TELLURIDE HOSPITAL DISTRICT: REGULAR BOARD MEETING AGENDA

November 19, 2026 **8:30am – 11:30am**

Location: Wellness Annex (500 W Pacific Ave) **OR** Zoom

https://us02web.zoom.us/j/2225137277?omn=83362069316&from=addon

Meeting ID: 222 513 7277

NOTE: This agenda is subject to change. Visit tellmed.org/board-of-directors for any last-minute changes

Mission	It is our responsibility to provide exceptional, accessible, and comprehensive care to all people that need us.
Vision	We aspire to support the healthcare needs of the communities we serve as the trusted provider by delivering high quality care that is compassionate, equitable, and sustainable.

	Regular Session	Mins.	Procedure	Presenter(s)
1	Call to order	3	Action	Dr. Thomas Crabtree, THD Board Chair
2	Review of Agenda / Conflict of Interest Disclosure	2	Action	THD Board of Directors
3	Public Comment *Please limit comments to 3 minutes. If comments are not related to an item on the agenda, there will be no Board response or action taken since the topic was not posted with proper notice and any comment could potentially violate the Colorado Open Meetings Law. The Board is willing to listen to any statement from the public but may stop public comment when that comment includes speech that is discriminatory toward a protected class under Colorado law or when the speech is meant to incite or threaten an act of violence against a member of this Board, the administration, an employee, or this organization.* *Procedure to speak during Zoom meeting: Via Computer - Click Raise Hand in the Webinar Controls. By Telephone: Dial #9 to raise hand.*	3	Information	Public
4	Consent Agenda (all items, attached) a. Approval of November 19, 2026, Agenda b. Approval of October 22, 2026, Regular Meeting Minutes c. Approval of November 3, 2026, Special Meeting Minutes	2	Action	THD Board of Directors
5	Board Matters			
	5a. Resolution In Recognition of National Rural Health Day	5	Action	THD Board of Directors
	5b. Resolution In Support of Level V Trauma Re-Designation	5	Action	THD Board of Directors
	5c. New Facility Updates	10	Discussion	THD Board of Directors
	5d. Consideration of Two Site Model	15	Discussion / Action	THD Board of Directors
	5e. CommonSpirit Due Diligence Updates	20	Discussion	THD Board of Directors
	BREAK	**5**		
6	Finance Update			
	6a. Finance Committee Update	10	Discussion	Tricia Maxon & Allison McClain
	6b. September 2026 Draft Financials (attached)	10	Discussion	Robbi Hudson, CFO
	6c. Compensation Committee	5	Action	Tricia Maxon & Allison McClain
	6d. Mill Levy Education	15	Discussion	Alline Arguelles, Acting Director of Ops
	6e. Budget & Mill Levy Workshop	20	Discussion/ Direction	THD Board of Directors
7	Administrative Updates			
	7a. Administration Update	10	Presentation	Alline Arguelles, Acting Director of Ops
	7b. Telluride Medical Center Foundation Governance	15	Discussion/ Action	Jason Slosberg, TMCF Chair
8	Other Business	10	Other	THD Board of Directors
9	Meeting Self-Assessment	5	Discussion	THD Board of Directors
10	Meeting Adjournment	0	Action	THD Board of Directors
11	Rural Health Day Luncheon		Social	TRMC Staff & THD Board of Directors

Next Regular Board Meeting: Thursday, December 10, 2026
8:30-11:30am, Zoom and In-person (Wellness Annex)

TELLURIDE HOSPITAL DISTRICT: REGULAR BOARD MEETING MINUTES

October 22, 2026

Location: 500 W Pacific Ave (Annex) and Zoom

Board Present: Dr. Thomas Crabtree, Paul Reich, Tricia Maxon, Allison McClain, Banks Brown
Board Absent:
Staff Present: Alline Arguelles, Wil Crossland, Robbi Hudson, Shayni Saftler, Hannah Max, Paula Hinojosa, Robin Adams, Amye Cassady, Dr. Diana Koelliker, Danielle Wyatt, Jonathan Godisak, Kathryn Beck, Dr. Bill Hall, Tony Marusic, Eric Adolphi, Jonathan Godisak, Emma Christensen, Emily McGough, Dr. Dan Hehir
Guests Present: Frances Ridlehoover (Jensen Partners), Jason Slosberg (TMCF Board), Jason Corzine (Telluride Foundation), Chris Knight (Cumming Group)

1. **CALL TO ORDER** – Board Chair, Dr. Crabtree, called meeting to order at 8:31 a.m. Quorum met. Dr. Crabtree, Paul Reich, Tricia Maxon, Allison McClain present. Banks Brown absent.
2. **REVIEW OF AGENDA** – No changes or disclosure of conflict of interest.

XXX joined the meeting at XXX a.m.

XXX left the meeting at XXX a.m.

3. **PUBLIC COMMENT**
    - None.
4. **CONSENT AGENDA (all items attached to agenda)/ONE MOTION TO APPROVE:**
    a. Approval of October 22, 2026, Agenda
    b. Approval of September 24, 2026, Regular Meeting Minutes
    c. Ratification: None

    - **Motion** to approve Consent Agenda, made by Paul Reich, seconded by Allison McClain. All in favor (4-0).

5. **BOARD MATTERS/ADMINISTRATIVE MATTERS**
    a. New Facility Updates
        - Infrastructure work at Society Turn being carried out on behalf is ongoing, there are no major updates at this time, but everything is on schedule. Discussion.

Banks Brown joined the meeting at 8:36 a.m.

    b. Consideration of Two Site Model
        - Paul Reich and Dr. Crabtree have had ongoing conversations with Newmont regarding a renewed 30-year lease on the Pacific Street Clinic with the right of first refusal on an additional 30 years towards the end of the term. It is expected that Newmont will return a proposed lease on or around November 6, 2026.
        - Once that lease is in hand, the Board will make a formal decision on whether to move forward with a two site model.
        - Alline Arguelles provided an update on an increased lease for the Chair 7 lease renewal which was provided by the owner this week. The lease will be for 2027 only, with discussions on 2028 and beyond to continue next year.

c. Partnership Updates
    - The organization remains in conversation with Aspen.
    - Conversations with Complete Care are wrapped and there is no expectation THD will move forward with them at this time.

d. Letter of Intent with Common Spirit
    - After months of work exploring partnerships opportunities with CommonSpirit, a letter of intent (LOI) has been drafted for Board to consider further exploration. Dr. Crabtree reiterated that the LOI is not binding and serves as more of a starting point that a finish line in the partnership discussions. Discussion.
    - Dr. Crabtree asked the Board to share their thoughts on the LOI prior to considering any motion to move forward.
    - Dr. Crabtree believes this is an acceptable document to begin the due diligence in further exploring a partnership with CommonSpirit. He stated his desire for a commitment from CommonSpirit to provide service and increased language around ability to be on their contracts. Both of these concerns would be more appropriately addressed in a formal agreement should the Board decide to move forward with a partnership. Discussion.
    - Paul Riech expressed concerns that the LOI came across as more of an acquisition than a partnership, particularly in the term sheet. He also wants guarantees around preservation of services and employee protections. He also has large reservations around the allocation of mill levy dollars to CommonSpirit. Discussion.
    - Allison McClain agrees with Paul and Dr. Crabtree. Her number one concern is the issue of how mill levy dollars are used and the expectations around them. The local funds and authority of the Board seem vague to her and give her pause. She also sees some major potential benefits and would like to move forward with the LOI. Discussion.
    - Tricia Maxon agrees with Paul's concerns around the term sheet. She would like to move forward but is ultimately very concerned about the allocation of the mill levy. She is curious how they can be of assistance during the construction at society turn. Tricia asked if it might be possible to enter into an LOI without the inclusion of the term sheet. Discussion.
    - Banks Brown expressed that his biggest concern is the mill levy. He is also worried about the potential of limited local governance. Women's reproductive health is important to him, and he is warry that partnering with CommonSpirit could put those services at risk. Discussion.
    - Paul is also in favor of exploring signing an LOI without the term sheet. Allison thinks that the term sheet is useful to know where CommonSpirit is starting from in the negotiations. Discussions.
    - Dr. Crabtree opened the conversation up to public comment.
    - Shayni Saftler (TRMC Informaticist) spoke to the costs (financial, time and emotional) of signing an LOI. She highlighted the progress of TRMC in the last few years and asked for the Board to not move forward with this LOI.
    - Danielle Wyatt (TRMC AR Specialist) asked if there was due diligence in renegotiating our current contracts as a standalone organization.
    - Alline Arguelles shared the consensus comments from the Senior Leadership Team. This includes one way access from CommonSpirit to TRMC without reciprocation the other way, a need for clarity in the term sheet around the mill levy and specific word choices around employment. SLT would also like clarity on how the structural changes at CommonSpirit will impact this process. Finally, she highlighted the impact of LOI process itself and how employees might respond to this perception of potential change. Allien asked for greater empathy and engagement from all stakeholders.
    - Hannah Max (TRMC Grant Writer) spoke to the potential threat of limiting reproductive health services. She also touched on the worries that the negotiation is one side and offers no protection to the people who are non-clinical, but vital to our community. She highlighted the importance of staffing to the med center and its future viability.
    - Kathryn Beck (TRMC PC Nurse Manager) emphasized the importance of the community to the very existence of the medical center and the need for them to provide feedback to the partnership conversation.

- Paula Hinojosa (TRMC PC Care Manager) spoke to the trust and connection between the clinic and the community. She understands the potential benefits but believes it is important to keep in mind our unique role in this community is considered.
- Frances Ridlehoover (Jensen Partners) provided context on how this LOI got to where it is. She highlighted that the details provided were to make sure both parties were aware of their expectations if they were to move forward. CommonSpirit, like TRMC, feels the need to use the mill levy to make this worth their time. CommonSpirit's approach is stated as collaborative and engaged process. Discussion.
- Frances clarified language around the mill levy and the requirement for the Board to take a vote to the community. Discussion.
- Alline asked Frances is the LOI can be put forward without the term sheet and what the Boards options are today. Frances does not believe that changing any aspects of the LOI will change how due diligence looks in practice. Discussion.
- Tony Marusic (TRMC HR Director) wanted to reiterate that TRMC would not have access to any information from CommonSpirit within the terms of the proposed LOI.
- Dr. Crabtree wants to spend ample time exploring all the questions raised today and feels they are all extremely important and need to be addressed. He feels it is his duty as a Board member to ensure long-term care to the community, and we should move forward with the non-binding LOI to continue exploring the questions raised today. Discussion.
- Paul acknowledged the progress the medical center has been making during his time on the Board. The three things that matter most to him are the patients, the staff and the community. He still has major hesitations on the term sheet and the lack of details on some points. He stated he cannot support the LOI as it is today. Discussion.
- Allison confirmed there are women's health and end of life care guarantees in writing, although it is not in the LOI. She recognized and thanked the staff for their candor. She asked if Board members are opposed to a partnership overall, to not approve the LOI. Allison agrees with Tom that more back and forth on the LOI is not a preferred approach as the due diligence is where the actual guarantees will be made. Although she has reservations with parts of the LOI, she is comfortable moving forward.
- Tricia asked Frances if there was an ability to make minor modifications to the LOI to address some of the concerns presented today. Frances does not think preliminary language in the agreement can be changed. Frances thinks that these details are best addressed during due diligence and the top concerns should be addressed first during that period as to not waste folk's time.
- Tricia would be comfortable approving the LOI pending the addition of language specifying women's health.
- Frances gave Tricia assurance that the team THD has been meeting with will not change despite the upcoming reorganization CommonSpirit will implement in 2027.
- Hannah Max expressed that including explicit language around women's health is vital, and there is a risk that if it is not included it could become a public referendum on this issue at large. Discussion.
- Banks expressed his feeling that we might be getting ahead of ourselves on some of these details and the LOI is merely a starting point. He feels that everything in the term sheet can be changed by either party during the negotiation period. Discussion.
- Tom does not feel that small changes to the LOI should delay potential adoption. He thinks that those conversations are better had early in the due diligence period. Discussion.
- Paul reiterated he is still a no for the reasons previously stated. He is not opposed to the idea of partnerships in general, just this LOI.
- Tricia has hesitations about the language not including reciprocal information sharing but does not feel it warrants amendments to the LOI prior to action. Discussion.
- Shayni thanked the Board for listening to the staff and for the work to date. She reiterated her concerns around potential conflict of interest with the consultants.

- **Motion** to execute the letter of intent authorizing Dr. Crabtree, Allision McClain and Jensen Partners to make best efforts to add language to preserve access existing services, made by Tricia Maxon, seconded by Banks Brown. All in favor (4-1). Dr. Thomas Crabtree, Tricia Maxon, Allison McClain, Banks Brown in favor. Paul Reich opposed.

