Tamarron
Association of Condominium Owners

Annual Owners Meeting
September 5, 2025

Unapproved Minutes

The Annual Meeting of the Tamarron Association of Condominium Owners was held in the Prospector (restaurant) at the Valley Golf Clubhouse at 10:00 a.m. on September 5, 2025. TACO Board President Stacey Lanius called the meeting to order at 10:02 AM.

Secretary Greg Collins certified that the meeting was properly noticed and that a quorum was present. He then asked for a motion to approve the minutes of the 2024 Annual Owners meeting which had been posted on the TACO website, in Buildium, and sent out to all owners. TACO owner Rick Kues made a motion, seconded by owner Eric Tibbetts, to approve the minutes of the 2024 Annual Owners meeting. The motion passed by voice vote with no dissenting votes.

President Lanius then introduced Shadia Ahmad from USI Insurance to give an update on our insurance situation. Ms. Ahmad noted:

1. Wildfires in California, convective storms on the Front Range, and even destructive earthquakes in other countries affect both the national and global insurance markets.
2. Tamarron's wildfire scores (in the 80's) still present a challenge for insurers.
3. Short-term rentals are an "Achilles heel" when it come to underwriting for both property and liability protection.
4. Colorado passed HB 1182 which requires insurers to take into account fire mitigation efforts by property owners when determining rates. This will go into effect July 1, 2026, likely resulting in rate relief.
5. Ms. Ahmad then explained our "shared and layered" insurance program involving nine insurers.

6. She also explained how TACO's various mitigation efforts with regard to fire, cyber-liability, and other factors have resulted in quotes from underwriters which should realize a savings of around 10%.

For more information regarding Ms. Ahmad's presentation, see Attachment 1 and view the video file of this meeting: https://www.youtube.com/watch?v=4ZjhvQ8zWn8

Ms. Lanius then introduced Officer Cox from La Plata County Animal Control who helped explain what powers the HOA has, and does not have, with regard to incidents involving owners' dogs. Reports or complaints need to come from the parties involved, not the HOA. It was also noted that the HOA does not have the authority to label a dog as "vicious"; that can only be determined in a court hearing. Several owners then asked questions regarding service dogs and emotional support dogs, the difference between the two, and the allowances and restrictions on both.

Bobby Schurman of BHP then gave a brief talk on fire mitigation, with short presentations from:

1. Corey Herron - Glacier Club Landscape and Fire Mitigation Manager: Mr. Herron explained GC's ongoing fire mitigation efforts, collaboration with county and state agencies, and future plans to improve forest health and reduce the threat of wildfires.
2. Rob Farino - LP County Office of Emergency Management: Mr. Farino explained the 5 steps for emergency management; prevention, mitigation, preparedness, response, and recovery.
3. Alex Graf - Wildfire Adaptive Partnership: Mr. Graf explained their role in helping property owners identify those areas which should be prioritized for mitigation and use grant monies to help offset the costs of the work involved.
4. Steve Underwood – Underwood Forestry: Mr. Underwood explained the significance of BTU's per square foot and how that number impacts the severity of a fire. He also explained how the length and severity of the current drought in the area has made virtually all tree species susceptible to infestations.

Treasurer Joe Carey then gave a financial report. See Attachment 2.

1. We are in a very good cash flow situation.
2. While our net income figure does not look that good, this is in large part due to the fact that our insurance premiums are front-loaded, and we will now have 2 months where we will have no premiums.
3. Mr. Carey stressed the need to make significant contributions to the reserve fund to get it back to the levels of three years ago.

4. Our largest expense is by far Insurance, followed by Utilities, and then Maintenance/Operations. Mr. Carey then showed two pie charts titled "Where Does My Money Go", comparing where we are now versus the situation two years ago.
5. Joe introduced Michelle Sanio from MBE, the accounting firm performing the 2024 audit. Ms. Saino explained the process of performing the audit, which has become more complicated and time consuming. She expects to have a full report for the November Board meeting.

Tricia Layfield then gave a report from the Rules & Regs Committee.

1. Ms. Layfield explained the enhanced enforcement policy being employed, as well as the latest legal requirements enacted by Colorado regarding the imposition of fines.
2. The greatest number of infractions involve pets, unkept units, and parking.
3. Owners or property managers are responsible for informing rental guests of TACO's Rules & Regs.

President Lanius then moved to the Board election segment of the meeting and asked for nominations from the floor. There being none, she then made a last call for paper ballots, of which there were none. Michelle Saino then announced that Tricia Layfield and Scott Gillen had been elected to the Board.

