michelled@mtnwst.com

- Serves as additional contact for insurance questions and assistance
- Primary contact for billing and general accounting questions, and policy changes
- Receives and reviews certificate of insurance and evidence of insurance requests to be certain adequate coverage and limits are in effect. Coordinates issuance of certificates and evidence forms within 24 hours of receipt

Claims@mtnwest.com

- Serves as an additional contact for filing of new claims
- Monitors claim status to conclusion
- Works with all parties to expedite claim resolution

Employee Benefits Department

- Provides expertise and creative solutions for employer groups with 20 or more benefits-eligible employees
- Scope of service includes group medical, dental, vision, life, and disability benefit plans
- Help clients with employee paid supplemental plans such as accident and critical illness

Personal Insurance

- Provides a wide range of personal insurance products that include homeowner's, automobile, recreational vehicles, and personal umbrellas
- Offers a complimentary review of your current personal insurance program

In the event the individuals listed are unavailable, we have a full staff at your service. Please contact our office and ask our friendly receptionists to direct you to the appropriate team member. We also offer a full range of products for your employee benefits needs, as well as your personal insurance.

RENEWAL POLICY TERMS

Coverage	Insuring Company	Policy Period	A.M. Best Rating
Commercial Package: Includes Property & General Liability	Cincinnati Insurance	03/01/26 – 03/01/27	A+
Business Automobile	Cincinnati Insurance	03/01/26 – 03/01/27	A+
Fidelity/Crime	Continental Casualty	03/01/26 – 03/01/27	A
Directors & Officers Liability	Continental Casualty	03/01/26 – 03/01/27	A
Excess Liability	Spinnaker Insurance	03/01/26 – 03/01/27	A+

PROPERTY COVERAGE

444 River Valley Ranch Dr, Carbondale, Co			Loc# 001	Bldg# 001	
Coverage	Limit	Co-Ins.	Valuation	Deductible	Add'l Info
Clubhouse Building	\$9,305,411	Waived	Replacement Cost	\$25,000	
Business Personal Property	\$949,535	Waived	Replacement Cost	\$25,000	
Loss of Association Income	\$605,000		Actual Loss Sustained	72 Hours	12 Months
Building Ordinance or Law A: Increased Construction Cost	Included		Replacement Cost	\$0	
Building Ordinance or Law: B Demolition	\$500,000		Replacement Cost	\$0	
Building Ordinance or Law: C Increased Cost of Construction	\$500,000		Replacement Cost	\$0	
Backup - Sewers & Drains	\$100,000		Replacement Cost	\$5,000	
Equipment Breakdown	Included		Replacement Cost	\$25,000	

Replacement Cost per Square Foot \$711

PROPERTY COVERAGE CONTINUED

Standard Property insurance does not include Flood, Earthquake or Earth Movement coverage

Higher Limits and Deductible Options Available Upon Request

Protective Safeguard Endorsement applies to Sprinkler System

Failure to maintain the **protective safeguards** in good working order or failure to notify the insurer of even a temporary impairment in **protection** suspends coverage until the **protection** is restored.

Ordinance or Law Coverage Explanation

In the event of covered damage to a building, the owner may have three ordinance/law-related exposures not covered by the usual commercial property form:

Coverage A: Coverage for loss to the undamaged portion of the building

- If the loss is only PARTIAL but the remaining part of the building must be demolished, this covers the value of the undamaged portion. Coverage A is usually included within the limit of insurance showing in the declaration as applicable to the covered building property. Coverage A does not increase the limit of insurance and it does not cover cost to demolish.

Coverage B: Coverage for demolition cost

- If the loss is only PARTIAL but the remaining part of the building must be demolished, this covers the cost to demolish the undamaged portion. This coverage will pay the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use, and ordinance or law.

Coverage C: Coverage for the increased cost of construction

- This coverage will pay for the increased cost to repair, reconstruct or remodel damage or undamaged portions of the building when the increased cost is the consequence of building, zoning, or land use laws.

GENERAL LIABILITY	
Coverage Occurrence Form	Proposed Cincinnati Insurance Company
General Aggregate	\$2,000,000
Per Occurrence	\$1,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal & Advertising Injury	\$1,000,000
Fire Legal Liability	\$500,000
Medical Payments <i>Excluded with Respects to Racket Sports</i>	\$5,000
Hired and Non-Owned Auto	Included
Liquor Liability – Each Common Cause / Aggregate Limit	\$1,000,000
Deductible – Liquor Liability Only	\$500 per Claim

Exposure Type	Premium Basis Exposure
Homeowner Associations – Association Risk Only – Single Family Homes (Total of All Project Units)	(other) 550
Racquet Sports – Independent Contractors Providing Tennis Lessons, Tennis Camps and Fitness Activities	(Gross Sales) \$7,875
Clubhouse/Ranch House	(Area) 13,086
Parks or Playgrounds	(Other) 1
Swimming Pools (Adult & Kiddie Pools)	(Other) 3
Townhouses (Total of All Project Units)	(Per Unit) 58
Liquor Liability	(Gross Sales) \$10,000

GENERAL LIABILITY CONTINUED

Today's litigious society requires careful business planning. Accident victims look for someone else to pay for bodily injury and property damage. Even if a suit is eventually dismissed or proved groundless, the high cost of defense can bankrupt even the most secure business.