  - Allison McClain is in support of engaging Jensen Partners to help through the due diligence process. She expressed her belief in their experience. Allison also expressed a desire to continue exploring legal options.

6. **FINANCE UPDATE**
   a. Finance Committee Update – Tricia Maxon & Allison McClain
      - Allison McClain gave kudos to the team for the recent benefit renewal process and the clarity Tony provided to the finance committee. Discussion.
      - Tricia Maxon highlighted strong revenue performance in September, with expenses suffering due to severance payout. Year to date finances is strong. Discussion.

   b. September 2026 Draft Financials (attached to agenda) – Robbi Hudson
      - Robbi Hudson reviewed the September financial statements. Discussion.
      - A major highlight is the ongoing improvements with ED precollection. Discussion.

   c. Benefits Update – Tony Marusic
      - Tony shared information on the benefit renewal for this year, which options were made and what the final decision means for the medical center financially and in terms of what will be offered to staff. Discussion.
      - The Board expressed support for the approach taken and the final decision made for 2027 benefits. Discussion.

   d. Grant Update – Hannah Max
      - Hannah provided a presentation on the Rural Health Transformation Funding and updates on what the next step on what will be funded and how plans are coming together for implementation. Discussion.
      - The Board congratulated Hannah and the team on the award of this grant. Discussion.

   e. Mill Levy Budget – Tricia Maxon & Allison McClain
      - Tricia gave some context on the mill levy after meeting with legal to better understand how the mill levy is calculated. THD is eligible to collect $9.5 million next year, higher than what was originally budgeted. Discussion.
      - Conversations will continue in November and the Board will decide on what the final budgeted mill levy revenue will be. Discussion,

7. **ADMINISTRATIVE REPORTS**
   a. Administration Updates – Alline Arguelles
      - Alline pointed out a few highlights from the last month, including the cancer screening and prevention award TMC received, Melissa Tuohys work as a regional trauma coordinator, and Eric's work along with his team's work on repairing the hole in the roof that manifested in September. Discussion.
      - Two upcoming save dates for the Board are the November 4th all staff meeting which will include a QA session with the Board and November 19th, the same day as our next Board meeting, TMC will celebrate National Rural Health Day with an opportunity for the staff to mingle with the Board.

8. **OTHER BUSINESS**
      - Wil Crossland confirmed December 10 at 8:30am as the time and date for the Board meeting that month.

9. **MEETING SELF-ASSESSMENT**
    - The Board completed a self-assessment of the October 2026 regular Board meeting.
    - The Board expressed gratitude to the staff for their willingness to speak up.

10. **MEETING ADJOURNMENT**

- **Motion** to adjourn made by Tricia Maxon, seconded by Allison McClain. All in favor (5-0). Meeting adjourned 11:18 a.m.

Respectfully submitted by:

_____

Tricia Maxon, Secretary/Treasurer
(prepared by Wil Crossland, Recording Secretary)

TELLURIDE HOSPITAL DISTRICT: SPECIAL BOARD MEETING MINUTES

November 3, 2026

3:00 PM – 3:30 PM

Location: TMC Wellness Annex & Zoom

Board Present:	Paul Reich, Tricia Maxon, Allison McClain, Banks Brown
Board Absent:	Dr. Thomas Crabtree
Staff Present:	Alline Arguelles, Wil Crossland
Public Present:	Owen Perkins, Anne Brown, Kelley Prince, Jonathan Prince, Robert Pinkert

1. **CALL TO ORDER** – Chair called meeting to order at 3:00 p.m. Quorum met. Paul Reich, Tricia Maxon, Allison McClain, Banks Brown present. Dr. Thomas Crabtee absent.

2. **PUBLIC COMMENT –** None.
    - Robert Pinkert expressed that his largest concern is that CommonSpirit's status as a Catholic Health organization could put certain services at risk. He urged the Board to ensure written assurances that these services, specifically in regard to reproductive health, are preserved for the community.

3. **Consideration of Proposal by Jensen Partners to provide support through due diligence process with CommonSpirit**
    - Allison McClain provided an overview of the proposal provided by Jensen Partners and their scope of work. Discussion.
    - The changes include a provision that any updates to the capital campaign are under oversight of THD Board Leadership.
    - Allison expressed her sentiment that this is fair price for work required ahead and supports executing a contract. Discussion.
    - Tricia Maxon expressed how impressed she has been with Jensen's work to date and supports executing a contract. Discussion.
    - Banks Brown expressed appreciation for what Jensen has done but is worried on how they will handle the direction given to them. He still has reservations in executing a contract. Discussion.
    - Paul Reich wants to ensure that the THD Board is in the driver's seat in any negotiations with CommonSpirit. Discussion.
    - The Board discussed the sacred items to the medical center throughout the negotiations. The plan is to address clinical services and staffing first, as those could be deal breakers. Discussion.
    - Paul Reich is worried that Jensen will not offload enough work from the TRMC staff. Allison provided examples of how this will not be the case due to Jensen's support. Discussion.
    - Paul Reich expressed the Board's commitment to having strong protection to preserving all clinical services, especially in relation to reproductive health. Discussion.
    - Allison McClain

4. **Motion** to authorize Dr. Crabtree to execute a contract with Jensen Partners to provide support through due diligence process with CommonSpirit, made by Tricia Maxon seconded by Allison McClain. Tricia Maxon, Allison McClain, Banks Brown in favor. Paul Reich opposed (3-1).

4. MEETING ADJOURNMENT

- **Motion** to adjourn made by Banks Brown, seconded by Allison McClain. All in favor (4-0). Meeting adjourned 3:24 p.m.

Respectfully submitted by:

_____

Tricia Maxon, Secretary/Treasurer
(prepared by Wil Crossland, Recording Secretary)

ctioTELLURIDE HOSPITAL DISTRICT
RESOLUTION NO. 2026-02

RESOLUTION IN RECOGNITION OF NATIONAL RURAL HEALTH DAY

WHEREAS, National Rural Health Day will be observed on November 19, 2026, marking the fifteenth anniversary of this national observance; and

WHEREAS rural communities such as ours face distinct challenges in delivering health care, including geographic isolation, mountain terrain and seasonal weather, workforce recruitment and retention, and the need to provide a broad range of services to a small and widely dispersed population; and

WHEREAS the physicians, nurses, advanced practice providers, emergency medical personnel, laboratory and imaging professionals, therapists, pharmacy staff, administrative and support personnel, volunteers, and all others who serve the District meet these challenges every day with skill, compassion, and dedication; and

WHEREAS the Board of Directors recognizes that the quality of care in our community is a direct result of the commitment of these individuals, who care for neighbors, friends, and visitors at their most vulnerable moments, often at personal sacrifice and at all hours of the day and night, in every season; and

WHEREAS the Board of Directors wishes to join communities across the nation in celebrating rural health care and to publicly acknowledge the essential contributions of the Telluride Regional Medical Center staff;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TELLURIDE HOSPITAL DISTRICT, COLORADO:

The Board of Directors hereby recognizes November 19, 2026, as National Rural Health Day and joins the National Organization of State Offices of Rural Health in celebrating the "Power of Rural" and the vital role of rural health care providers and communities across the United States.

The Board of Directors extends its heartfelt thanks and appreciation to every member of the Telluride Regional Medical Center’s clinical, administrative, and support staff, for their professionalism, compassion, and unwavering commitment to the health of the Telluride community.

The Board of Directors reaffirms its commitment to supporting the District's staff and to ensuring that residents and visitors of the Telluride region have access to high-quality, compassionate, and sustainable health care close to home.

ADOPTED this nineteenth day of November, 2026.

_____
Thomas Crabtree, MD MHCDS FACS, Chair
Board of Directors
Telluride Hospital District

ATTEST:

_____
Tricia Maxon, Secretary
Board of Directors
Telluride Hospital District

TELLURIDE HOSPITAL DISTRICT
RESOLUTION NO. 2026-03

RESOLUTION IN SUPPORT OF LEVEL V TRAUMA RE-DESIGNATION

WHEREAS, THE BOARD OF DIRECTORS OF THE TELLURIDE HOSPITAL DISTRICT desires to complete the process to attain Level V Trauma re-designation from the State of Colorado; and

WHEREAS we understand that with this re-designation comes a fee to the State of Colorado of $3,000 annually that covers the re-designation process for 3 years. Along with the fee comes the expense of the survey team traveling to Telluride.

WHEREAS we are in full support of the additional education requirements that are needed for the RN staff, including certification of all nurses in the Trauma Nurse Core Curriculum and also support the active participation of the designated Trauma Nurse Coordinator in the required WRETAC meetings and other activities.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TELLURIDE HOSPITAL DISTRICT, COLORADO:

That the necessary actions and funds required are approved and adopted in support of the Level V trauma re-designation.

ADOPTED this nineteenth day of November, 2026.

_____
Thomas Crabtree, MD MHCDS FACS, Chair
Board of Directors
Telluride Hospital District

ATTEST:

_____
Tricia Maxon, Secretary
Board of Directors
Telluride Hospital District

TELLURIDE REGIONAL MEDICAL CENTER

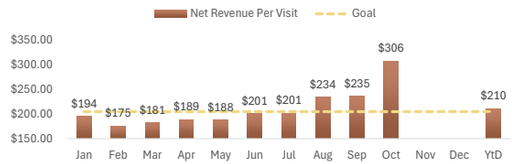
Financial Scorecard

October 2026

Revenue & Margins

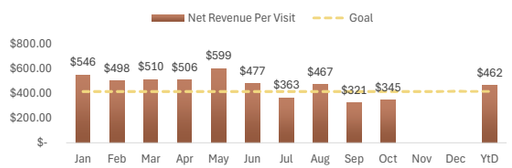
Net Patient Revenue Per Visit — PC

October 2026: $ 306.46 Goal: $ 204.41 Status:
YtD: $ 210.14 Goal: $ 204.45 Status:



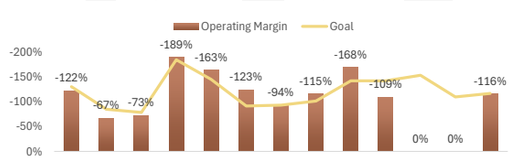
Net Patient Revenue Per Visit — ED

October 2026: $ 345.16 Goal: $ 414.79 Status:
YtD: $ 461.86 Goal: $ 413.28 Status:



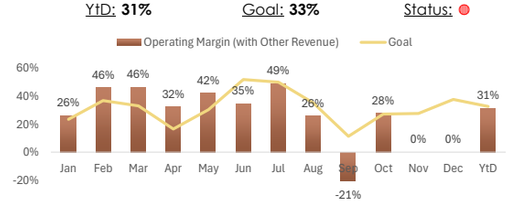
Operating Margin

October 2026: -109% Goal: -142% Status:
YtD: -116% Goal: -117% Status:



Operating Margin (with Other Revenue)

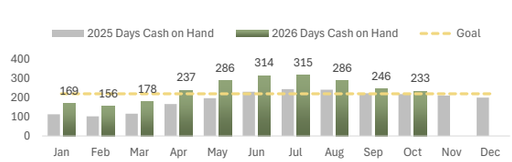
October 2026: 28% Goal: 27% Status:
YtD: 31% Goal: 33% Status:



Cash

Days Cash on Hand

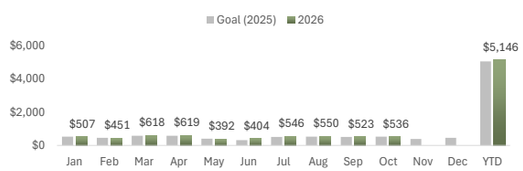
October 2026: 233.0 Goal: 220.0 Status:
October 2025: 218.4 Goal: 220.0 Status:



Patient Payments Received

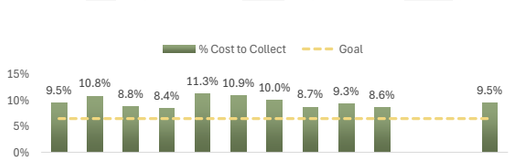
(In Thousands $)

October 2026: $ 536 Goal: $ 539 Status:
YtD: $ 5,146 Goal: $ 5,050 Status:



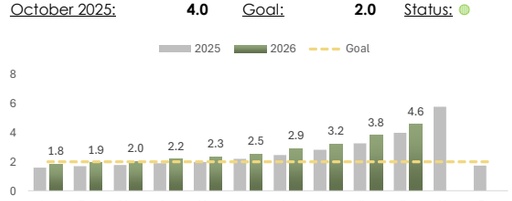
% Cost to Collect Payment

October 2026: 8.6% Goal: 6.5% Status:
YtD: 9.5% Goal: 6.5% Status:



Current Ratio (Current Assets / Current Liabilities)

