

State of the Canyon

Presented:
March 30, 2025

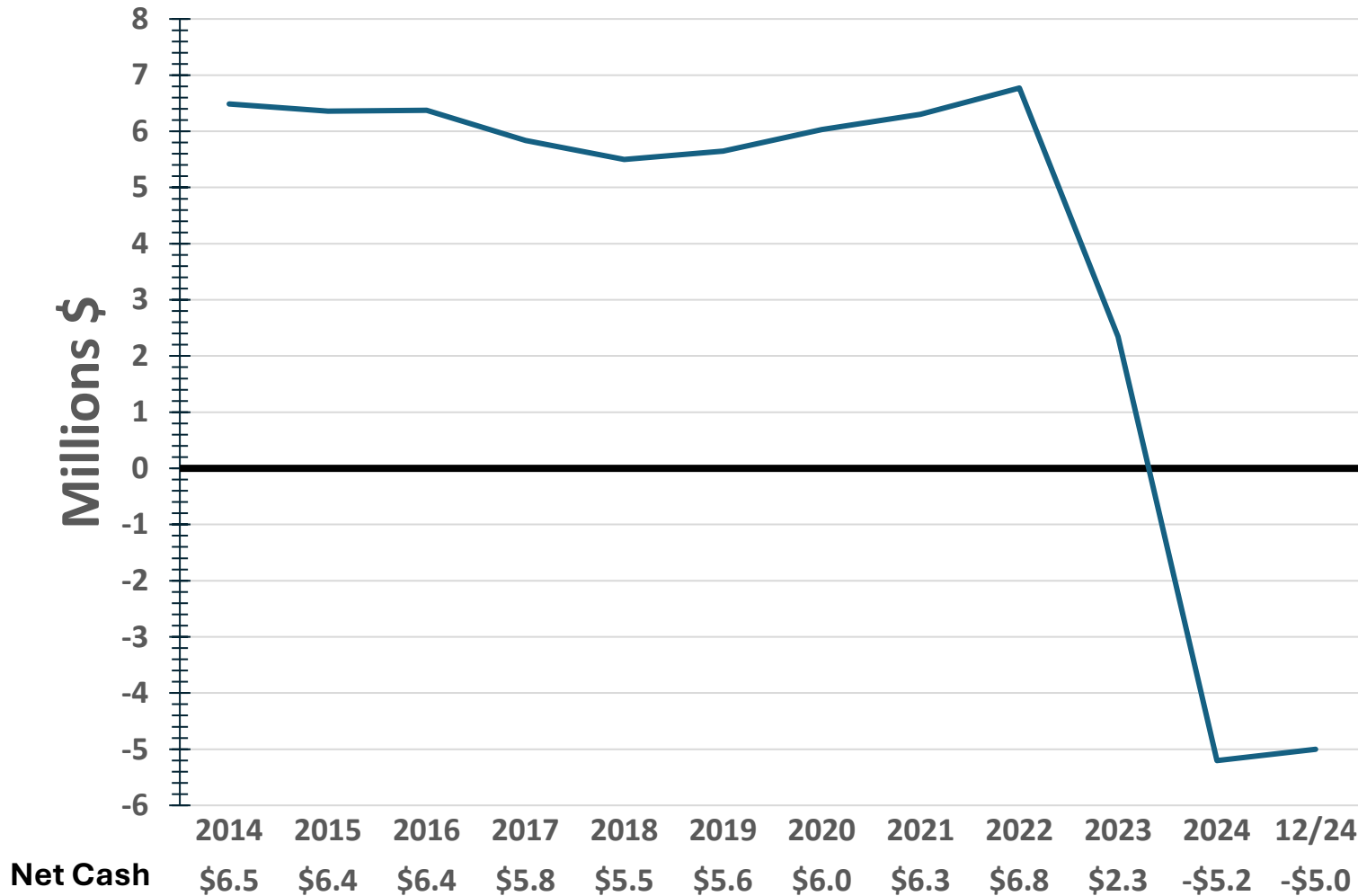


Agenda --- Preserve and Protect

- Current Cash Position and Use Over Time
- Legal
- Community Center
- Roads Planning
- Operations: Challenges, Gaps, and Initiatives
- The Path Ahead
 - Professional Management
 - Prioritization Planning