Your coverage may be written on an auditable basis. A premium audit is a review of your records and operations to assure that your premium accurately represents the proper risk and exposure – no more, no less. Your audit is always treated with the highest level of confidentiality.

An audit may be completed in one of the following ways:

- Physical: On site or at an appropriate secondary location such as an accountant's office
- Phone: An auditor contacts you on the phone to complete the audit
- Mail: A form with instructions is completed by you and returned to the company

The following information may be inspected:

- Payroll and/or disbursement journals
- General ledgers
- Social Security, state unemployment forms, other tax reports

Many premiums are based on payroll and remuneration which may include wages, bonuses, vacation pay, commissions, profit sharing, value of housing, sick pay, holiday pay, and overtime.

INLAND MARINE PROPERTY	
Coverage	Proposed Cincinnati Insurance Company Limit/Deductible:
Total Scheduled Equipment	\$66,000 / \$500

Scheduled Equipment		
Description	ID or Serial #	Amount of Insurance
2009 Compressor	200709260053	\$15,000
Dump Trailer		\$3,000
2020 Tracker OX4000	A8BLVABAJL8019444	\$5,500
2020 Tracker OX4000	A8BLVABAVL8023397	\$5,500
2020 Tracker OX4000	A8BLVABACL8023388	\$5,500
2020 Tracker OX4000	A8BLVABACL8023406	\$5,500
2022 Tracker Textron Tracker 500S	RFB22UXV4NK6N0265	\$13,000
2022 Tracker Textron Tracker 500S	RFB22UXV9NK6N0276	\$13,000

Several classes of property may be included in this coverage. They include accounts receivable, cameras and musical instruments, commercial articles, equipment and tools, floor plan, jewelers block, mail, physicians and surgeon's equipment, signs, theatrical property, and valuable papers.

AUTOMOBILE

Coverage	Proposed Cincinnati Insurance Company
Liability:	Limit
Combined Single Limit (Bodily Injury & Property Damage) <i>*Auto Symbols: 1</i>	\$1,000,000
Medical Payments – Each Person <i>*Auto Symbols: 2</i>	\$5,000
Uninsured Motorist - Bodily Injury Each Accident <i>*Auto Symbols: 2</i>	\$1,000,000

Physical Damage:	Covered Auto Symbols <i>*Refer to legend below</i>
Comprehensive Auto Symbol	(See Vehicle Schedule)
Specified Causes of Loss Auto Symbol	(See Vehicle Schedule)
Collision Auto Symbol	(See Vehicle Schedule)

Covered Auto Symbols:

- | | |
|---|--|
| 1 – Any Auto | 6 – Owned Autos Subject to Compulsory U.M. Law |
| 2 – All Owned Autos | 7 – Autos Specified on Schedule |
| 3 – Owned Private Passenger Autos | 8 – Hired Autos |
| 4 – Owned Autos other than Private Passenger | 9 – Non-Owned Autos |
| 5 – All Owned Autos Requiring No-Fault Coverage | 19 – Other |

Liability Coverages:

This coverage form provides protection for bodily injury and property damage caused by an accident resulting from ownership, maintenance, or use of a covered vehicle. Defense is also provided for covered accidents.

Physical Damage Coverages:

Comprehensive Coverage for loss from any cause except collision with another object or overturn of the vehicle. Glass breakages, hitting a bird or animal, and damage from falling objects are also examples of Comprehensive coverage.

Special Causes of Loss covers only losses resulting from fire, lightning, explosion, theft, windstorm, hail, earthquake, flood, vandalism, mischief, or sinking, burning, collision or derailment of any conveyance transporting the vehicle.

Collision is any collision with another object or overturn of the vehicle.

VEHICLE SCHEDULE

#	Vehicle Description	Liability	Medical	Uninsured/ Underinsured Motorist	Valuation	Other Than Collision	Collision	Premium
1	2005 Dodge Dakota 1D7HW42N05S247960	X	X	X	Actual Cash Value	\$ 500	\$1,000	\$1,324
2	2010 PJ Trailer 4P5U6141XA2139945	X	Included	Included	Not Applicable	No Coverage	No Coverage	Included
3	2019 Ironbull Trailer 50HDT163XK1032739	X	Included	Included	Actual Cash Value	\$ 500	\$1,000	\$160
4	2011 Dodge Ram PU 3D7LT2ET2BG627208	X	X	X	Actual Cash Value	\$ 500	\$1,000	\$1,535
5	2014 Dodge Ram PU 3C6JR7DG5EG111616	X	X	X	Actual Cash Value	\$ 500	\$1,000	\$1,586