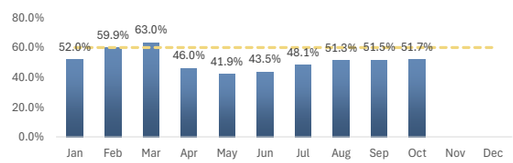
October 2026: 4.6 Goal: 2.0 Status:
October 2025: 4.0 Goal: 2.0 Status:



Gross Aging

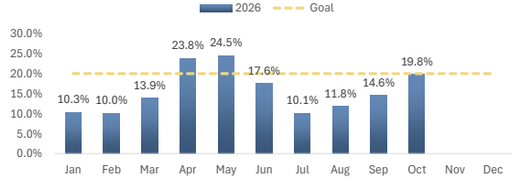
AR Aging < 60 Days

October 2026: 51.7% Goal: 60% Status:



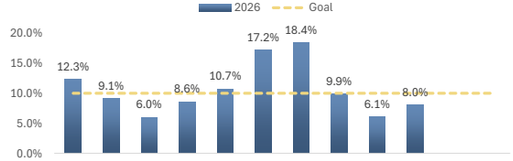
AR Aging 61 - 120 Days

October 2026: 19.8% Goal: 20% Status:



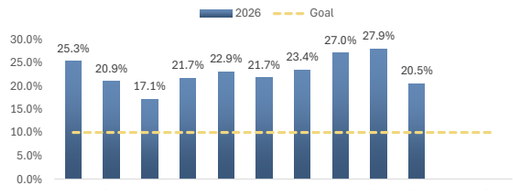
AR Aging 121 - 180 Days

October 2026: 8.0% Goal: 10% Status:



AR Aging > 180 Days

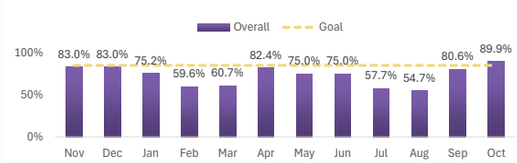
October 2026: 20.5% Goal: 10% Status:



Collections

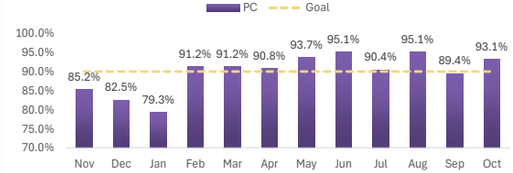
Pre-Collection Rate — Total

October 2026: 89.9% Goal: 85% Status:



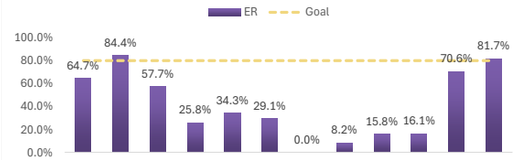
Pre-Collection Rate — PC

October 2026: 93.1% Goal: 93% Status:



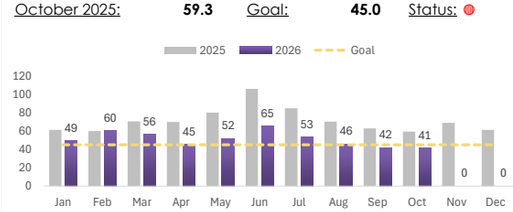
Pre-Collection Rate — ER

October 2026: 81.7% Goal: 80% Status:



Net Patient AR Days

October 2026: 41.4 Goal: 45.0 Status:
October 2025: 59.3 Goal: 45.0 Status:



Telluride Regional Medical Center

Statement of Activity

October 2026

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Revenue				
4000 Net Patient Revenue	512,907.88	422,625.00	90,282.88	121.36 %
4300 Other - Operating Income	38,138.13	26,072.00	12,066.13	146.28 %
Total Revenue	**$551,046.01**	**$448,697.00**	**$102,349.01**	**122.81 %**
GROSS PROFIT	**$551,046.01**	**$448,697.00**	**$102,349.01**	**122.81 %**
Expenditures				
5000 Salaries and Wages	459,733.43	497,745.00	-38,011.57	92.36 %
5200 Employee Benefits	126,049.38	116,022.00	10,027.38	108.64 %
5400 Professional Fees	245,727.61	180,678.00	65,049.61	136.00 %
5500 Purchased Service	108,779.81	100,036.00	8,743.81	108.74 %
5600 Central Supplies	84,751.82	68,700.00	16,051.82	123.37 %
5800 Service Contracts	15,884.31	15,244.00	640.31	104.20 %
5900 Insurance	3,265.42	6,043.00	-2,777.58	54.04 %
6000 Rentals and Leases	9,503.27	9,304.00	199.27	102.14 %
6200 Utilities	11,228.70	12,481.00	-1,252.30	89.97 %
6500 Other Operating Expenses	22,200.85	17,192.00	5,008.85	129.13 %
6550 IT Hardware & Software	34,124.27	29,848.00	4,276.27	114.33 %
7000 Depreciation	30,570.53	32,534.00	-1,963.47	93.96 %
Total Expenditures	**$1,151,819.40**	**$1,085,827.00**	**$65,992.40**	**106.08 %**
NET OPERATING REVENUE	**$ -600,773.39**	**$ -637,130.00**	**$36,356.61**	**94.29 %**
Other Revenue				
8000 Mill Levy Income	693,769.00	693,768.00	1.00	100.00 %
8020 Support from TMC Foundation	46,806.89	49,195.00	-2,388.11	95.15 %
8035 Interest & Dividend Income	13,567.36	16,418.00	-2,850.64	82.64 %
Total Other Revenue	**$754,143.25**	**$759,381.00**	**$ -5,237.75**	**99.31 %**
NET OTHER REVENUE	**$754,143.25**	**$759,381.00**	**$ -5,237.75**	**99.31 %**
NET REVENUE	**$153,369.86**	**$122,251.00**	**$31,118.86**	**125.45 %**

Telluride Regional Medical Center

Statement of Activity

January - October, 2026

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Revenue				
4000 Net Patient Revenue	4,949,456.68	4,922,584.00	26,872.68	100.55 %
4300 Other - Operating Income	215,126.50	216,972.00	-1,845.50	99.15 %
Total Revenue	**$5,164,583.18**	**$5,139,556.00**	**$25,027.18**	**100.49 %**
GROSS PROFIT	**$5,164,583.18**	**$5,139,556.00**	**$25,027.18**	**100.49 %**
Expenditures				
5000 Salaries and Wages	4,949,924.41	5,030,110.00	-80,185.59	98.41 %
5200 Employee Benefits	1,275,845.43	1,315,114.00	-39,268.57	97.01 %
5400 Professional Fees	2,052,693.06	1,815,332.00	237,361.06	113.08 %
5500 Purchased Service	1,001,011.35	989,900.00	11,111.35	101.12 %
5600 Central Supplies	644,818.85	614,784.00	30,034.85	104.89 %
5800 Service Contracts	145,044.28	123,816.00	21,228.28	117.15 %
5900 Insurance	50,188.08	52,530.00	-2,341.92	95.54 %
6000 Rentals and Leases	114,909.40	113,629.00	1,280.40	101.13 %
6200 Utilities	105,376.41	126,585.00	-21,208.59	83.25 %
6500 Other Operating Expenses	251,291.61	220,299.00	30,992.61	114.07 %
6550 IT Hardware & Software	245,749.16	300,372.00	-54,622.84	81.81 %
7000 Depreciation	312,355.87	325,337.00	-12,981.13	96.01 %
Total Expenditures	**$11,149,207.91**	**$11,027,808.00**	**$121,399.91**	**101.10 %**
NET OPERATING REVENUE	**$ -5,984,624.73**	**$ -5,888,252.00**	**$ -96,372.73**	**101.64 %**
Other Revenue				
8000 Mill Levy Income	6,937,690.00	6,937,680.00	10.00	100.00 %
8010 Grant and Contribution Income	172,567.50	180,529.00	-7,961.50	95.59 %
8020 Support from TMC Foundation	286,799.68	249,400.00	37,399.68	115.00 %
8035 Interest & Dividend Income	206,728.76	191,180.00	15,548.76	108.13 %
Total Other Revenue	**$7,603,785.94**	**$7,558,789.00**	**$44,996.94**	**100.60 %**
NET OTHER REVENUE	**$7,603,785.94**	**$7,558,789.00**	**$44,996.94**	**100.60 %**
NET REVENUE	**$1,619,161.21**	**$1,670,537.00**	**$ -51,375.79**	**96.92 %**

Telluride Regional Medical Center

Statement of Activity Comparison - Prior Year

October 2026

	TOTAL			
	OCT 2026	OCT 2025 (PY)	CHANGE	% CHANGE
Revenue				
4000 Net Patient Revenue	512,907.88	476,819.80	36,088.08	7.57 %
4300 Other - Operating Income	38,138.13	123,933.58	-85,795.45	-69.23 %
Total Revenue	**$551,046.01**	**$600,753.38**	**$ -49,707.37**	**-8.27 %**
GROSS PROFIT	**$551,046.01**	**$600,753.38**	**$ -49,707.37**	**-8.27 %**
Expenditures				
5000 Salaries and Wages	459,733.43	483,681.16	-23,947.73	-4.95 %
5200 Employee Benefits	126,049.38	85,205.13	40,844.25	47.94 %
5400 Professional Fees	245,727.61	145,812.49	99,915.12	68.52 %
5500 Purchased Service	108,779.81	95,684.01	13,095.80	13.69 %
5600 Central Supplies	84,751.82	88,025.14	-3,273.32	-3.72 %
5800 Service Contracts	15,884.31	10,449.94	5,434.37	52.00 %
5900 Insurance	3,265.42	5,369.76	-2,104.34	-39.19 %
6000 Rentals and Leases	9,503.27	12,680.62	-3,177.35	-25.06 %
6200 Utilities	11,228.70	9,765.46	1,463.24	14.98 %
6500 Other Operating Expenses	22,200.85	20,909.05	1,291.80	6.18 %
6550 IT Hardware & Software	34,124.27	40,271.53	-6,147.26	-15.26 %
7000 Depreciation	30,570.53	30,655.36	-84.83	-0.28 %
Total Expenditures	**$1,151,819.40**	**$1,028,509.65**	**$123,309.75**	**11.99 %**
NET OPERATING REVENUE	**$ -600,773.39**	**$ -427,756.27**	**$ -173,017.12**	**-40.45 %**
Other Revenue				
8000 Mill Levy Income	693,769.00	654,866.00	38,903.00	5.94 %
8020 Support from TMC Foundation	46,806.89	2,519.04	44,287.85	1,758.12 %
8035 Interest & Dividend Income	13,567.36	3.69	13,563.67	367,579.13 %
Total Other Revenue	**$754,143.25**	**$657,388.73**	**$96,754.52**	**14.72 %**
NET OTHER REVENUE	**$754,143.25**	**$657,388.73**	**$96,754.52**	**14.72 %**
NET REVENUE	**$153,369.86**	**$229,632.46**	**$ -76,262.60**	**-33.21 %**

Telluride Regional Medical Center

Statement of Activity Comparison - Prior Year

January - October, 2026

	TOTAL			
	JAN - OCT, 2026	JAN - OCT, 2025 (PY)	CHANGE	% CHANGE
Revenue				
4000 Net Patient Revenue	4,949,456.68	4,812,039.41	137,417.27	2.86 %
4300 Other - Operating Income	215,126.50	371,496.37	-156,369.87	-42.09 %
Total Revenue	**$5,164,583.18**	**$5,183,535.78**	**$ -18,952.60**	**-0.37 %**
GROSS PROFIT	**$5,164,583.18**	**$5,183,535.78**	**$ -18,952.60**	**-0.37 %**
Expenditures				
5000 Salaries and Wages	4,949,924.41	4,840,131.59	109,792.82	2.27 %
5200 Employee Benefits	1,275,845.43	1,151,391.46	124,453.97	10.81 %
5400 Professional Fees	2,052,693.06	1,493,747.43	558,945.63	37.42 %
5500 Purchased Service	1,001,011.35	884,385.73	116,625.62	13.19 %
5600 Central Supplies	644,818.85	709,317.87	-64,499.02	-9.09 %
5800 Service Contracts	145,044.28	143,408.15	1,636.13	1.14 %
5900 Insurance	50,188.08	51,948.19	-1,760.11	-3.39 %
6000 Rentals and Leases	114,909.40	127,524.43	-12,615.03	-9.89 %
6200 Utilities	105,376.41	116,889.31	-11,512.90	-9.85 %
6500 Other Operating Expenses	251,291.61	221,931.07	29,360.54	13.23 %
6550 IT Hardware & Software	245,749.16	254,051.90	-8,302.74	-3.27 %
7000 Depreciation	312,355.87	309,629.80	2,726.07	0.88 %
Total Expenditures	**$11,149,207.91**	**$10,304,356.93**	**$844,850.98**	**8.20 %**
NET OPERATING REVENUE	**$ -5,984,624.73**	**$ -5,120,821.15**	**$ -863,803.58**	**-16.87 %**
Other Revenue				
8000 Mill Levy Income	6,937,690.00	6,568,986.06	368,703.94	5.61 %
8010 Grant and Contribution Income	172,567.50	115,529.00	57,038.50	49.37 %
8020 Support from TMC Foundation	286,799.68	107,153.64	179,646.04	167.65 %
8035 Interest & Dividend Income	206,728.76	159,782.21	46,946.55	29.38 %
8040 Gain on Disposal		500.00	-500.00	-100.00 %
Total Other Revenue	**$7,603,785.94**	**$6,951,950.91**	**$651,835.03**	**9.38 %**
NET OTHER REVENUE	**$7,603,785.94**	**$6,951,950.91**	**$651,835.03**	**9.38 %**
NET REVENUE	**$1,619,161.21**	**$1,831,129.76**	**$ -211,968.55**	**-11.58 %**