Net Cash Position June 2014-December 2024 (Fiscal Year Runs July - June)



Takeaways

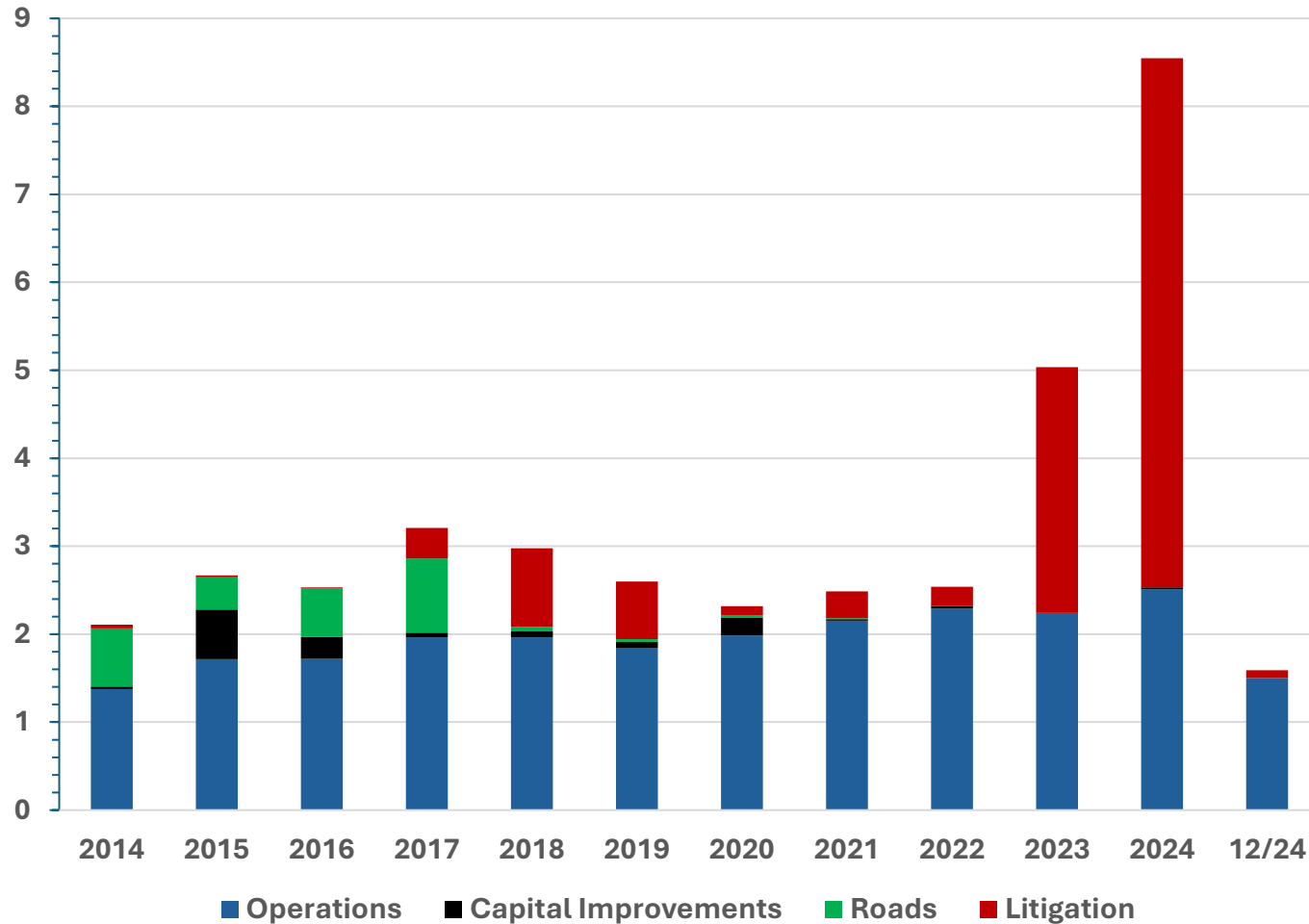
- From '14 - '22 Cash was ~\$6 MM
- Spending through '24, litigation consumed over \$11 million in cash, forcing us to borrow \$6.8 million
- Reserve Fund borrowing of \$4.6 MM legally requires repayment
- At December '24, net cash was negative \$5 million:
 - \$1.5 MM in cash and
 - \$6.5 MM in debt