SCHEDULED DRIVERS –

#	Name of Individual
1	Travis Green
2	Ashley Lynch
3	Juan Carlos Carrillo-Rubio
4	Juan Carlos Carrillo-Hernandez
5	Jaime Carillo
6	Andrew Kidd
7	Gavin Thompson
8	James Sprick

COMMUNITY ASSOCIATION POLICY DIRECTORS & OFFICERS LIABILITY

Coverage	Proposed Continental Casualty
Association Liability	\$1,000,000
Scheduled Retentions	\$10,000
Additional Defense Outside Limit of Liability	Yes
Property Manager Coverage	Excluded
Full Prior Acts	
Prior and/or Pending Litigation Date	03/01/21
Wrongful Employment Practice	Included

This pays on behalf of the insured director or officer for loss arising from claims during the policy period by reason of wrongful acts made while acting in their individual or collective capacities as directors or officers.

THIS COVERAGE IS WRITTEN ON A “CLAIMS-MADE BASIS”

“Claims-made coverage” means an insurance policy that provides coverage only if a claim is made during the policy period or any applicable extended reporting period. A claim made during the policy period could be charged against a claims-made policy even if the injury or loss occurred many years prior to the policy period. If a claims-made policy has a retroactive date, an occurrence prior to that date is not covered.

FIDELITY/CRIME

Coverage	Proposed Continental Casualty (Limit/Deductible)
Employee Dishonesty (Including ERISA)	\$925,000 / \$5,000
Forgery or Alteration	\$500,000 / \$5,000
Theft, Disappearance or Destruction	\$500,000 / \$0
Computer Fraud and Wire Transfer Fraud	\$925,000 / \$5,000
Social Engineering Fraud	\$100,000 / \$5,000
Property Manager Employee Dishonesty Coverage	No Coverage

There are many different types of bonds, commonly known as contract, surety, or fiduciary. They are primarily written to guaranty or assure the performance of a contract in construction, according to plans and specifications. Miscellaneous bonds are written to guaranty performance in accordance with laws, regulations and ordinances. Crime coverage is also categorized as a type of bond.

EXCESS LIABILITY	
Coverage	Proposed Continental Indemnity Co
General Aggregate Limit	\$25,000,000
Per Occurrence Limit	\$25,000,000
Self-Insured Retention (Deductible)	\$0

SCHEDULE OF UNDERLYING POLICIES				
Description	Company/Policy	Policy Term	Policy	Limit
Automobile Liability	Cincinnati / ENP0176486	03/01/26 to 03/01/27	Combined Single Limit	\$1,000,000
General Liability	Cincinnati / ENP0176486	03/01/26 to 03/01/27	Each Occurrence	\$1,000,000
			General Aggregate	\$2,000,000
			Products & Comp Ops	\$2,000,000
			Personal Injury	\$1,000,000
			Disease Policy Limit	\$500,000
			Disease Ea Employee	\$500,000
Directors & Officers Liability	Continental Casualty	03/01/26 to 03/01/27	All Claims	\$1,000,000
			Aggregate	\$1,000,000

Commercial Excess Liability provides an extra layer of liability coverage that sits over-and-above the liability limits provided through any underlying (or primary) policies; these can include General Liability, Automobile Liability, Directors and Officers Liability, and Employers Liability (Workers Compensation).

PLEASE NOTE: in prior years, the policies provided by Greenwich Insurance were true Umbrellas, meaning that the policy would at times provide coverage for some loss that may not have been covered by one of the underlying policies. However, due to recent changes in the insurance market, the policies are now strictly Excess Liability, meaning that they only provide direct coverage for losses that are also covered by one of the underlying policies. If a loss occurs that is not covered by one of those policies, the Greenwich Excess Liability policy will not provide coverage for that loss either.

Damages arising out of Construction are excluded. This does not apply to operations, maintenance, or non-structural interior modifications. Construction means any construction, remodeling, upgrades, landscaping, or repairs performed, or products installed into or on real property, including structures, common areas, streets, or utilities. We recommend that the Association make sure that contractors have appropriate insurance when doing any type of work for the Association.

**PREMIUM SUMMARY FOR
River Valley Ranch Master Association**

Coverage	Expiring <i>Annual Premium</i>	Proposed Annual Premium	Accept or Decline (note below)
Commercial Package	\$44,040.00	\$47,231.00	
Directors & Officers and Crime	\$6,477.00	\$7,575.00	
Excess Liability (Including agency fee \$3,909)	\$13,902.55	\$30,853.00	
Total Premium	\$64,419.55	\$85,659.00	

Please note Accept or Decline as appropriate, sign and return to bind coverage.
The following documents are required to bind coverage no later than **02/23/26**

COVERAGE OPTIONS

Coverage	Limit	Deductible	Return Premium	Accept or Decline (note below)
Decreased Umbrella	\$15,000,000	\$0	(\$9,025)	
Decreased Umbrella	\$10,000,000	\$0	(\$14,066)	

- ✚ **Signed Renewal Proposal Acceptance**
- ✚ **Commercial Package Policy**
 - a. Signed Statement of Values
 - b. Premium Subject to Change based on updated Inland Marine Schedule, Automobile and Drivers Schedule
- ✚ **Excess Liability**
 - a. Reviewed & Signed Application, *premium subject to change based on updated information*

SIGNATURE: _____ **DATE:** _____

This is not a contract of insurance. No coverage is provided by this summary, nor does it replace any provisions of any policy ultimately delivered. The policy alone determines the scope of insurance protection. Please read your policy carefully and review its Declarations for complete information on coverage. If you would like to discuss this account or obtain sample forms and endorsements, please contact your agent.