Ms. Lanius then expressed thanks to outgoing Board member Mark Pelizza for his tireless work on the roofing project and the upgrade to the fire safety system.

A motion was then made and seconded to adjourn the meeting, and passed by voice vote.

Greg Collins, Secretary
TACO Executive Board

ATTACHMENT 1

Tamarron

Durango, Colorado

Annual Owners Meeting
September 5th, 2025

THE USI ONE ADVANTAGE®

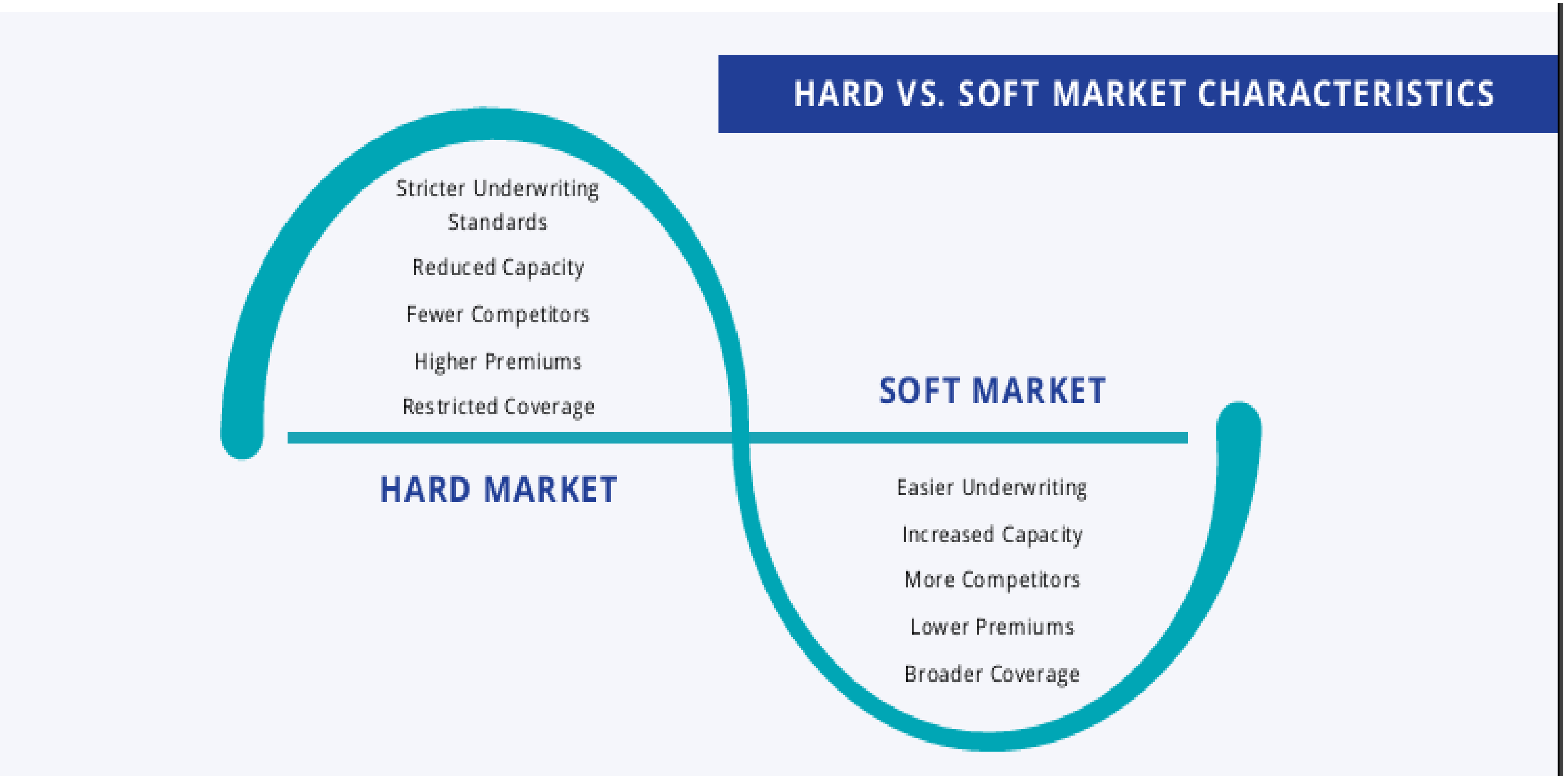
Shadia S. Ahmad, CIC, CPIA

Tamarron Association of Condominium Owners

Today's Agenda

- Introduction to USI Insurance
- High level look at 'State of the Market'
- Trends to Watch & Marketplace Response
- Property Program Review
- Goals for 2025/2026 Renewal
- Status
- Loss Assessment & Recommendations
- Q&A