Telluride Regional Medical Center

Statement of Financial Position - Board

As of Oct 31, 2026

	Total
Assets	
Current Assets	
Bank Accounts	**$9,473,356**
Accounts Receivable	
1200 Accounts Receivable - Patient	$2,454,214
1215 Account Receivable - Allowance	-1,769,790
Total for 1200 Accounts Receivable - Patient	**$684,424**
1260 Accounts Receivable - Other	4,450
1323 Mill Levy Receivable	148,058
Total Accounts Receivable	**$836,932**
Other Current Assets	**$432,780**
Total Current Assets	**$10,743,069**
Fixed Assets	**$2,543,109**
Other Assets	
Total Assets	**$13,286,178**
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	**$276,035**
Credit Cards	
Other Current Liabilities	**$2,073,461**
Total Current Liabilities	**$2,349,496**
Long-term Liabilities	
2200 Municipality Contributions	**$650,000**
Total Long-term Liabilities	**$650,000**
Total Liabilities	**$2,999,496**
Equity	
3000 Retained Earnings	8,667,520
Net Income	1,619,161
Total Equity	**$10,286,681**
Total Liabilities and Equity	**$13,286,178**

Telluride Regional Medical Center

Statement of Cash Flows MTD

October 2026

Account Name	Total
OPERATING ACTIVITIES	
Net Income	153,369.86
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1200 Accounts Receivable - Patient	82,467.14
1215 Accounts Receivable - Patient:Account Receivable - Allowance	-70,890.43
1323 Mill Levy Receivable	102,012.92
1350 Due from TMCF	-40,942.59
1430 Prepaid Expense	5,925.40
1550 Inventory - Vaccines	1,558.56
1560 Inventory - IUDs	-7,914.44
1600 Payments - Unpaid Patient Payments	10,839.26
1855 Accumulated depreciation:Accumulated Depreciation - Buildings	2,136.27
1860 Accumulated depreciation:Accumulated Depreciation - Medical Equipment	16,119.28
1865 Accumulated depreciation:Accumulated Depreciation - Administrative Equipment	3,132.49
1870 Accumulated depreciation:Accumulated Depreciation - Funiture & Fixtures	112.04
1875 Accumulated depreciation:Accumulated Depreciation - Improvements	9,070.45
2001 Accounts Payable - Vendors	60,549.07
2003 Accounts Payable - Vendors:Accrued Payables - Credit Cards	400.91
2005 Patient Refunds	-20.00
2010 Accounts Payable - Vendors:Accounts Payable - Accruals	-488.34
2140 Salaries Payable	39,831.58
2145 Payroll State/Local Tax Payable	90.06
2150 Payroll Federal Tax Payable	3,103.86
2160 Payroll Health & Retirement Payable	3,945.04
2190 Payroll Leave Accrual	15,583.25
2400 Deferred Revenue - Mill Levy	-693,769.00
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	**-$457,147.22**
Net cash provided by operating activities	**-$303,777.36**
INVESTING ACTIVITIES	
1810 Fixed Assets:Medical Equipment	-5,321.41
1837 Fixed Assets:New Facility - CIP:New Facility - CIP Owner’s Representative	-10,043.93
Net cash provided by investing activities	**-$15,365.34**
FINANCING ACTIVITIES	
NET CASH INCREASE FOR PERIOD	**-$319,142.70**
Cash at beginning of period	**$9,792,499.19**
CASH AT END OF PERIOD	**$9,473,356.49**

Telluride Regional Medical Center

Statement of Cash Flows YTD
January-October, 2026

Account Name	Total
OPERATING ACTIVITIES	
Net Income	1,619,161.21
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1200 Accounts Receivable - Patient	-218,162.27
1215 Accounts Receivable - Patient:Account Receivable - Allowance	420,606.69
1260 Accounts Receivable - Other	700.00
1323 Mill Levy Receivable	8,177,165.08
1350 Due from TMCF	-76,285.17
1430 Prepaid Expense	20,303.29
1550 Inventory - Vaccines	-23,236.36
1560 Inventory - IUDs	-3,147.44
1600 Payments - Unpaid Patient Payments	2,545.52
1855 Accumulated depreciation:Accumulated Depreciation - Buildings	21,362.70
1860 Accumulated depreciation:Accumulated Depreciation - Medical Equipment	164,331.05
1865 Accumulated depreciation:Accumulated Depreciation - Administrative Equipment	34,816.48
1870 Accumulated depreciation:Accumulated Depreciation - Funiture & Fixtures	1,120.40
1875 Accumulated depreciation:Accumulated Depreciation - Improvements	90,725.24
2001 Accounts Payable - Vendors	19,800.84
2003 Accounts Payable - Vendors:Accrued Payables - Credit Cards	-8,413.74
2005 Patient Refunds	-4,464.23
2010 Accounts Payable - Vendors:Accounts Payable - Accruals	-37,978.76
2140 Salaries Payable	-73,945.72
2145 Payroll State/Local Tax Payable	-186.69
2150 Payroll Federal Tax Payable	-4,741.86
2160 Payroll Health & Retirement Payable	8,403.53
2190 Payroll Leave Accrual	62,544.08
2400 Deferred Revenue - Mill Levy	-6,937,690.00
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	**$1,636,172.66**
Net cash provided by operating activities	**$3,255,333.87**
INVESTING ACTIVITIES	
1810 Fixed Assets:Medical Equipment	-10,607.52
1812 Fixed Assets:Medical Equipment:Medical Equipment - CIP	-60,607.24
1837 Fixed Assets:New Facility - CIP:New Facility - CIP Owner's Representative	-82,724.75
Net cash provided by investing activities	**-$153,939.51**
FINANCING ACTIVITIES	
2210 Municipality Contributions:Municipality Contributions - Town of Telluride	-150,000.00
2215 Municipality Contributions:Municipality Contributions - San Miguel County	-100,000.00
Net cash provided by financing activities	**-$250,000.00**
NET CASH INCREASE FOR PERIOD	**$2,851,394.36**
Cash at beginning of period	**$6,621,962.13**
CASH AT END OF PERIOD	**$9,473,356.49**

Telluride Medical Center Foundation

Financial Dashboard

Oct 2026

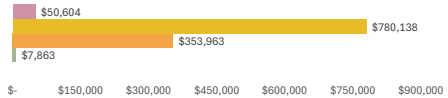
Finances

Cash On Hand

Total Cash on Hand: $ 1,192,569

Capital Campaign: $ 7,863 — Area of Greatest Need: $ 780,138

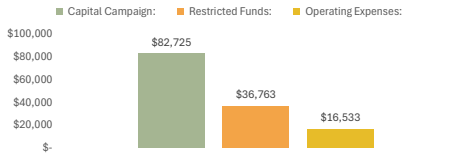
Restricted Funds: $ 353,963 — Employee Housing: $ 50,604



Due to TMC

Total Due to TMC: $ 136,021 — Capital Campaign: $ 82,725

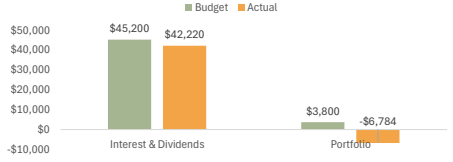
Restricted Funds: $ 36,763 — Operating Expenses: $ 16,533



Interest, Dividend & Portfolio Income

Interest & Dividends: $ 42,220 — Goal: $ 45,200 — Status:

Portfolio: $ (6,784) — Goal: $ 3,800 — Status:

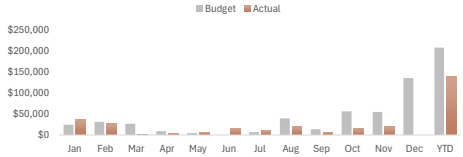


Fundraising

Unrestricted Funds Raised YTD

Oct 2026: $ 15,705 — Budget: $ 55,850 — Status:

YTD: $ 138,583 — Budget: $ 207,575 — Status:



Restricted Funds Raised YTD

Not Including TMCF Classic or Capital Campaign

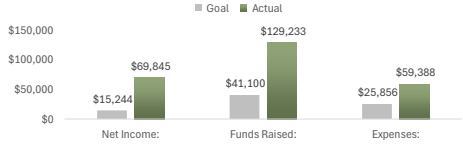
AOGN (PC):	$ 35,000	Goal: $ -	Status:	
Behavioral Health:	$ 50,000	Goal: $ -	Status:	
MA Training:	$ 12,000	Goal: $ -	Status:	
PC Training:	$ 14,000	Goal: $ -	Status:	
Bilingual:	$ 50,000	Goal: $ -	Status:	
Employee Housing:	$ -	Goal: $ -	Status:	
Total:	$ 161,000	Goal: $ -	Status:	

TMCF Classic Golf Tournament

Net Income: $ 69,845 — Goal: $ 15,244 — Status:

Funds Raised: $ 129,233 — Goal: $ 41,100 — Status:

Event Expenses: $ 59,388 — Goal: $ 25,856 — Status:



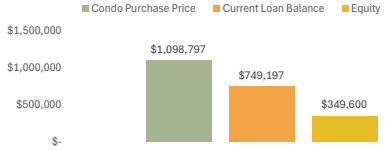
Employee Housing

Meadowlark

(In Thousands $)

Purchase Price: $ 1,098,797 — Equity: $ 349,600

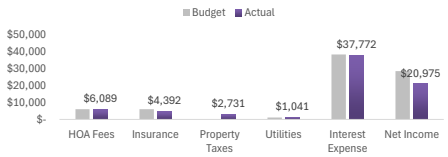
Loan Balance: $ 749,197 — Cash on Hand: $ 50,604



Meadowlark — YTD Housing Profit & Loss

Oct 2026 Net Profit: $ 2,151 — Budget: $ 3,541 — Status:

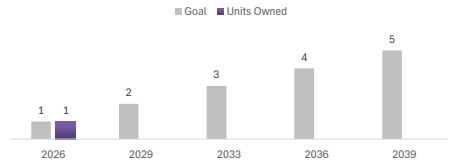
YTD Net Profit: $ 20,975 — Budget: $ 28,487 — Status:



Employee Housing Units

Owned in 2026: 1 — Goal by 2026: 1 — Status:

Goal by 2039: 5

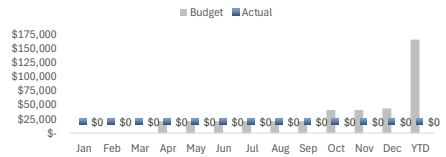


Capital Campaign

Capital Campaign Funds

Oct 2026: $ - — Budget: $ 40,850 — Status:

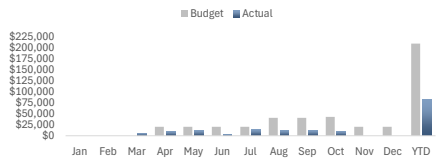
YTD Funds Raised: $ - — Budget: $ 165,950 — Status:



Capital Campaign (New Facility) Expenses

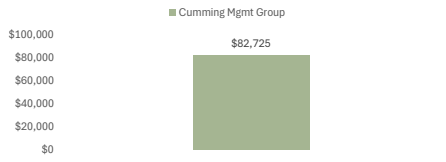
Oct 2026: $ 10,044 — Budget: $ 43,400 — Status:

YTD Expenses: $ 82,725 — Budget: $ 208,500 — Status:



Capital Campaign Expenses by Vendor

Total: $ 82,725 — Cumming Mgmt: $ 82,725



THD Board of Directors: Compensation Committee Charter

Purpose

The Compensation Committee is established by the Board of Directors to provide strategic oversight of executive compensation and the organization's overall compensation philosophy, ensuring alignment with the organization's mission, financial sustainability, and strategic objectives. The Committee serves in an advisory capacity to the Board and does not participate in the day-to-day administration of employee compensation programs. Final approval of the executive leader compensation and significant changes to the organization's compensation philosophy rests with the Board of Directors. Committee members shall disclose any actual or potential conflicts of interest and recuse themselves from discussions or decisions where a conflict exists.