Marketing Activities Worksheet

The package policy being marketed includes these coverages:
Umbrella

Company Name	Premium	Notes
McGowan		Can only offer \$5M with lots of exclusions and cannot go over auto
Distinguished		Can only provide up to 500 units
MidVale Indemnity		Can not provide coverage while construction is in process



January 26, 2026

River Valley Ranch Master Association
444 River Valley Ranch Dr.
Carbondale, CO 81623

FEE DISCLOSURE

You are hereby informed in accordance with Colorado Division of Insurance Regulation 1-2-9 that a fee is being charged to you for one of the following services:

- Risk Management
- Financial Planning
- Investment Counseling
- Qualified Retirement Plan Design or Administration
- Estate Planning
- Third Party Employee Benefit Plans
- **Other services for which the agency does not receive a commission from the insurance company.**

You are under no obligation to purchase any insurance product through the agent in exchange for receiving the specific services.

The State of Colorado requires that we obtain your signature based upon this disclosure. Please sign in the below area and return to our office prior to 03/01/26

If you have any questions, please let us know.

Sincerely,

Meghan Wilson

Meghan Wilson, CIC
Commercial Lines Agent

Signature of Authorized Representative

Date



DISCLOSURE FORM - CLAIMS-MADE POLICY IMPORTANT NOTICE TO POLICYHOLDER

THIS DISCLOSURE FORM IS NOT YOUR POLICY. IT DESCRIBES SOME OF THE MAJOR FEATURES OF OUR CLAIMS-MADE POLICY FORM. READ YOUR POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, AND WHAT IS AND IS NOT COVERED. ONLY THE PROVISIONS OF YOUR POLICY DETERMINE THE SCOPE OF YOUR INSURANCE PROTECTION.

DEFINITIONS

1. "Claims-made coverage" means an insurance policy that provides coverage only if a claim is made during the policy period or any applicable extended reporting period. A claim made during the policy period could be charged against a claims-made policy even if the injury or loss occurred many years prior to the policy period. If a claims-made policy has a retroactive date, an occurrence prior to that date is not covered.
2. "Extended reporting period" means a period allowing for making claims after expiration of a claims-made policy. This is also known as a "tail".
3. "Occurrence coverage" means an insurance policy that provides liability coverage only for injury or damage that occurs during the policy term, regardless of when claim is actually made. A claim made in the current policy year could be charged against a prior policy year, or may not be covered, if it arises from an occurrence prior to the effective date.
4. "Retroactive date" means the date on a claims-made policy which denotes the commencement date of coverage under the policy.

YOUR POLICY

Your policy is a claims-made policy. It provides coverage only for injury or damage, occurring after the policy retroactive date (if any) shown on your policy and the incident is reported to your insurer prior to the end of the policy period. Upon termination of your claims-made policy an extended reporting period option may be available at the company's discretion.

There is no difference in the kinds of injury and damage covered by occurrence or claims-made policies. Claims for damages may be assigned to different policy periods, however, depending on which type of policy you have.

If you make a claim under your claims-made policy, the claim must be a demand for damages by an injured party. Your policy contains specific reporting requirements. Under most circumstances, a claim is considered made when it is received and recorded by you or by us. Sometimes a claim may be deemed made at an earlier time. This can happen when another claim for the same injury or damage has already been made, or when the claim is received and recorded during an extended reporting period.

PRINCIPAL BENEFITS

This policy provides coverage for Directors and Officers Liability up to the maximum dollar limit specified in the policy.

The principal benefits and coverages are explained in detail in your claims-made policy. Please read it carefully and consult your insurance producer about any questions you might have.

EXCEPTIONS, REDUCTION AND LIMITATIONS

Your claims-made policy contains certain exceptions, reductions and limitations. Please read them carefully and consult your insurance producer about any questions you might have.