State of the Colorado Property Insurance Market



Developments Since January 2025 Outlook

After an estimated $140B in global insured natural catastrophe losses in 2024, the third highest on record, the first quarter of 2025 exceeded $50B, marking one of the highest losses ever for any first quarter. Shortly after the release of our 2025 Commercial Property & Casualty Market Outlook in January, the Palisades and Eaton wildfires in Los Angeles burned more than 16,000 structures over 57,000 acres. The damages are estimated at $53.8B, with insured losses expected to surpass $30B.[1,2]

In March, severe convective storms across the southern and eastern U.S., along with a tornado outbreak in the central and southeastern regions, contributed significantly to the estimated Q1 insured losses. A 7.7 magnitude earthquake in Myanmar caused an estimated $600M to $900M in losses for Thai property and casualty insurers; most of these losses will be absorbed by global and regional reinsurers.[3]

Combined, these events equated to the second highest insured natural catastrophe losses on record for Q1, well above the historical average for the period. Following five straight years of $100B+ global insured catastrophe losses, 2025 is now well-positioned to continue this trend. With the 10-year average of global insured natural catastrophe losses now exceeding $100B, the property insurance market appears to be facing a new normal.

Single carrier programs started to see rate decreases, while shared and layered programs saw fierce competition, especially for high-quality risk profiles, resulting in rate decreases of 5% to 30%. London and Bermuda contributed heavily to the competitive environment, in some cases replacing incumbent single carrier programs, resulting in a 30% premium savings over an incumbent renewal offering.

Some risks remain challenging to place due to limited insurer appetite, and may not experience the decreases or improved terms seen in the broader market:

- Wildfire-exposed accounts
- Older wood-frame habitational risks
- Wind-exposed locations with older roof coverings
- Food manufacturing
- Subsidized housing

Nevertheless, opportunities exist for insureds that implement appropriate risk mitigation, maintain retentions and anticipate risk improvements, making them more acceptable to the market.

Excerpts from USI 2025 Commercial Property & Casualty Mid-Year Market Outlook. Complete report available upon request.

Trends to Watch: Second Half of 2025

Competitive Market Conditions Continue

In the second half of the year, opportunities will remain for insureds to expand coverage, purchase higher limits, reduce deductibles, improve terms, and reduce premium. Capital continues to flow into the insurance and reinsurance markets, providing the environment for additional softening.

Strategies that impacted premium savings the most, such as canceling or rewriting an existing program, will start to have diminishing returns once the higher-priced capacity from 2024 is replaced. Therefore, insureds with effective dates of October through December may not see the savings found in the first half of 2025 with these strategies.

Increased Exposures From Tariffs

The property insurance market would feel both the short- and long-term impacts of tariffs. Raw material costs and availability would impact replacement cost valuations for buildings and equipment, reversing the downward trend seen since 2022 following inflationary pressures during the COVID-19 pandemic. Higher replacement costs would increase policy limits and natural catastrophe limits, reduce market capacity, and raise premiums based on higher valuations. Raw material availability can affect loss estimates, particularly for business interruptions caused by delays in replacing items after a loss.

Rates and terms have softened overall, with ample capacity available.

While the extent of the tariffs' impact remains uncertain, the challenges and new exposures they may introduce for capacity, pricing, valuations and coverage are expected to become more apparent in the latter part of 2025.

Marketplace Response

- Continued scrutiny from underwriting
  - Risk Mitigation and Capital Investments
  - Short-Term Rentals
  - Appropriate Valuations and Program Design Implications (Co-Insurance Penalties)
- Colorado HB25-1182: Risk Model Use in Property Insurance Policies
  - Introduced in February 2025 > Undertaken in the 2025 Regular Session > Became Law in May 2025
  - Narrow scope, but implementation is TBD until July 2026, assuming no referendum petition
  - https://leg.colorado.gov/bills/hb25-1182