Major P&L Expenditures June 2014–December 2024

(Fiscal Year Runs from July to June)



Millions



Takeaways

- Operating spending consistent
- Capital Improvements ended in '16
- Road repair effectively ended in '17
- Litigation expense dominated since '17
- Litigation expense reduced 7/24–12/24

Progress Achieved

Litigation Since November '23	Start/End Dates	Nature of Action	Status
1. Reingold v BCA	2023/2024	Builder dispute	Settled ✓
2. BCA v Greenwich Insurance	2022/2025	Coverage dispute	Settled ✓
3. Hovsepian v BCA	2020/2025	Easement dispute	Settled ✓
4. Travis v Bell Canyon	2022/2024	Personal Injury	Settled ✓
5-10. Six Employment Cases	'20 '22 '23	Employment	Settled ✓
11. Recall Candidates v BCA	2023/2024	Expense recovery	Settled ✓
12. CSD	2024/2024	Lease dispute	Settled ✓
New Contingency Cases			
BCA v Pariser and Hudock	2024	Malpractice	Pending ⚖️
BCA v Wolf	2025	Constructive Fraud Fiduciary Duty Breach	Pending ⚖️

Takeaways

- Inherited 12 lawsuits and settled all 12
- Recouped \$495K from a case considered hopeless
- Filed two contingency cases to recoup money
- 67 Ranchero complications

Community Center - Roof Finished!

Bid Process:

- 45-page scope-of-work
- Public online bid system
- Five acceptable bids
- Low bid awarded job

Construction Process:

- Anticipated/unanticipated change orders required
- 3 bids for Carpentry and Courtyard
- One contractor terminated

Phase II considerations:

- Truss repair/replacement
- External modifications
- Internal schematic designs

Before

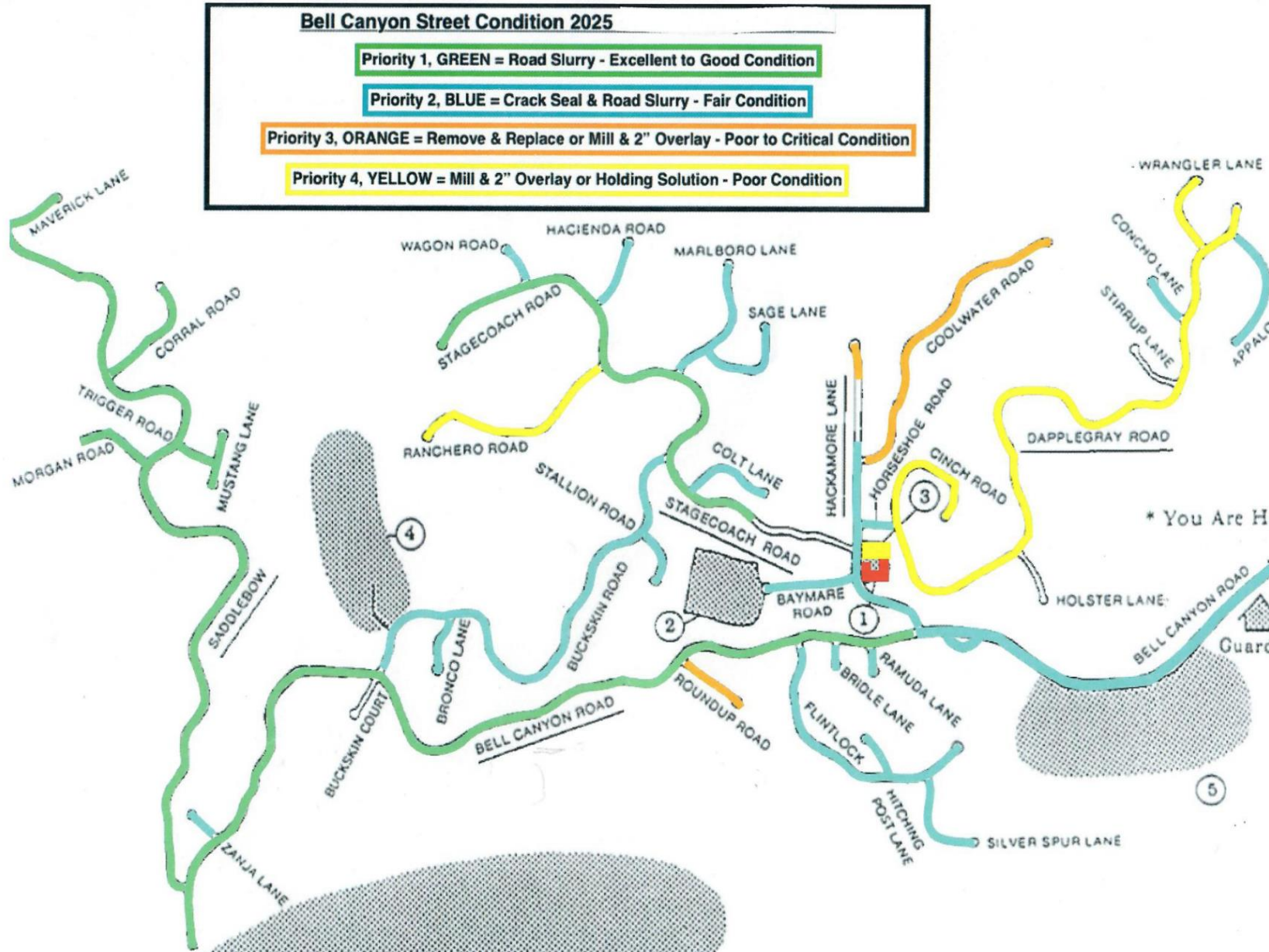


After



Takeaways

- Reserve Study revealed that roads had deferred maintenance of \$2 million
- Process of re-evaluating road repair prioritization
- Identify funds available for this purpose



Operation: challenges, gaps, and initiatives

Turnover: 3 GMs, 4 staff, and 8 board members

Accounting: Fragmented responsibilities, unreconciled accounts, and missing documents

Insurance: General Liability, Fair Plan, BVWFD coverage gaps

Community Volunteers: 15 new volunteers to support 4 Committees/Boards

--- *Emergency Preparedness, Welcoming, Communications Committees, Maintenance*

Community: Pickleball, Movie night, Christmas/Hanukkah, Halloween, Easter egg events

What have we learned?

Our Community is a Small City.

Is there a better way to run it?