RENEWALS AND EXTENDED REPORTING PERIODS

Your claims-made policy has some unique features relating to renewal, extended reporting periods and coverage for events with long periods of exposure. If there is a retroactive date in your policy, no event or occurrence prior to that date will be covered under the policy even if reported during the policy period. It is therefore important for you to be certain that there are no gaps in your insurance coverage. These gaps can occur in several ways. Among the most common are:

1. If you switch from an occurrence policy to a claims-made policy, the retroactive date in your claims-made policy should be no later than the expiration date of the occurrence policy.
2. When replacing a claims-made policy with a claims-made policy, you should consider the following:
 - a. The retroactive date in the replacement policy should extend far enough back in time to cover any events with long periods of liability exposure, or
 - b. If the retroactive date in the replacement policy does not extend far enough back in time to cover events with long periods of liability exposure, you should consider purchasing extended reporting period coverage under the old claims-made policy.
3. If you replace this claims-made policy with an occurrence policy, you may not have insurance coverage for a claim arising during the period of claims-made coverage unless you have purchased an extended reporting period under the claims-made policy

Extended reporting period coverage may be offered to you for at least one year after the expiration of the claims-made policy at a premium not to exceed 200% of your last policy premium.

CAREFULLY REVIEW YOUR POLICY REGARDING THE AVAILABLE EXTENDED REPORTING PERIOD COVERAGE, INCLUDING THE LENGTH OF COVERAGE, THE PRICE, AND THE TIME PERIOD DURING WHICH YOU MUST PURCHASE OR ACCEPT ANY OFFER FOR EXTENDED REPORTING PERIOD COVERAGE.

PROOF OF DELIVERY

Policy Type: Directors and Officers Liability
Insuring Company: Continental Casualty Insurance
Policy Effective Date: 03/01/26



Mountain West Insurance & Financial Services, LLC
Two Rivers Park Plaza, 201 Centennial St – 4th Floor
Glenwood Springs, CO 81601

www.mtnwst.com

Thank you for the opportunity to be of service to you.

This is not a contract of insurance. No coverage is provided by this summary, nor does it replace any provisions of any policy ultimately delivered. The policy alone determines the scope of insurance protection. Please read your policy carefully and review its Declarations for complete information on coverage. If you would like to discuss this account or obtain sample forms and endorsements, please contact your agent.

Fitness

Our two new fitness instructors, Nicole and Mellie, have been very well received, and member feedback has been overwhelmingly positive.

One of the ellipticals (originally purchased in 2008) is currently out of service. The required replacement part is no longer available directly through Precor but can be sourced through a third party. The estimated cost for parts and labor is approximately \$1,600, but the question remains whether money should be spent on a machine of this age. There is a lightly used Matrix elliptical available for \$4,500 that would match our existing Matrix equipment. However, members tend to have strong brand preferences, so we are currently awaiting pricing for a new Precor elliptical before making a recommendation.

It is worth noting that our second Precor elliptical is older than the unit currently out of order, so we may encounter similar maintenance issues in the near future.

Additionally, an extra dumbbell rack has been ordered to remove dumbbells and kettlebells from the floor and improve overall safety and organization in the fitness area.

Day	Time	Location	Class	Instructor
Monday 2/23				
	8:00 - 9:00 AM	ZOOM	Qigong: Moving Meditation	Cari
	8:00 - 9:00 AM	Studio	Pilates for Everyone	Alexandra
	9:30 - 10:30 AM	Studio	Strong & Stable	Shaylee
Tuesday 2/24				
	6:00-7:00 AM	Studio	PEAK Fitness	Nicole
	8:00 - 9:00 AM	Studio	Gentle Slow Flow Yoga	Ellen (sub)
	9:30 - 10:30 AM	Studio	HIIT	Lauren
Canceled	5:30 - 6:30 PM	Lap Pool	Master Swim	Dave
Wednesday 2/25				
	8:00 - 9:00 AM	ZOOM	Qigong: Moving Meditation	Cari
	8:00-9:00 AM	Studio	Cycling + Upper Body Strength	Susan
	9:15-10:15 AM	Studio	Gentle Slow Flow Yoga	Shelly
Thursday 2/26				
	6:00-7:00 AM	Studio	PEAK Fitness	Shaylee
	7:30 - 8:30 AM	Studio	Vinyasa Flow Yoga	Shelly
	9:30-10:30 AM	Studio	Pilates for Everyone	Johnna
	12:00 - 1:00 PM	Studio	Dynamic Conditioning	Shaylee
	4:00 - 5:15 PM	Studio	MFR + Recovery Yoga	Lindsay
Canceled	5:30 - 6:30 PM	Lap Pool	Master Swim	Dave
Friday 2/27				
	8:00 - 9:00 AM	Studio	Gentle Slow Flow Yoga	Shelly
	9:30 - 10:30 AM	Studio	Cycle + Strength	Mellie
Saturday 2/28		No classes - Happy Saturday!		
Sunday 3/1				
	4:30 - 5:30 PM	Studio	Restore & Renew Yoga	Ellen

Ranch House Usage – January 2026 summary

In January 2026, the Ranch House recorded a total of 3,094 check-ins. Of these, 203 were attributed to Thompson Corner or ADU memberships, while 2,891 were from homeowners or transferred members, including long-term renters and family members. For comparison, January 2025 recorded 3,124 total check-ins, reflecting a slight year-over-year decrease of 30 check-ins (approximately 1%). Overall, usage levels remain strong and consistent with the prior year.