Marketplace Response

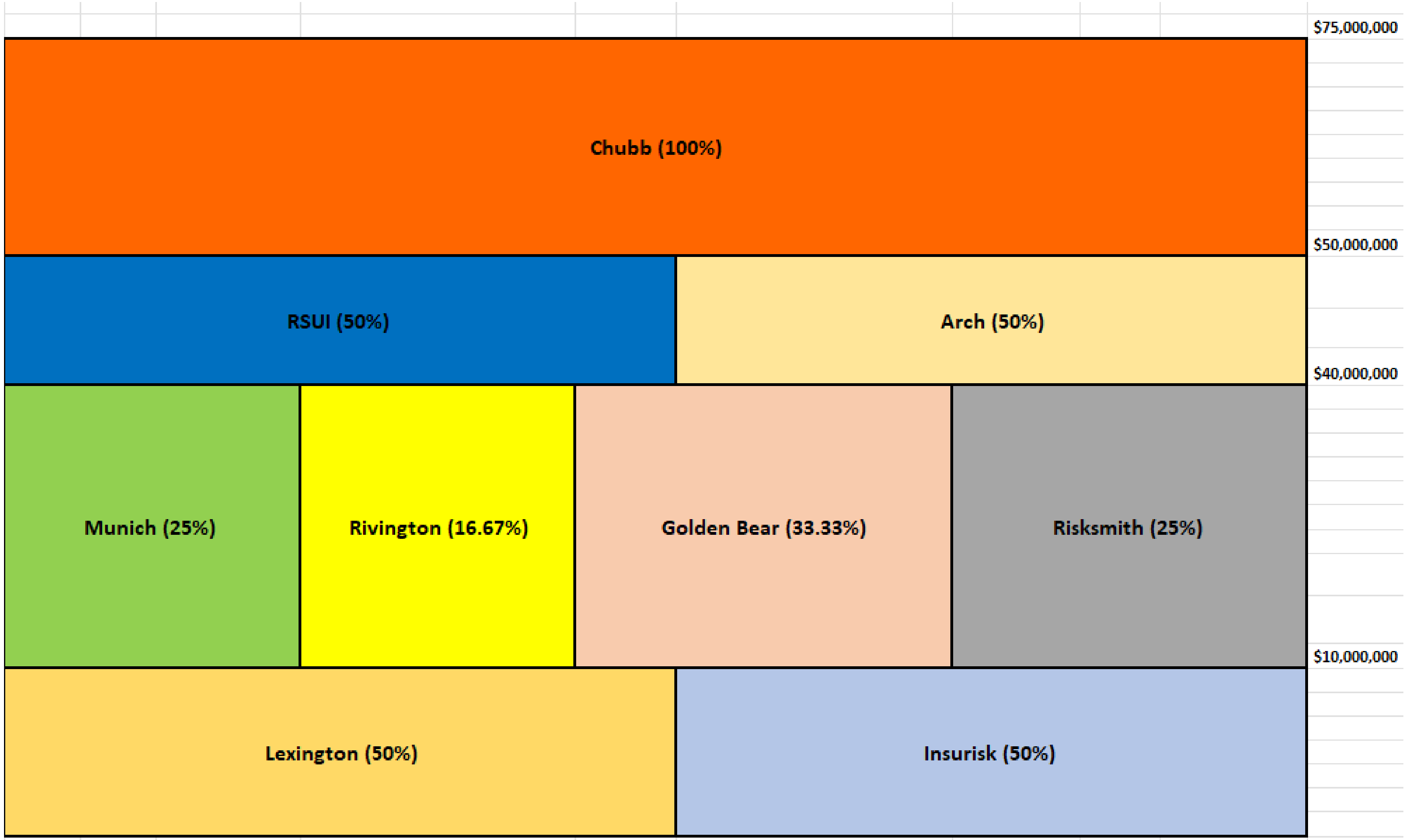
Expansion or Creation of State FAIR Plans to Fill Coverage Voids

Following the exodus of insurers willing to insure property in high-risk areas (such as those prone to wildfire or wind), state regulators have been searching for solutions to meet insurance demands for homeowners and commercial property buildings. Fair Access to Insurance Requirements (FAIR) plans or citizen plans, which are state-regulated and issued by admitted carriers, provide coverage when it is unavailable on the open market. As of today, 35 U.S. states and the District of Columbia offer FAIR plans covering nearly three million properties and over $1 trillion in exposure.[6] Some states have created their own FAIR plans (Colorado in January 2025), while others, like Utah, are considering creating them to meet growing needs sustainably.