Formation

The committee shall consist of four members, as follows:

- Two members of the Board of Directors – appointed by Board Chair
- Human resources leader
- Designated executive leader

Roles/Responsibilities

The Compensation Committee will be responsible for:

- Annual review of the organization's compensation philosophy, as developed and recommended by the Senior Leadership Team.
- Review of high-level compensation budget assumptions as part of the annual budgeting process.
- Annual review of executive leader compensation and recommendations to the Board of Directors.
- Review of aggregate compensation trends and market competitiveness, as presented by management.
- Provide recommendations to the Board of Directors regarding significant changes to the organization's overall compensation philosophy or executive compensation practices.

Management will be responsible for:

- Developing, implementing, and administering the organization's compensation philosophy and practices.
- Conducting and reviewing appropriate market compensation research and benchmarking.
- Establishing, maintaining, and adjusting employee wage ranges based on market data, internal equity, and organizational needs.

DRAFT

THD Board of Directors: Compensation Committee Charter

- Identifying and addressing employee compensation outliers and wage range exceptions as appropriate.
- Determining individual employee compensation within established budgetary parameters.
- Managing annual merit increases and other compensation adjustments.
- Managing recruitment offers, promotional increases, and retention adjustments.
- Providing the Compensation Committee with aggregate compensation information and recommendations as appropriate.

Delegation of Authority

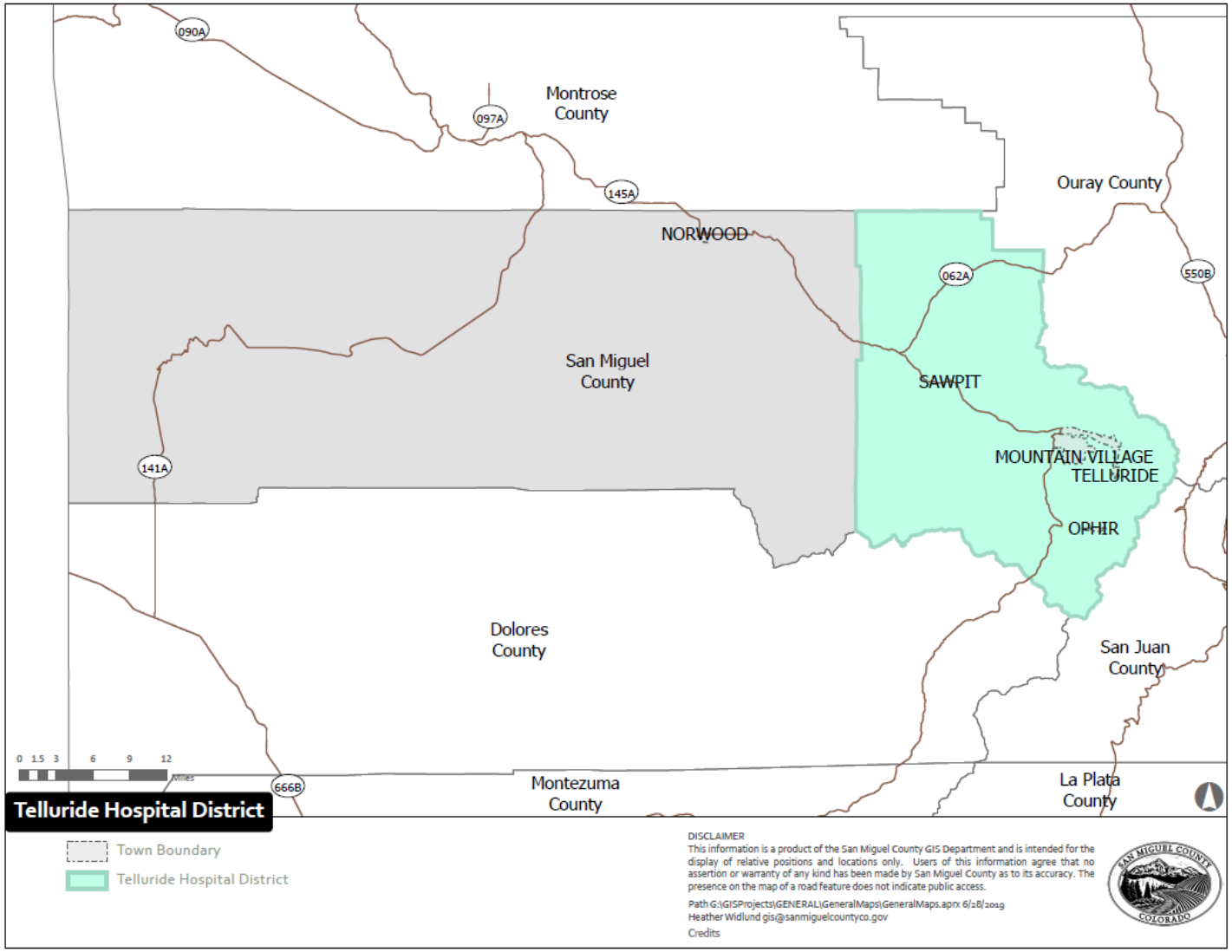
The Board of Directors delegates responsibility for the administration of employee compensation programs to management, subject to approved budgets, and organizational policies. The Compensation Committee's role is limited to strategic oversight and recommendations and does not extend to reviewing or approving individual employee compensation decisions, wage range exceptions, merit increases, recruitment offers, or retention adjustments, except where expressly required by Board policy. The Committee should not become a second HR department or require management to obtain permission for routine compensation decisions already authorized within the approved budget.

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2026 Telluride Hospital Taxing District Presentation

November 19, 2026

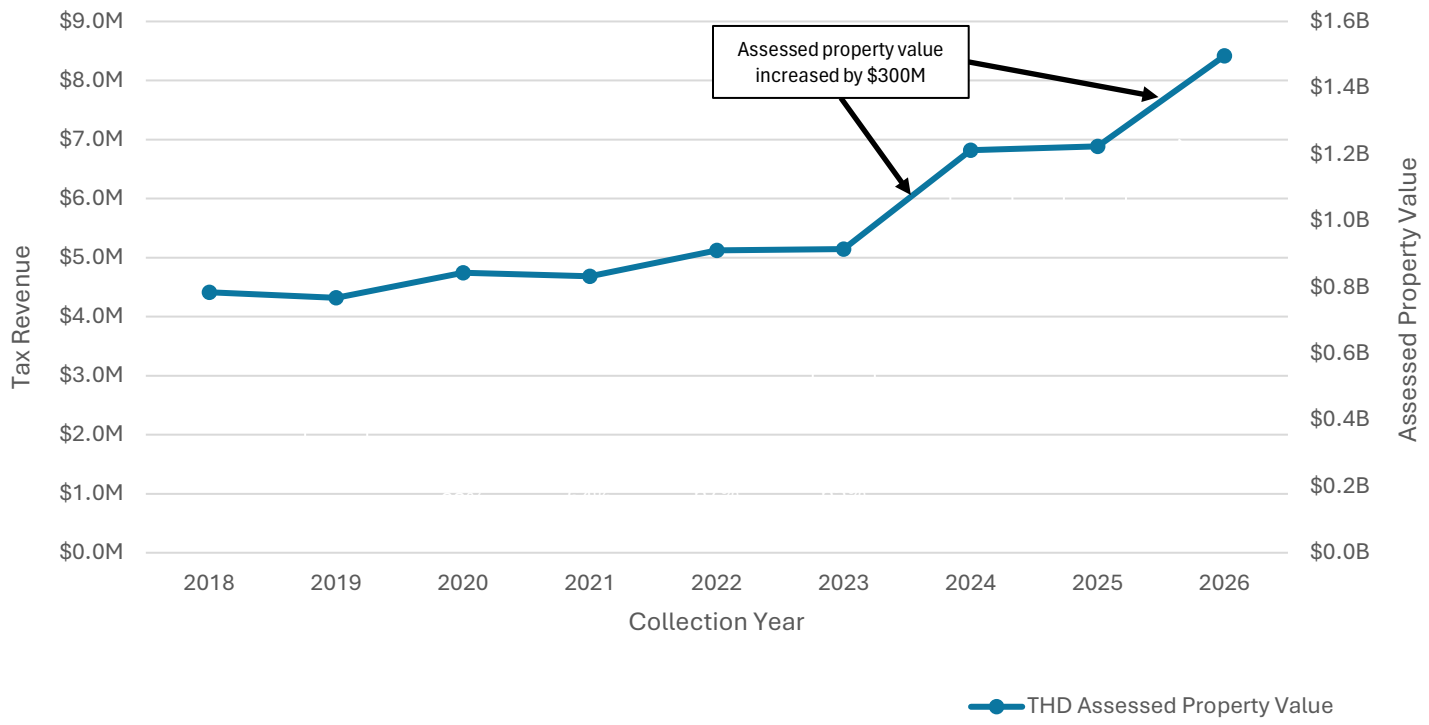
Telluride Hospital District



Telluride Hospital District

- Founded in 1978, it is a special district with taxing capability.
- It is the governing body of TMC, which provides funding and oversight from an elected Board of Directors.
- 2002 – first mill levy increase of $1.28 per $100,000 of a property's value for 24/7 emergency medical services.
- 2018 - increase to $9 per $100,000 of a property's value (to bring it to our current mil of 3.5) for general operating fund, ongoing Level 5, 24/7 emergency and trauma services, and updating medical equipment (CT).
- 2023 - 3.25-mill increase, designed to generate about $4 million annually for the Medical Center for capital, operating and other expenses

Assessed Property Values



Assessed Property Value

Value goes up or down with time

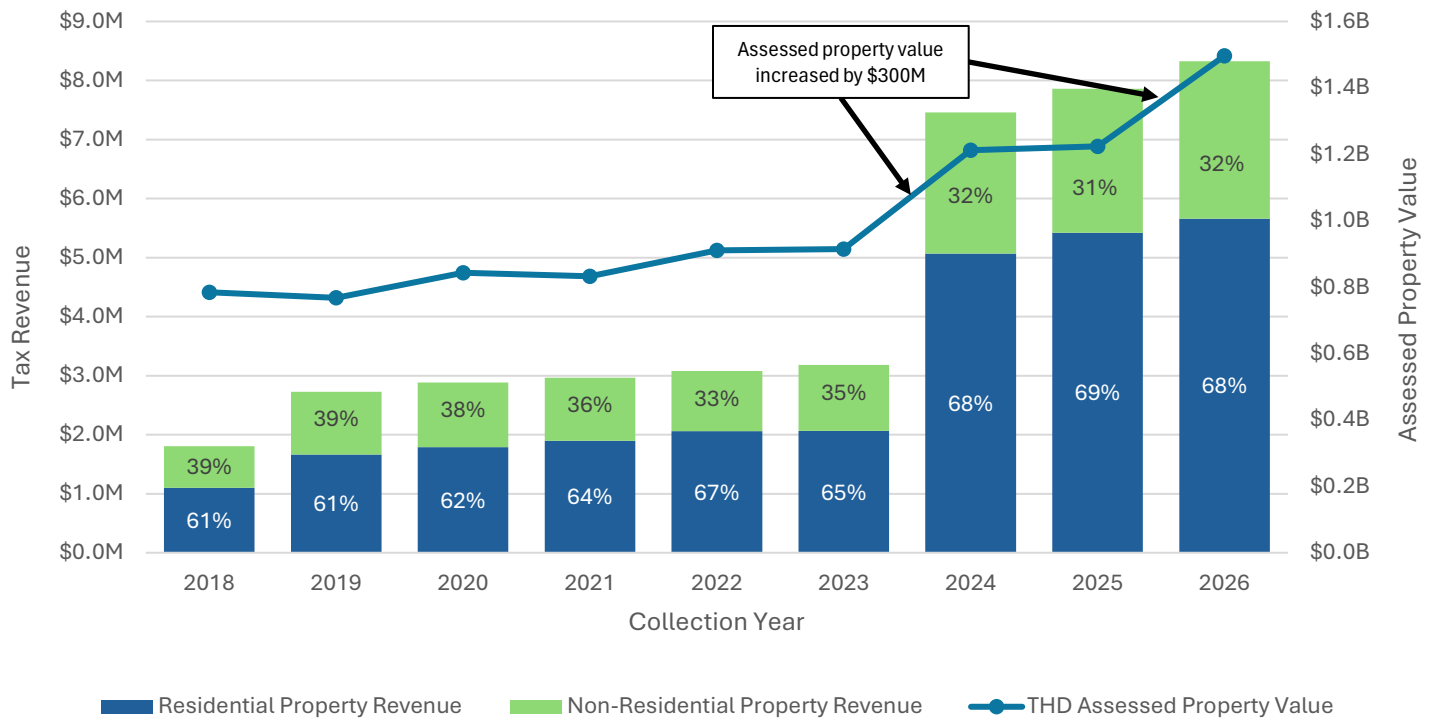
- Existing properties
- Includes both residential and non-residential properties