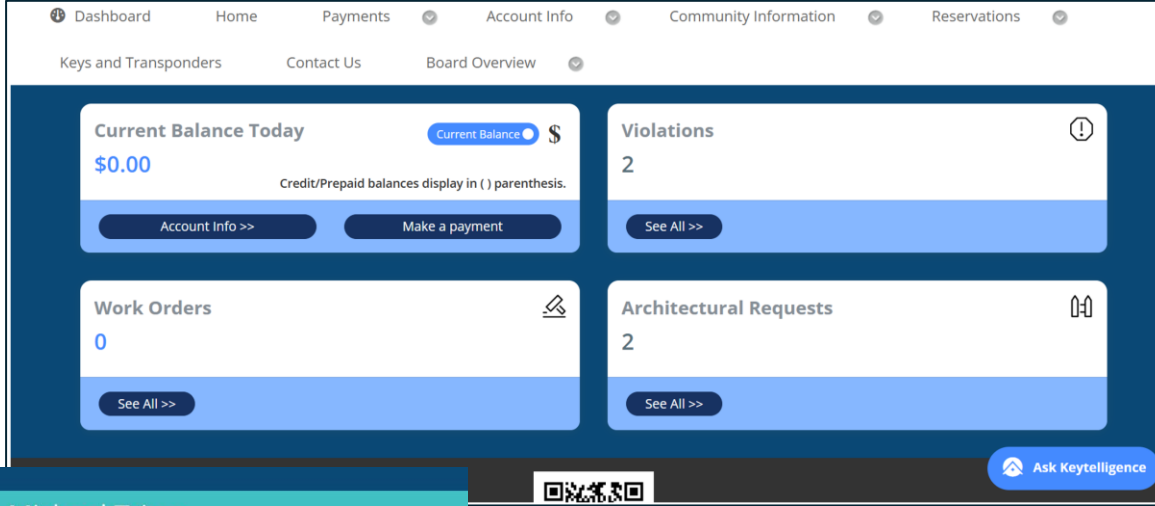
The Path Ahead: Professional Management?

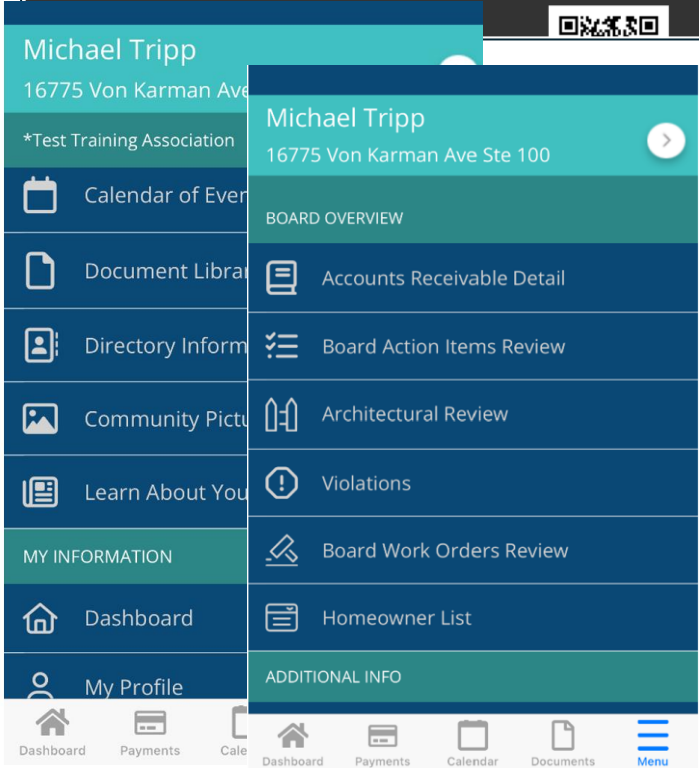
A Board's role is governance, legal, strategy, planning and increase property values ----
not operations.

Professional Management can provide:

- Technology tools for members and board
- Continuity of institutional knowledge
- Consistency with standard operating procedures
- Recruitment and professional training
- Staff responsibility will transfer risk
- Single, unified, and electronic record keeping

Technology Tools






Tools

- Account info detail
- ACH, check, CC payments
- Payment history
- FAQs
- Work Orders
- Web, mobile, text
- eBlast, Newsletter
- Architecture applications
- Amenity reservations, fobs
- Order Transporters
- Guest lists management
- Work orders
- All HOA Document Access

9



Prioritizing Community Investment

Approximate Cash in March of '25 ~\$3 MM

Prudent Working Capital Required \$1.5 MM

*Available for Community Priorities \$1.5 MM



Potential Uses of Funds

- Roads (Reserve loan repayment)s
- Community Center
- Equestrian Center Needs
- Pay Down Debt

Guiding Principals

- Preserve
- Protect



*Potential Additional Funds: Pending Contingency Cases, Crime Policy Claim, and Sale of 67 Ranchero

Thank You.

After Q&A Forum --- Please Visit Our Stations