In several states, these plans have become prominent due to unmet needs in the private insurance market. For instance, Florida's Citizens Plan covers more than one million households, making it the largest insurer in the state. At the time of the Los Angeles wildfires in January, the California FAIR Plan covered more than $6B in exposure in the impacted areas.[7] Since then, it has significantly increased coverage, now insuring more than 350,000 properties. In March 2025, limits were raised to address the needs of various groups priced out by private insurers. Coverage offers up to $20M per building and a maximum of $100M per location, highlighting gaps left by private insurers exiting some markets.[8]

As these programs expand to fill the void created by the exit of the private insurance market, they become increasingly reliant on policyholder assessments, or mechanisms such as catastrophe bonds, to build surplus needed to pay claims. If the existing surplus and reinsurance fall short, policyholders must fund the deficit through assessments, which can be substantial and add financial strain. Insurers may re-enter previous markets or address the gap with short-term assessments or alternative financing, indicating increasing needs across various regions. Insureds should pay attention to any regulatory developments in their states related to these FAIR plans, as they may offer some short-term solutions where coverage is either too expensive or unavailable.

2024/2025 Property Program Design



TACO Goals for 2025/2026 Renewal

TACO Board of Directors continue to exercise a high degree of due diligence and clarity of objectives on behalf of the Association.

- Consider alternative program designs to identify best possible solutions with capital efficiency
- Maximize marketplace efforts
- Reduce costs
- Optimize risk profile (disaster recovery planning, new technology implementation, etc.)

USI is committed to collaborating on these areas of impact through:

- Utilization of proprietary data and analytics to design an efficient and cost-effective program
- Optimization of program design
- Enhanced risk management
- Improve coverage (limits, deductibles, clauses or exclusions)
- Compare Programs for informed decisions

Current Status & Marketing Summary

Submitted to over 50 carriers; most declined to quote due to the following:

- Total Insured Value
- Lack of Capacity
- Wildfire Exposure
- Short-Term Rentals

Mitigation Planning is Critical

- TACO's Board has intentionally and thoughtfully taken profound mitigation actions and planning
  - Fire rated drywall
  - Sprinklers throughout the Association
  - TACO is a fully fire protected development supported by Durango Fire Protection District
  - Full fire hydrant coverage and 1.25-Million-gallon reserve reservoir
  - Surrounded by an irrigated golf course
  - Wildfire defense zone mitigation analysis is conducted annually
  - New roofs
  - 5 Year Plan for upgrading the fire protection system
  - Ongoing assessment of risk control and recovery strategies by Board
  - Partnership with neighboring communities and local authorities
    - La Plata Emergency Response Team
    - Adaptive Wildfire
    - DFPF Site Visit/Feedback
  - The Board and Staff of TACO continue to increase fire mitigation efforts.
- These facts and investments continue to make a meaningful impact on the ability for TACO to secure adequate coverage at competitive rates.

Other Factors in Underwriting of TACO

- Emergency Response and Disaster Recovery Planning with USI – May 2025
    - Recommendations implemented

- Early marketplace strategy and efforts

- Ongoing Investments
    - Buildium
    - New Locks
    - Automation Investments
        - Network Security, Multi-Factor Authentication

Loss Assessment

Loss Assessment coverage responds when the loss assessment imposed by the Association is the results of a claim that otherwise would be covered by the Association's master policy but is not because of inadequate limits or possibly because of a high deductible that must be borne by all unit owners of the association. Loss Assessment limits vary by company, ranging from $1,000 to $50,000, in most cases and can typically be increased. The cost to increase this coverage limit is usually minimal. USI recommends that unit owners carry at least $50,000 in Loss Assessment coverage to cover any assessment. Note that Loss Assessment coverage does not apply to financial assessments that are not related to insurance claims.

*Owners who are renting their unit to a tenant need a Rental Dwelling or Business Owners policy instead of a Unit Owners Homeowners policy. Since dwelling policies differ from HO-6 policy forms, be sure to ask your agent or insurance carrier if your policy contains, or if you can obtain, Loss Assessment coverage. Many dwelling policies do not automatically cover loss assessment; therefore, it is important to verify your options and coverage.

Loss Assessment Checklist

Important Questions for Your Personal Insurance Agent

1. Does my policy include Loss Assessment coverage?
2. If yes, what are my policy limits for Loss Assessment?
3. Can the limit be increased? If so, what is the maximum amount available and the cost?
4. Will my Loss Assessment coverage pay for a special assessment that is due to the Association's master policy deductible? Are there any conditions/exclusions for roof replacement?
5. Is there a lower limit (sublimit) paid by my carrier if the reason for my Loss Assessment claim is to pay my portion of the Association's deductible?

   This is a very important question! **Some carriers will show higher limits on the policy declarations page but still not cover a loss assessment (or offer a sublimit of only $1,000 or $5,000) if it is triggered by the master policy's deductible. This is not something you want to find out after a loss has occurred.**

   USI strongly recommends that you contact your personal insurance agent (or carrier) to ensure your personal Homeowners insurance policy offers adequate limits for all your coverage needs.