Adds to value

- New construction
- Property improvements
- Previously exempt properties

** All data validated by county assessor's office*

Assessed Property Values vs. THD Tax Revenue



Assessed Property Value

Value goes up or down with time

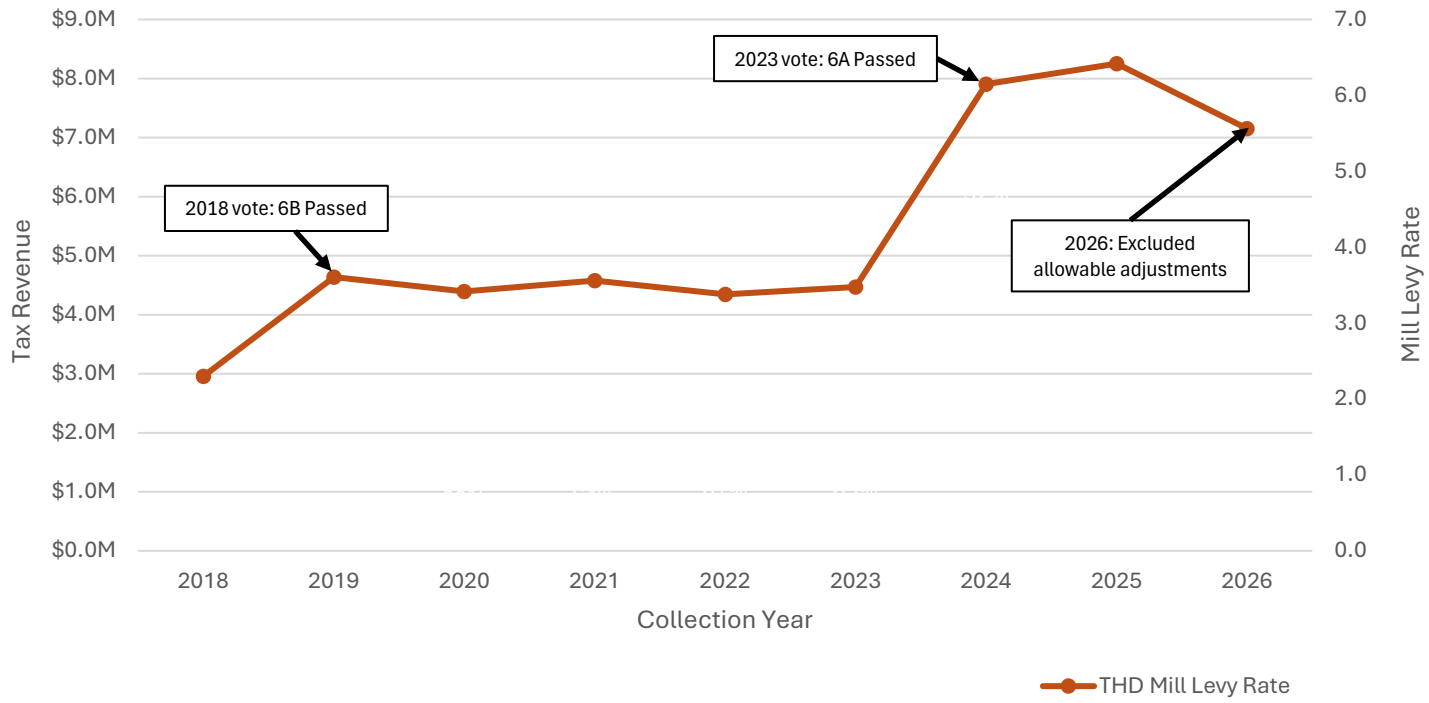
- Existing properties
- Includes both residential and non-residential properties

Adds to value

- New construction
- Property improvements
- Previously exempt properties

** All data validated by county assessor's office*

Mill Levy Rates

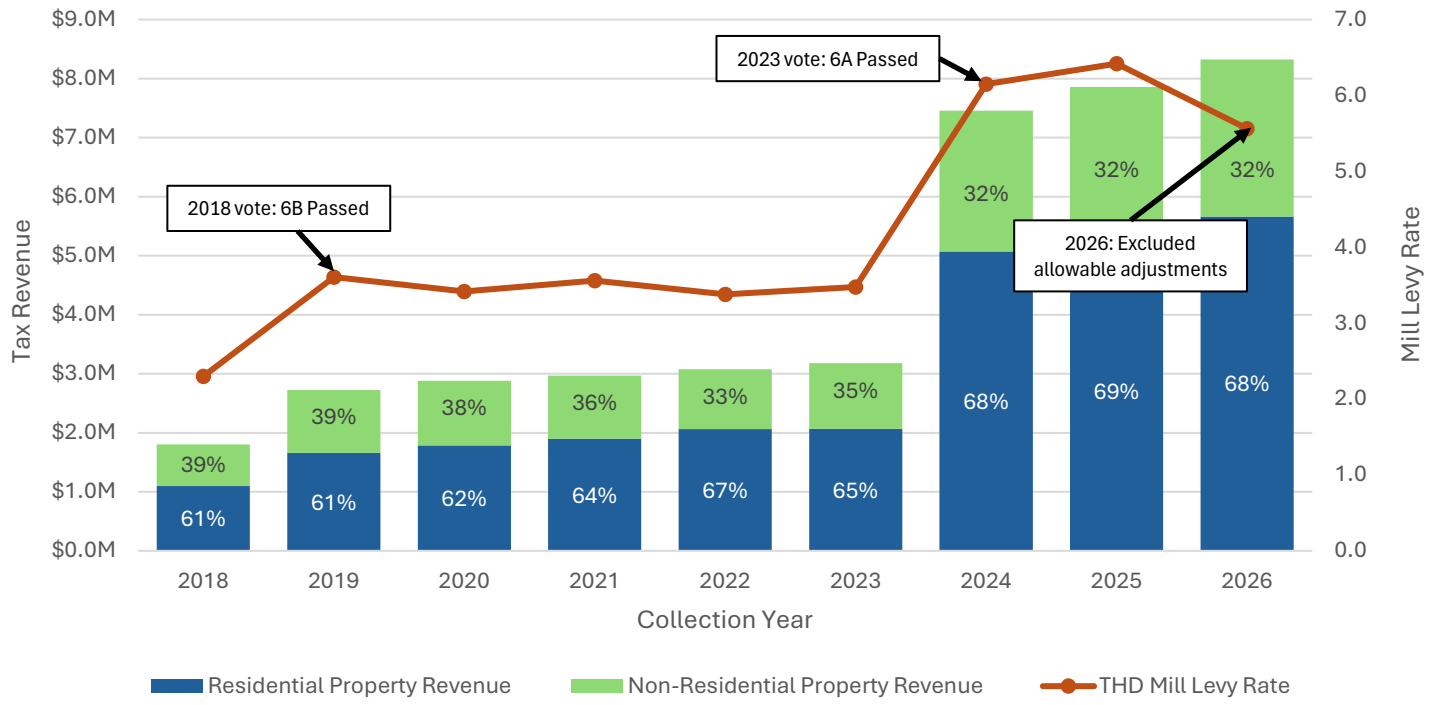


Mill Levy Rates

- Can only be increased by public vote
- Tax Revenue is capped at 5.25% annual growth PLUS
  - Carryover Amount (uncollected revenue from years prior)
  - Unrestricted growth on new construction and previously exempt property
  - Other exceptions

** All data validated by county assessor's office*

Mill Levy Rates vs. THD Tax revenue

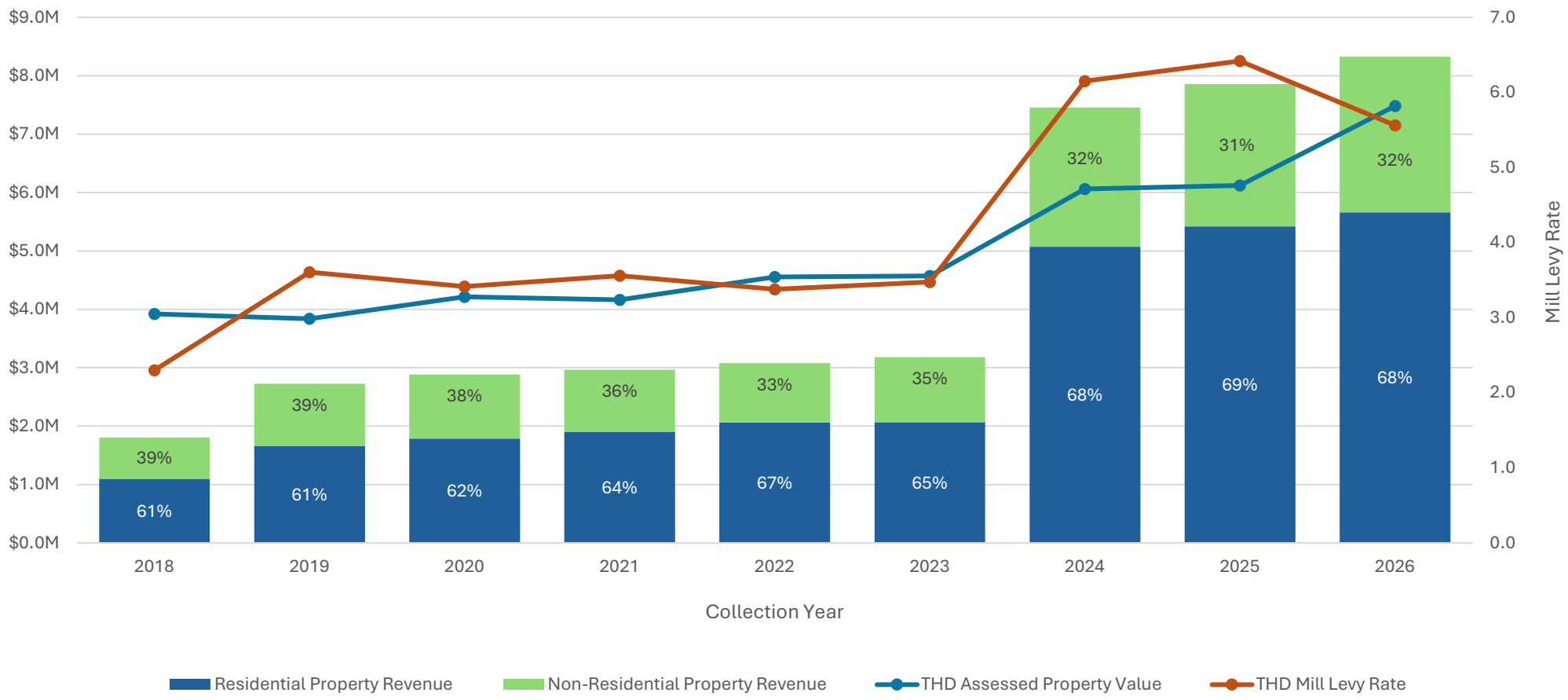


Mill Levy Rates

- Can only be increased by public vote
- Tax Revenue is capped at 5.25% annual growth PLUS
  - Carryover Amount (uncollected revenue from years prior)
  - Unrestricted growth on new construction and previously exempt property
  - Other exceptions