Pool/Hot Tubs

The lap pool and hot tubs closed on Saturday, February 14, and will remain closed until construction is complete. Previous communications indicated that demolition of the hot tubs and lap lanes portion of the pool renovation project would begin on March 2, with closures anticipated at that time. The recreational pool was projected to reopen on June 10, with the lap lanes reopening on July 7.

The project schedule has since been adjusted to allow demolition to begin earlier than originally planned. As a result, the hot tubs and lap lanes closed approximately two weeks ahead of schedule on February 14.

Beginning demolition sooner allows the project team to take advantage of favorable conditions and may help advance the overall timeline if circumstances permit. With this adjustment, the lap lanes are now expected to be completed closer to the recreational pool reopening date, rather than extending into July.

The current projected completion date remains approximately June 10, and the team will continue to pursue every opportunity to expedite the work where possible.

Staff

We are currently fully staffed, and operations continue to run smoothly. The majority of our summer Ranch House staff have indicated their plans to return this season.

Tennis

Registration for kids' camps opened to RVR residents on Friday, February 13. Residents have a two-week priority registration period before enrollment opens to non-residents. Registration activity has been strong, with camps filling quickly. We are also finalizing the 2026 Tennis Membership forms, which are expected to open for registration within the next one to two weeks.

Events & Programming Update

Recent Events

- **Winter Words Speaker Series** (*Virtual Livestream Presentations*)
 - Wednesday, January 28
 - Wednesday, February 4
 - Wednesday, February 11
- **Valentine's Favorites Wine Tasting** (sold out at 24 attendees).
 - Friday, Feb. 13

Upcoming Events

- **Men's Self-protection Workshop**
 - Saturday, Feb. 28

DRC Report, February 2026 - Jessica Hennessy

The Design Review Committee held one meeting in February. Homeowners are actively planning future projects, and we are receiving a good number of inquiries and early discussions about upcoming improvements. These range from minor projects that can be efficiently handled through administrative review to larger projects that will require full DRC review. It's great to see community members taking such thoughtful care of their homes.

The Twenty-Third Amendment that was presented at the January Board meeting was posted to the website and included in the newsletter to invite community feedback. During this process, it was noted that the RVR guidelines currently list Saturday work hours as 8:00 a.m. to 6:00 p.m., which conflicts with the Town of Carbondale ordinance of 9:00 a.m. to 5:00 p.m. While RVR may adopt more restrictive guidelines, the Association cannot be more lenient than the Town. As a result, the Twenty-Third Amendment will be revised to align with the Town of Carbondale's Saturday work hours. The Board of Directors will vote on the Twenty-Third Amendment at the March meeting.

February Reviews:

- EE12, 850 Perry Ridge | **Review:** Final Review
- M05, 1035 Heritage | **Review:** Landscape Updates & Exterior Remodel
- KK09, 4058 Crystal Bridge | **Review:** Final Review
- V14, 769 Perry Ridge | **Review:** Progress Check-in
- D14, 3910 Crystal Bridge | **Review:** Sculpture Placement

DRC Numbers February 2026:

- There have been **three** Administrative Review Applications processed so far this year (There were **8** in February 2025).
- There are currently **8** homes in the construction phase (from breaking ground to the final inspection phase/closeout).
- There is **one** applicant in the Preliminary Design Review phase.
- There are **9** applicants finalized by DRC and waiting on permits from the Town of Carbondale.



Executive Summary

Happy new fiscal year! We begin the year with a fresh operating budget of \$3,027,100 which is up 2.5% from the previous year's budget of \$2,952,200. While we have approximately \$6 million slated for the renovation and capital reserve project, the operating budget remains in line with last year with general increases for inflation. Some costs, like insurance, have risen over 10% year over year.

Overall, we are operating under a more constrained budget this year, as we made a deliberate effort to limit dues increases as much as possible.

Revenue Analysis

In January, the Association generated \$224,169 in revenue, which was \$3,530 (1.6%) below the budgeted amount of \$227,699. Although the 2026 budget reduced projected DRC fee revenue, actual DRC income for January was still \$3,700 below budget. All other revenue categories performed in line with budget expectations for the month.

Expense Analysis

Cost of goods sold (COGS) totaled \$6,028 for January, compared to a budget of \$6,633, resulting in a small favorable variance of \$605. COGS are typically lower during the winter months and increase in the summer with the opening of the pool, tennis, and snack bar operations, as these represent direct program-related expenses. The only year-round program is fitness group classes, which incurred \$4,885 in expenses in January versus a budgeted \$5,333.

Total operating expenses for January were \$170,617, compared to a budget of \$172,641, reflecting a favorable variance of \$2,024 (1.2%). Combined wages and salaries across all departments totaled \$103,155 against a budget of \$103,160, a negligible variance of \$5. There were no significant expense overages during the month. Minor savings were realized in a few categories, including \$750 in legal fees, as no legal services were incurred in January.

Budget vs. Actual — Bottom Line

The net result for January, on a budget-to-actual basis, was a modest deficit of \$901. While most revenue and expense line items tracked closely with budget, the primary driver of the shortfall was DRC fee income, which was \$3,700 below projections.