Contact Information:

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USI

ATTACHMENT 2

Tamarron Association of Condominium Owners
Income Statement Snapshot
7/31/2025

Operating Account	YTD Actual	YTD Budget	Over/Under
Revenue	2,134,651	2,158,448	(23,798)
Administrative Expenses	834,260	716,928	117,332
Operations	712,220	605,192	107,028
Personnel	191,583	209,203	(17,620)
Utilities	583,146	530,950	52,196
Capital Projects	141,185	182,083	(40,898)
Net Income	**(327,743)**	**(85,908)**	

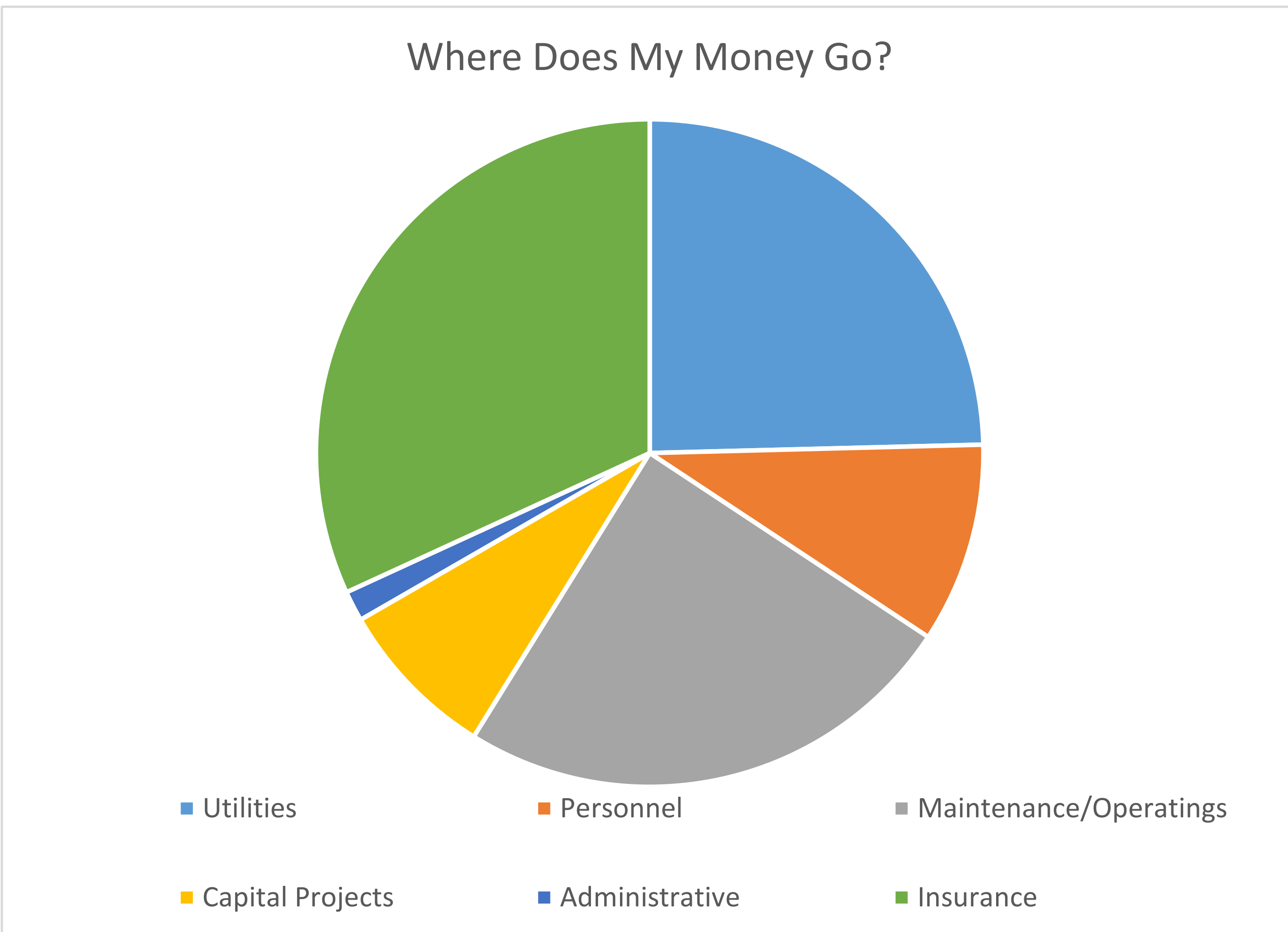
Tamarron Association of Condominium Owners
Permanent Reserve
7/31/2025