** All data validated by county assessor's office*

THD Tax Revenue

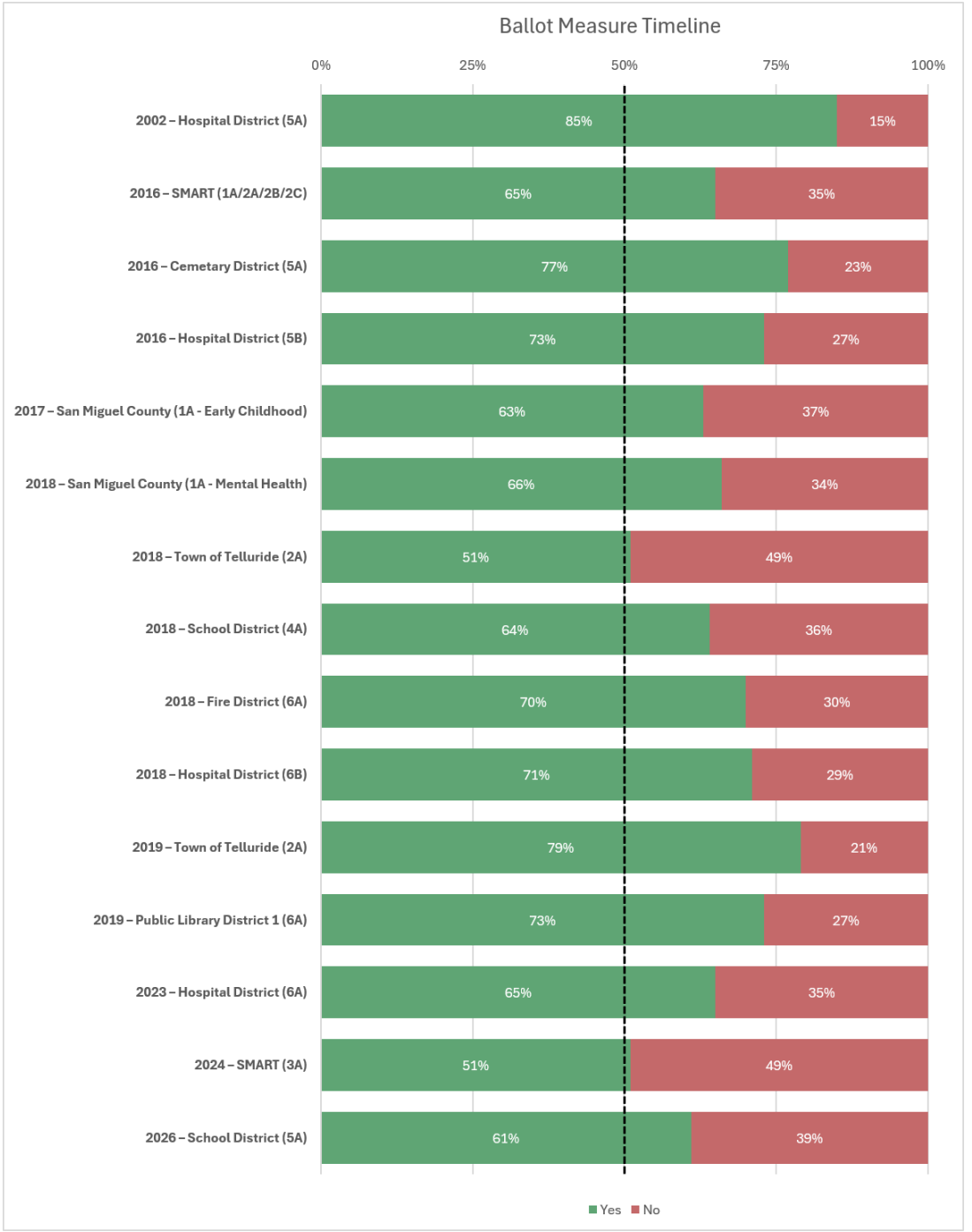


** All data validated by county assessor's office*

THD Stakeholders

Patient community	Voting community	Tax-payer community	Primary resident community
Non-patient community	Non-voting community	Non-tax-payer community	Non-primary resident community

Telluride Local Tax Voting Landscape



Considerations for Impact on THD Revenue

- Four Seasons adds $400,000-$600,000 of annual tax revenue
- 10-20 luxury (10-20m) homes/year - $50,000-$80,000 annually
- $1 million of home value ≈ $335 to $400 of THD revenue annually
- $10 million home ≈ $3,500 to $4,000/year

- The District Board may always take any amount less than the maximum allowed revenue in any given year.

Functional Facilities Strategic Plan

- Stewardship plan for capital renewal and deferred maintenance
- We already have a 15-year backlog of deferred maintenance

Estimated 10-Year Capital Need

Category	Planning Range
Life-safety, code, egress, ADA corrections	$500K – $800K
Roof / envelope stabilization	$900K – $1.300M
HVAC replacements / controls / ventilation	$1.200M – $1.800M
Electrical distribution / panels / emergency power tie-ins	$750K – $1.100M
Plumbing / domestic water / sanitary repairs	$450K – $750K
Fire alarm / low-voltage / IT backbone	$300K – $500K
Clinical interiors / infection control / finishes	$500K – $900K
Phasing, temporary conditions, design, testing, contingency	$1.400M – $2.100M
Estimated 10-Year Minimum Capital	**$6.0M – $9.3M**

Definitions

- **Mill Levy**: the tax rate local governments (special districts are included) use to calculate property taxes. The mill levy (tax rate) may only be raised by a vote of eligible electors.
- **Eligible electors**: registered voters within the Telluride Hospital District. Non-district resident property owners who are registered voters in the state of Colorado.
- **Assessed property value**: the dollar amount assigned to a real estate property by the county assessor to calculate local property taxes. Although there is correlation, this is not the same as the market value of the home.

Telluride Regional Medical Center - 2027 Budget

	2027 Budget	2026 Forecast	Change	%	2026 Budget	Variance	%	2025 Actual	Change YOY	%
Revenue										
4000 Net Patient Revenue	$ 6,002,812.14	$ 5,750,185.95	$ 252,626.19	4.4%	$ 5,782,723.00	$ (32,537.05)	-0.6%	$ 5,667,006.96	$ 83,178.99	1.5%
Visits	*24,362*	*23,592*	*770*	*3.3%*	*24,536*	*(944)*	*-3.8%*	*25,375*	*(1,783)*	*-7.0%*
Net Patient Revenue/Visit	*$ 246.40*	*$ 243.73*	*$ 2.67*	*1.1%*	*$ 235.68*	*$ 8.05*	*3.4%*	*$ 223.33*	*$ 20.40*	*9.1%*
4300 Other - Operating Income	$ 385,779.54	$ 293,091.90	$ 92,687.64	31.6%	$ 292,088.00	$ 1,003.90	0.3%	$ 438,080.52	$ (144,988.62)	-33.1%
Total Revenue	**$ 6,388,591.68**	**$ 6,043,277.85**	**$ 345,313.83**	**5.7%**	**$ 6,074,811.00**	**$ (31,533.15)**	**-0.5%**	**$ 6,105,087.48**	**$ (61,809.63)**	**-1.0%**
Expenditures										
5000 Salaries and Wages	$ 5,932,641.85	$ 5,921,739.66	$ 10,902.19	0.2%	$ 6,028,868.00	$ (107,128.34)	-1.8%	$ 5,772,493.01	$ 149,246.65	2.6%
FTEs	*50.19*	*49.62*	*0.57*	*1.1%*	*53.09*	*(3.47)*	*-6.5%*			
Salaries/FTE	*$ 118,198.73*	*$ 119,336.76*	*$ (1,138.02)*	*-1.0%*	*$ 113,559.39*	*$ 5,777.37*	*5.1%*			
5200 Employee Benefits	$ 1,600,909.56	$ 1,481,981.12	$ 118,928.44	8.0%	$ 1,556,993.00	$ (75,011.88)	-4.8%	$ 1,354,672.58	$ 127,308.54	9.4%
Benefit % of Salaries	26.98%	25.03%	1.96%		25.83%	-0.80%		23.47%	2.36%	
5400 Professional Fees	$ 2,281,002.54	$ 2,464,211.34	$ (183,208.80)	-7.4%	$ 2,170,688.00	$ 293,523.34	13.5%	$ 1,779,704.91	$ 684,506.43	38.5%
5500 Purchased Service	$ 1,232,401.87	$ 1,201,892.47	$ 30,509.40	2.5%	$ 1,190,150.00	$ 11,742.47	1.0%	$ 1,081,052.48	$ 120,839.99	11.2%
5600 Central Supplies	$ 757,390.31	$ 763,117.85	$ (5,727.54)	-0.8%	$ 722,111.00	$ 41,006.85	5.7%	$ 854,428.65	$ (91,310.80)	-10.7%
5800 Service Contracts	$ 279,659.02	$ 252,670.92	$ 26,988.10	10.7%	$ 148,056.00	$ 104,614.92	70.7%	$ 170,576.44	$ 82,094.48	48.1%
5900 Insurance	$ 58,778.37	$ 56,888.08	$ 1,890.29	3.3%	$ 61,416.00	$ (4,527.92)	-7.4%	$ 59,470.31	$ (2,582.23)	-4.3%
6000 Rentals and Leases	$ 124,715.01	$ 133,915.94	$ (9,200.93)	-6.9%	$ 132,237.00	$ 1,678.94	1.3%	$ 153,957.42	$ (20,041.48)	-13.0%
6200 Utilities	$ 131,240.16	$ 127,417.63	$ 3,822.53	3.0%	$ 151,872.00	$ (24,454.37)	-16.1%	$ 139,964.90	$ (12,547.27)	-9.0%
6500 Other Operating Expenses	$ 299,046.06	$ 290,181.61	$ 8,864.45	3.1%	$ 259,780.00	$ 30,401.61	11.7%	$ 262,977.00	$ 27,204.61	10.3%
6550 IT Hardware & Software	$ 313,489.45	$ 304,383.16	$ 9,106.29	3.0%	$ 360,068.00	$ (55,684.84)	-15.5%	$ 310,774.79	$ (6,391.63)	-2.1%
7000 Depreciation	$ 253,717.08	$ 374,148.47	$ (120,431.39)	-32.2%	$ 390,405.00	$ (16,256.53)	-4.2%	$ 372,062.77	$ 2,085.70	0.6%
Total Expenditures	**$ 13,264,991.29**	**$ 13,372,548.25**	**$ (107,556.96)**	**-0.8%**	**$ 13,172,644.00**	**$ 199,904.25**	**1.5%**	**$ 12,312,135.26**	**$ 1,060,412.99**	**8.6%**
Net Operating Revenue	**$ (6,876,399.61)**	**$ (7,329,270.40)**	**$ 452,870.79**	**-6.2%**	**$ (7,097,833.00)**	**$ (231,437.40)**	**3.3%**	**$ (6,207,047.78)**	**$ (1,122,222.62)**	**18.1%**
Operating Margin	*-108%*	*-121%*	*14%*	*-11.3%*	*-117%*	*-4%*	*3.8%*	*-102%*	*-20%*	*19%*
Other Revenue										
8000 Mill Levy Income	$ 9,541,913.00	$ 8,325,228.00	$ 1,216,685.00	14.6%	$ 8,325,216.00	$ 12.00	0.0%	$ 7,886,855.73	$ 438,372.27	5.6%
8010 Grant and Contribution Income	$ 452,587.00	$ 172,567.50	$ 280,019.50	162.3%	$ 180,529.00	$ (7,961.50)	-4.4%	$ 151,029.00	$ 21,538.50	14.3%
8020 Support from TMC Foundation	$ 3,209,160.96	$ 323,399.68	$ 2,885,761.28	892.3%	$ 350,340.00	$ (26,940.32)	-7.7%	$ 176,290.34	$ 147,109.34	83.4%
8035 Interest & Dividend Income	$ 236,559.14	$ 236,558.86	$ 0.28	0.0%	$ 221,016.00	$ 15,542.86	7.0%	$ 221,448.06	$ 15,110.80	6.8%
Total Other Revenue	**$ 13,440,220.10**	**$ 9,057,754.04**	**$ 4,382,466.06**	**48.4%**	**$ 9,077,101.00**	**$ (19,346.96)**	**-0.2%**	**$ 8,435,623.13**	**$ 622,130.91**	**7.4%**
Net Income	**$ 6,563,820.49**	**$ 1,728,483.64**	**$ 4,835,336.85**	**279.7%**	**$ 1,979,268.00**	**$ (250,784.36)**	**-12.7%**	**$ 2,228,575.35**	**$ (500,091.71)**	**-22.4%**
Operating Margin (with Other Revenue)	*102.7%*	*28.6%*	*74.1%*	*259.2%*	*32.6%*	*-4.0%*		*36.5%*	*-7.9%*	
Extraordinary Items:										
Capital Budget	$ 3,272,931.00	$ 154,271.51	$ 3,118,659.49	2021.5%	$ 446,200.00	$ (291,928.49)	-65.4%	$ 136,789.05	$ 17,482.46	12.8%
Loan Repayment	$ 275,000.00	$ 250,000.00	$ 25,000.00	10.0%	$ 250,000.00	$ -	0.0%	$ 250,000.00	$ -	0.0%
Cash Reserves	$ 3,015,889.49	$ 1,324,212.13	$ 1,691,677.36	127.7%	$ 1,283,068.00	$ 41,144.13	3.2%	$ 1,841,786.30	$ (517,574.17)	-28.1%
Total Extraordinary Items:	**$ 6,563,820.49**	**$ 1,728,483.64**	$ 4,835,336.85	279.7%	**$ 1,979,268.00**	$ (250,784.36)	-12.7%	**$ 2,228,575.35**	$ (500,091.71)	-22.4%
Net Income	**$ -**	**$ -**	**$ -**		**$ -**	**$ -**		**$ -**	**$ -**	
Equity (Fund Balance)	**$ 16,959,824**	**$ 10,396,004**						**$ 8,667,520**		

Telluride Regional Medical Center - 2027 Budget Assumptions and Explanations

	2027 Budget	2026 Forecast	*Change*	*%*	2026 Budget	*Variance*	*%*	2025 Actual	*Change YOY*	*%*
4000 Net Patient Revenue	$ 6,002,812	$ 5,750,186	*$ 252,626*	*4.4%*	$ 5,782,723	*$ (32,537)*	*-0.6%*	$ 5,667,007	*$ 83,179*	*1.5%*

2027 Budget: 4.4% 2026 Forecast Increase due to Volume and Pricing: 5% Volume Increase in Primary Care, 2.1% Volume Increase in Radiology, 1% Volume Increase in ER, and 1.1% Pricing Increase ($2.67 Payment Increase per Visit) due to 20% Budgeted reductions in Bad Debt write offs in ER.