Although DRC fee revenue was significantly reduced in the 2026 budget in response to lower activity levels experienced in 2025, January collections still fell short of the revised projection. As a result, the variance in DRC income was the principal factor contributing to the month's slight deficit.

Reserve Fund Summary

At the beginning of January, the Association's total reserve balance was \$5,254,918, consisting of \$3,001,279 in the Capital Reserve Fund and \$2,253,639 in the Special Assessment Fund. During the month, reserves increased by \$68,869, including \$52,630 in reserve assessments and \$16,239 in interest income.

Total reserve expenditures for January were \$431,126, with \$253,321 allocated to Capital Reserves and \$177,805 to the Special Assessment Fund. The majority of these expenditures represent a cash draw to RA Nelson for the ongoing renovation project, primarily related to the east wing addition, new roof installation, and mailroom expansion. The total spend so far to date on the renovation and capital reserve project is



approximately \$1.9M.

As of January 31, the Capital Reserve Fund balance was \$2,816,827 and the Special Assessment Fund balance was \$2,075,834, resulting in a combined reserve total of \$4,892,661.

Conclusion

In summary, the Association began the fiscal year in a stable financial position, with operating results largely aligned with budget expectations. January's modest deficit of \$901 was driven primarily by lower-than-projected DRC fee revenue, while expenses were well controlled across departments. The operating budget reflects a disciplined approach, balancing inflationary pressures—most notably in insurance—against the goal of minimizing the impact on members following the recent special assessment period.

Reserves remain strong despite significant renovation-related expenditures, and funding for capital projects is proceeding as planned. Management will continue to closely monitor DRC activity, irrigation water usage allocations, and inflation-sensitive expense categories to ensure financial performance remains consistent with projections as the year progresses.

River Valley Ranch Master Association
Profit & Loss Budget Performance
January 2026

	January	Budget	YTD Actual	YTD Budget	Annual Budget
Income					
Assessments - Operating	200,585	200,559	200,585	200,559	2,406,700
Homeowner Reimbursable Assessments	11,504	11,700	11,504	11,700	142,400
Memberships	5,738	5,333	5,738	5,333	85,000
Swim & Fitness	1,377	1,707	1,377	1,707	28,000
Tennis	0	0	0	0	206,000
Design Review Committee	2,900	6,600	2,900	6,600	80,000
Other Income	2,065	1,800	2,065	1,800	79,000
Total Income	224,169	227,699	224,169	227,699	3,027,100
Cost of Goods Sold					
Swim & Fitness	4,885	5,333	4,885	5,333	73,700
Tennis	0	0	0	0	170,800
Concessions	119	300	119	300	29,000
Credit Card Fees	1,025	1,000	1,025	1,000	20,000
Total COGS	6,029	6,633	6,029	6,633	293,500
Gross Profit	218,140	221,066	218,140	221,066	2,733,600
Expense					
Personnel	125,689	126,025	125,689	126,025	1,682,300
Grounds	5,509	7,166	5,509	7,166	349,400
Irrigation	484	424	484	424	135,300
Ranch House Expenses	10,751	11,430	10,751	11,430	157,800
Utilities	9,869	9,691	9,869	9,691	131,500
Administrative	10,149	10,355	10,149	10,355	144,300
Finance	327	300	327	300	8,000
Design Review Committee	4,139	4,000	4,139	4,000	37,000
RVR Community Expenses	3,699	3,250	3,699	3,250	88,000
Total Expense	170,616	172,641	170,616	172,641	2,733,600
Net Operating Surplus / Deficit	47,524	48,425	47,524	48,425	0

RVRMA Reserve Activity
January 2026

	January Actual	January Budget	YTD Actual	YTD Budget	Annual Budget
Reserve Income					
Reserve Assessment Income	52,630	52,630	52,630	52,630	631,560
Investment Interest Income	16,239	16,000	16,239	16,000	80,000
Total Reserve Income	68,869	68,630	68,869	68,630	711,560
	Capitla Reserve	Special Assess.	Total RVRMA		
Reserve Balance January 1	3,001,279	2,253,639	5,254,918		
Income - Reserve Dues & Interest	68,869	0	68,869		
Spending	(253,321)	(177,805)	(431,126)		
Reserve Balance January 31	2,816,827	2,075,834	4,892,661		

River Valley Ranch Master Association

Public - Balance Sheet

As of January 31, 2026

ASSETS

Current Assets

Checking/Savings

Wells Fargo - Operating	165,830
Clearing Account	(3,639)
Edward Jones - Savings & CD's	5,839,829

Total Checking/Savings 6,002,020

Accounts Receivable

HOA Dues A/R	5,305
Special Assessments A/R	3,075
Miscellaneous A/R	156

Total Accounts Receivable 8,536

Other Current Assets

Undeposited Funds	3,894
Interest Receivable	11,316
Prepaid Expenses	30,136
Inventory	4,984