Permanent Reserve	**YTD Actual**	**YTD Budget**	**Over/Under**
Prior year Carryover Income	481,018	481,018	-
Rental Revenue	5,600	5,600	-
Interest Income	9,334	10,500	(1,166)
Capital Contribution from Sales	17,425	10,208	7,217
Transfer to Operating for Roof	(280,743)	-	(280,743)
Net Income	**232,634**	**507,326**	

Tamarron Association of Condominium Owners
2025

Where Does My Money Go?
Based on 2025 Budget

Utilities	910,200
Personnel	358,634
Maintenance/Operatings	908,400
Capital Projects	290,000
Administrative	54,470
Insurance	1,178,493
Total	**3,700,197**


Where Does My Money Go?
Utilities
Personnel
Maintenance/Operatings
Capital Projects
Administrative
Insurance

Tamarron Association of Condominium Owners

Balance Sheet

As of July 31,2025

ASSETS	
Current Assets	
101* Alpine Bank - Operating	367,961.02
105 Alpine Bank Resort Fees	33,912.94
106 Alpine Bank - Special Assessment	1,802.65
109 Edward Jones - Reserve	232,633.53
132 Accounts Receivable	197,822.25
133 Estimated Bad Debt	(5,000.00)
140 Acc Receive-Glacier Resort Fees	5,085.00
145 Prepaid Expenses	24,646.00
Total Current Assets	**858,863.39**
Fixed Assets	
150 Areas A-N Units 114,115	1,192,222.64
158 Equipment & Leasehold Improv	1,868,771.52
164 Accumulated Depreciation	(928,115.00)
170 Parts Inventory	2,543.35
Total Fixed Assets	**2,135,422.51**
Total Assets	**2,994,285.90**
LIABILITIES	
Current Liabilities	
220 Accounts Payable	85,732.71
230 Accrued Wages	8,450.00
240 Deferred Revenue	569,377.10
242 Payroll Liabilities:243 · Simple Plan	(280.51)
Total Current Liabilities	**663,279.30**
Long Term Liabilities	
260 Auto Loans - 263 Stevenson Auto Loan for Toyota	9,528.85
Total Long Term Liabilities	**9,528.85**
Total Liabilities	**672,808.15**
Equity	
320 Unrestricted Fund Beg Balance	2,334,028.83
321 Reserve Fund Beg Balance	881,485.70
Net Income	(894,036.78)
Total Equity	**2,321,477.75**
Total Liabilities & Equity	**2,994,285.90**

Tamarron Association of Condominium Owners
Income Statement
January through July 2025

	Jan -July 25	YTD Budget	Annual Budget
INCOME			
400 Association Fee Income	2,018,139.48	2,026,579.92	3,474,137.00
404 Maintenance Income	15,372.25	0.00	0.00
408 Storage Unit Rental	24,945.01	29,750.00	51,000.00
412 Commercial Space Rental	2,548.00	4,083.33	7,000.00
416 Service & Collection Fees	5,284.58	5,833.33	10,000.00
420 Transfer Fee	4,000.00	5,833.33	10,000.00
428 Laundry Machine	0.00	2,625.00	4,500.00
436 Vending Machines	0.00	525.00	900.00
437 Misc Income	1,029.36	0.00	0.00
460 Glacier TACO Admin Fee	15,091.92	16,018.33	27,460.00
472 TACO Rental Admin Fee	48,240.00	67,200.00	115,200.00
Total Income	**2,134,650.60**	**2,158,448.25**	**3,700,197.00**
EXPENSES			
Administrative Expenses			
501 Insurance	810,363.19	687,454.25	1,178,493.00
504 Accounting & Tax Prep	0.00	2,200.00	2,200.00
508 Assessment Fees - Uncollectible	0.00	2,916.67	5,000.00
512 Legal and Professional Fees	10,545.25	7,000.00	12,000.00
524 Auditing & Consulting Fees	0.00	0.00	8,800.00
532 Annual Meeting	(477.44)	0.00	3,000.00
536 Web Services	0.00	2,916.67	5,000.00
537 Computer & Office Supplies	2,186.78	2,840.83	4,870.00
540 Payroll processing & misc	2,770.96	2,800.00	4,800.00
544 Property Taxes	1,319.08	1,300.00	1,300.00
576 Highway Signage	0.00	500.00	500.00
577 HOA Software	7,552.32	7,000.00	7,000.00
Total Administrative Expenses	**834,260.14**	**716,928.42**	**1,232,963.00**
Personnel Expenses			
590 Salaries - Hourly & Salaried	162,371.27	171,126.67	293,360.00
591 Employee Benefits	17,696.86	22,001.58	37,717.00
593 Payroll Tax	16,266.79	14,535.50	24,918.00
595 Workers Compensation Insurance	(4,751.54)	1,539.42	2,639.00
Total Personnel Expenses	**191,583.38**	**209,203.17**	**358,634.00**