Total Other Current Assets 50,330

Total Current Assets 6,060,886

Fixed Assets 604,339

TOTAL ASSETS 6,665,225

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable - Vendors	473,604
Accounts Payable - Payroll	50,960
Accounts Payable - Payroll Tax	4,693
Accounts Payable - P&D Deposits	381,740

Total Accounts Payable 910,997

Credit Cards

Wells Fargo Credit Card 8,449

Total Credit Cards 8,449

Other Current Liabilities

Retainage Payable - Renovation	34,404
Interest Payable - P&D Deposits	6,018
Prepaid HOA Dues	18,753
Prepaid Income - DRC Fees	36,237
Sales Tax Payable	130
Conservation Fund Payable	1,813
Payroll Liabilities	1,257

Total Other Current Liabilities 98,612

Total Current Liabilities 1,018,058

Total Liabilities 1,018,058

Equity

Reserves - RVRMA	4,892,662
Reserves - Old Town & Settlement	86,020
Prior Operating Fund	1,058,167
Transfers to from Reserves	(604,204)
Retained Earnings	162,198
Net Income	52,324

Total Equity 5,647,167

Rounding 0

TOTAL LIABILITIES & EQUITY 6,665,225

Facilities & Grounds Report – Travis Green

Dear Board Members,

I am pleased to provide an update on the recent grounds and facilities activities at River Valley Ranch.

Pro Green Conference: Gavin, Carlos, and I attended the Pro Green Conference in Denver and received continued education for irrigation and landscape applications that we will use here in RVR.

Irrigation: We are completing the irrigation Cla-Valve restoration this month and will be ready to turn the water on in April.

Pools: Lap pools and hot tubs have been drained and winterized and are ready for the remodel.

Snow Removal: The snow removal has been light this year but we are pleased with Omar's crews prompt and efficient services when they have been needed.

Signage: Faded street signs and broken posts were repaired and replaced last week.

EAB: Ashley, James, and I are working with the town of Carbondale arborist Carl Meinecke and Earthwise arborist Alex Vociskey to put an action plan and budget in place for the phase 2 of Ash tree removals this spring.

February 2026 Renovation Updates

To view previous renovation updates for historical context, you may click [here](#) to view the posted versions on the RVRMA website.

Roofing Project

The main roofing project has been completed, inclusive of the East Wing addition.

Pool Areas

The timeline was re-visited concerning the remaining demo and subsequent re-pouring of the concrete pool deck. Having met with the Excavation subcontractor on site we decided to move the demolition ahead on the schedule. Given the warm and dry weather this winter it was determined that moving this forward may result in an accelerated overall timeline.

We remain committed to exploring all options to keep timelines in order while minimizing impacts to the Ranch House as best we can. While RA Nelson can't guarantee that the pool deck will be completed in keeping with original timelines, we are optimistic.

Mailroom Addition and EWA

Our new mailboxes should arrive soon! Tile has been demo' d, and the new tile is now being laid out. We formulated a plan to install the tile at the entrance in two phases to avoid closures of any kind. We may need to temporarily close the entrance as grouting is completed but we do not believe it will be disruptive (very short in duration and perhaps after hours).

You can now see the basic layout—very exciting to see it coming together.

The East Wing addition has a fully completed roof structure. You can get a feel for how expansive the covered patio just off of the pool deck will be. That patio will have an outdoor sink and countertop (shown below).



Financials:

Please refer to James Maguire's financial presentation for updates on renovation expenditures.

We began the project with a \$500,000 contingency fund included in our budget. As most people who have undergone construction projects understand, change orders are a major driver of contingency usage. Change orders arise as unforeseen site conditions or regulatory requirements (among other factors) require expenditures beyond the original scope included in the Guaranteed Maximum Price (GMP).

At the last Board meetings, we noted that our goal is to limit contingency impacts to approximately \$250,000 during the first phase of the renovation. The rationale is that the first phase of construction carries substantially more risk than the second phase. In addition, as we complete the first phase, we are identifying issues that relate to and inform the second phase of the renovation plan.

In phasing the project, we intentionally front-loaded the higher-risk aspects of the renovation in order to address these risks earlier in the process.

James's presentation will include an estimate of where we currently stand relative to the contingency. This estimate reflects both executed change orders and unprocessed (estimated) change orders that we expect to occur as details are further developed. We have also attempted to capture additional costs that were not considered at the project's outset, including some items outside of the GMP. By way of example, our builder's risk insurance costs—which were a direct expense to us—were higher than initially budgeted.

I should also note that credits are recorded as well. For example, we decided to handle most of the landscaping in-house, removing that work from RA Nelson's scope. When crediting this amount, we attempted to estimate our internal costs in order to provide a realistic picture of what the net credit will be once the work is complete.

In January, we noted that estimated overages subject to the contingency fund were approaching the \$230,000 mark. James will provide an updated figure as of the week of the Board meeting. As noted above, the figures presented will ultimately include estimated amounts; as such, they remain a moving target. Nonetheless, we are making every effort to continually assess these costs comprehensively.