Operations Expense			
612 Building Maintenance	35,883.14	20,416.67	35,000.00
613.02 Internal Services & Materials	2,220.50	0.00	0.00
614 Cast Iron DWV Replacements	32,108.99	14,583.33	25,000.00
616 Snow Removal	36,661.50	80,000.00	100,000.00
620 Roof Repair & Ceiling Repairs	45,194.39	22,750.00	39,000.00
624 Grounds	73,340.33	72,916.67	125,000.00
625 Plumbing - Common Areas	19,013.50	9,333.33	16,000.00
626 HVAC - Common Areas	1,581.00	4,083.33	7,000.00
628 Administrative	86,714.00	83,416.67	143,000.00
629 Misc Building & Property Labor	30,174.75	58,333.33	100,000.00
636 Window Washing	27,875.00	28,700.00	28,700.00
637 Highpoint Exterior Maintenance	25,698.85	25,000.00	25,000.00
638 Gamble Oak Exterior Maintenance	26,314.67	25,000.00	25,000.00
639 Pinecone Exterior Maintenance	26,479.66	25,000.00	25,000.00
640 Fire Sprinklers & Extinguishers	10,187.39	8,750.00	15,000.00
641 Lodge Exterior Maintenance	25,308.00	25,000.00	25,000.00
648 Elevator Maintenance	13,226.50	8,283.33	14,200.00
649 Communications Systems Maint	20,033.66	17,500.00	30,000.00
656 Temp Monitoring and Alarms	14,612.00	14,583.33	25,000.00
662 Fogged/Broken Windows	7,753.68	17,500.00	30,000.00
674 Night - Weekend BHP Staff	13,355.00	8,750.00	15,000.00
675 Maint and Insurance on Vehicles	3,238.89	2,625.00	4,500.00
676 Fire Mitigation around Building	99,470.60	22,166.67	38,000.00
677 Electrical/Appliance	5,183.00	0.00	0.00
678 Pest Control & Bat Mitigation	7,790.00	7,000.00	12,000.00
679 Carpet Cleaning & Janitorial	25,306.86	3,500.00	6,000.00
Total Operations	**714,725.86**	**605,191.67**	**908,400.00**
Utilities Expense			
701 Water & Sewer	275,778.01	231,583.33	397,000.00
710 Satellite TV	36,929.21	41,125.00	70,500.00
720 Electricity	124,234.93	110,833.33	190,000.00
730 Internet and Telephone Service	126,208.70	124,833.33	214,000.00
750 Refuse Service	19,994.79	22,575.00	38,700.00
Total Utilities Expense	**583,145.64**	**530,950.00**	**910,200.00**

Capital Projects Expense			
807 Parking Lot - HP	15,228.50	38,000.00	38,000.00
811 S Deck support replacements	0.00	9,000.00	9,000.00
812 Outside Spiral stair rust abate	3,480.00	3,500.00	3,500.00
826 Fire Suppression Pump	0.00	3,500.00	3,500.00
830.18 New Lock Project	43,753.91	0.00	0.00
Unplanned Capital Expenses - Other	0.00	14,583.33	25,000.00
841 Fire Alarm System Upgrade	66,807.95	116,083.33	199,000.00
842 Deck Repairs GO & PC	11,914.66	12,000.00	12,000.00
Total Capital Projects Expense	**141,185.02**	**182,083.33**	**290,000.00**
Total Expenses	**2,464,900.04**	**2,244,356.58**	**3,700,197.00**
Net Income	**(330,249.44)**	**(85,908.33)**	**0.00**

Tamarron Association of Condominium Owners

Permanent Reserves

January through July 2025

	Jan-Jun 25	YTD Budget	Annual Budget
INCOME			
940 Interest Income	9,333.74	10,500.00	18,000.00
941 Unit Rental Revenue	5,600.00	5,600.00	9,600.00
942 Reserve Contribution	17,424.92	10,208.33	17,500.00
Total Reserves Income	32,358.66	26,308.33	45,100.00
Memorandum Only:			
Transfers from Reserves for Roof payments	**(280,743.13)**		
Beginning Balance	**481,018.00**	**481,018.00**	**481,018.00**
Net Balance	**232,633.53**	**507,326.33**	**526,118.00**