2026 Budget: 0.6% 2026 Forecast Decrease due to Primary Care & ER Volume, 3.8% Decrease in Volume (944 less visits); with 3.4% Increase in Pricing ($8.05 Payment Increase per Visit).

2025 Actual: 1.5% 2026 Forecast Increase due to 9.1% Increase in Pricing ($20.40 Payment Increase per Visit), with a 7% Decrease in Volume (1,783 less visits).

	2027 Budget	2026 Forecast	*Change*	*%*	2026 Budget	*Variance*	*%*	2025 Actual	*Change YOY*	*%*
4300 Other - Operating Income	$ 385,780	$ 293,092	*$ 92,688*	*31.6%*	$ 292,088	*$ 1,004*	*0.3%*	$ 438,081	*$ (144,989)*	*-33.1%*

2027 Budget: 31.6% 2026 Forecast Increase due to several Primary Care Incentives. (Aledade Shared Savings Increase, Provider Stabilization Funds from HCPF, Primary Care Fund from HCPF, Diabetic Quality Program, Bright Futures/Impact BH)

2026 Budget: 2026 Forecast slightly over Budget

2025 Actual: 33.1% 2026 Forecast Decrease due to Primary Care Incentives (Aledade Shared Savings and Medicaid Decrease)

	2027 Budget	2026 Forecast	*Change*	*%*	2026 Budget	*Variance*	*%*	2025 Actual	*Change YOY*	*%*
5000 Salaries and Wages	$ 5,932,642	$ 5,921,740	*$ 10,902*	*0.2%*	$ 6,028,868	*$ (107,128)*	*-1.8%*	$ 5,772,493	*$ 149,247*	*2.6%*

2027 Budget: 3% Employee Merit Increase; 1 Additional FTE in Primary Care (MA); .25 Additional FTE in Radiology; $6,600 additional on call; $1,000 Stipend for Pharmacy & Inventory.

2026 Budget: 1.8% 2026 Forecast Decrease due to Primary Care Salaries $221,195 less than Budget, CEO Contract Payout ($265,000) and CNO budgeted 4th Qtr 2026 not hired.

2025 Actual: 3% Employee Merit Increase in 2026, other 2026 outliers listed above.

Telluride Regional Medical Center - 2027 Budget Assumptions and Explanations

	2027 Budget	2026 Forecast	*Change*	*%*	2026 Budget	*Variance*	*%*	2025 Actual	*Change YOY*	*%*
5200 Employee Benefits	$ 1,600,910	$ 1,481,981	*$ 118,928*	*8.0%*	$ 1,556,993	*$ (75,012)*	*-4.8%*	$ 1,354,673	*$ 127,309*	*9.4%*

2027 Budget: 8% Increase includes: 9% Health & Retirement Increase, 3% Unemployment Insurance and Workers Comp Increase, 4% FICA Taxes Increase, and $8,300 PTO Leave Increase.

2026 Budget: 2026 Forecast $75,012 less due to Health & Retirement ($49,235) and FICA Taxes ($39,751), with $14,536 Increase in PTO Leave.

2025 Actual: 9.4% 2026 Forecast Increase due to PTO Leave Increase and Health & Retirement.

	2027 Budget	2026 Forecast	*Change*	*%*	2026 Budget	*Variance*	*%*	2025 Actual	*Change YOY*	*%*
5400 Professional Fees	$ 2,281,003	$ 2,464,211	*$ (183,209)*	*-7.4%*	$ 2,170,688	*$ 293,523*	*13.5%*	$ 1,779,705	*$ 684,506*	*38.5%*

2027 Budget: 7.4% 2026 Forecast Decrease due to Jensen ($196,000) and Internal Auditors change from Monthly to Quarterly ($16,000), with 4% ER Physician Contract Increase $80,000.

2026 Budget: 13.5% 2026 Forecast Increase due to Jensen contract & travel ($256,245) and additional Legal Fees ($26,182).

2025 Actual: 38.5% 2026 Forecast Increase due to 24% ER Physician Contract Increase ($387,295) and 2026 outliers listed above.

	2027 Budget	2026 Forecast	*Change*	*%*	2026 Budget	*Variance*	*%*	2025 Actual	*Change YOY*	*%*
5500 Purchased Service	$ 1,232,402	$ 1,201,892	*$ 30,509*	*2.5%*	$ 1,190,150	*$ 11,742*	*1.0%*	$ 1,081,052	*$ 120,840*	*11.2%*

2027 Budget: 2.5% Cost of Living Increase.

2026 Budget: 1% 2026 Forecast Increase due to Billing and Collections.

2025 Actual: 11.2% 2026 Forecast Increase due to Lab In House Billing ($118,912) and Radiology ($39,442).

	2027 Budget	2026 Forecast	*Change*	*%*	2026 Budget	*Variance*	*%*	2025 Actual	*Change YOY*	*%*
5600 Central Supplies	$ 757,390	$ 763,118	*$ (5,728)*	*-0.8%*	$ 722,111	*$ 41,007*	*5.7%*	$ 854,429	*$ (91,311)*	*-10.7%*

2027 Budget: 3% Cost of Living Increase and 2026 Forecast Decrease due to elimination of Drugs for Weight Mgmt Program ($25,447).

2026 Budget: 5.7% 2026 Forecast Increase due to Vaccines ($30,310) and IUDs($12,545) in Primary Care.

2025 Actual: 10.7% 2026 Forecast Decrease due to elimination of Drugs for Weight Mgmt Program ($101,638).

Telluride Regional Medical Center - 2027 Budget Assumptions and Explanations

	2027 Budget	2026 Forecast	*Change*	*%*	2026 Budget	*Variance*	*%*	2025 Actual	*Change YOY*	*%*
5800 Service Contracts	$ 279,659	$ 252,671	*$ 26,988*	*10.7%*	$ 148,056	*$ 104,615*	*70.7%*	$ 170,576	*$ 82,094*	*48.1%*
2027 Budget: 10.7% 2026 Forecast Increase due the RHTF Grant Expense ($37,200).										
2026 Budget: 70.7% 2026 Forecast Increase due RHTF Grant Expenses Q4 2026 ($77,500).										
2025 Actual: 48.1% 2026 Forecast Increase due to RHTF Grant Expenses**.**										

	2027 Budget	2026 Forecast	*Change*	*%*	2026 Budget	*Variance*	*%*	2025 Actual	*Change YOY*	*%*
5900 Insurance	$ 58,778	$ 56,888	*$ 1,890*	*3.3%*	$ 61,416	*$ (4,528)*	*-7.4%*	$ 59,470	*$ (2,582)*	*-4.3%*
2027 Budget: 3.3% Cost of Living Increase.										
2026 Budget: 2026 Forecast slightly under 2026 Budget.										
2025 Actual: 2026 Forecast slightly under 2025 Actual**.**										

	2027 Budget	2026 Forecast	*Change*	*%*	2026 Budget	*Variance*	*%*	2025 Actual	*Change YOY*	*%*
6000 Rentals and Leases	$ 124,715	$ 133,916	*$ (9,201)*	*-6.9%*	$ 132,237	*$ 1,679*	*1.3%*	$ 153,957	*$ (20,041)*	*-13.0%*
2027 Budget: 6.9% 2026 Forecast Decrease due to terminating US Bank Office Lease May 2026 ($20,350), with 4% Chair 7 Lease Increase.										
2026 Budget: 2026 Forecast slightly over 2026 Budget.										
2025 Actual: 13% 2026 Forecast Decrease due to US Bank Office closure.										

	2027 Budget	2026 Forecast	*Change*	*%*	2026 Budget	*Variance*	*%*	2025 Actual	*Change YOY*	*%*
6200 Utilities	$ 131,240	$ 127,418	*$ 3,823*	*3.0%*	$ 151,872	*$ (24,454)*	*-16.1%*	$ 139,965	*$ (12,547)*	*-9.0%*
2027 Budget: 3% Cost of Living Increase.										
2026 Budget: 16.1% 2026 Forecast Decrease due to Phone & Data.										
2025 Actual: 9% 2026 Forecast Decrease due to Phone Data**.**										

Telluride Regional Medical Center - 2027 Budget Assumptions and Explanations

	2027 Budget	2026 Forecast	*Change*	*%*	2026 Budget	*Variance*	*%*	2025 Actual	*Change YOY*	*%*
6500 Other Operating Expenses	$ 299,046	$ 290,182	*$ 8,864*	*3.1%*	$ 259,780	*$ 30,402*	*11.7%*	$ 262,977	*$ 27,205*	*10.3%*

2027 Budget: 3.1% Cost of Living Increase.

2026 Budget: 11.7% 2026 Forecast Increase due to CT Calcium Training in Radiology ($6,313), Additional Meals ($5,205), Additional Training & Travel in Primary Care ($4,649), Additional Admin Travel ($3,900), Additional Advertising ($7,055), Additional Accreditation Fees (4,800).

2025 Actual: 10.3% 2026 Forecast due to outliers listed above.

	2027 Budget	2026 Forecast	*Change*	*%*	2026 Budget	*Variance*	*%*	2025 Actual	*Change YOY*	*%*
6550 IT Hardware & Software	$ 313,489	$ 304,383	*$ 9,106*	*3.0%*	$ 360,068	*$ (55,685)*	*-15.5%*	$ 310,775	*$ (6,392)*	*-2.1%*

2027 Budget: 3% Cost of Living Increase.

2026 Budget: 15.5% 2026 Forecast Decrease due to planned IT upgrades not implemented.

2025 Actual: 2026 Forecast slightly under 2025 Actual

	2027 Budget	2026 Forecast	*Change*	*%*	2026 Budget	*Variance*	*%*	2025 Actual	*Change YOY*	*%*
7000 Depreciation	$ 253,717	$ 374,148	*$ (120,431)*	*-32.2%*	$ 390,405	*$ (16,257)*	*-4.2%*	$ 372,063	*$ 2,086*	*0.6%*

2027 Budget: 32.2% 2026 Forecast Decrease due to Fujifilm Mobile Xray Fully Depreciated March 2027, with additional Fixed Assets in ER (Ultrasound Equipment (RHTF Grant) $138,053, Overhead Lights $45,000, Patient Bedside Monitors $95,000, Dragon $6,000).

2026 Budget: 4.2% 2026 Forecast Decrease due to IT Fixed Assets Budgeted in 2026 not implemented, with additional Cardiac CT in Radiology ($60,607) and Retinopathy Machine (RHTF Grant) in Primary Care ($10,000).

2025 Actual: 2026 Forecast slightly over 2025 Actual

	2027 Budget	2026 Forecast	*Change*	*%*	2026 Budget	*Variance*	*%*	2025 Actual	*Change YOY*	*%*
8000 Mill Levy Income	$ 9,541,913	$ 8,325,228	*$ 1,216,685*	*14.6%*	$ 8,325,216	*$ 12*	*0.0%*	$ 7,886,856	*$ 438,372*	*5.6%*

2027 Budget: 14.6% Increase due 5.25% Growth Rate Percentage for reassessment cycle + any carryover amount ($ 779,616) + New Construction, Previously Exempt Property, & Gas & Oil ($126,657) per Kathyrn Winn.

2026 Budget: 2026 Forecast met Budget

2025 Actual: 5.6% 2026 Forecast Increase.

Telluride Regional Medical Center - 2027 Budget Assumptions and Explanations

	2027 Budget	2026 Forecast	*Change*	*%*	2026 Budget	*Variance*	*%*	2025 Actual	*Change YOY*	*%*
8010 Grant and Contribution Income	$ 452,587	$ 172,568	*$ 280,020*	*162.3%*	$ 180,529	*$ (7,962)*	*-4.4%*	$ 151,029	*$ 21,539*	*14.3%*
2027 Budget: 162.3% 2026 Forecast Increase due RHTF Grant ($293,653)										
2026 Budget: 2026 Forecast slightly under 2026 Budget.										
2025 Actual: 14.3% 2026 Forecast Increase due to additional Health Grant from RMHP ($17,000).										

	2027 Budget	2026 Forecast	*Change*	*%*	2026 Budget	*Variance*	*%*	2025 Actual	*Change YOY*	*%*
8020 Support from TMC Foundation	$ 3,209,161	$ 323,400	*$ 2,885,761*	*892.3%*	$ 350,340	*$ (26,940)*	*-7.7%*	$ 176,290	*$ 147,109*	*83.4%*
2027 Budget: Increase due to New Facility CIP ($2,988,878 - Cumming Quote) Funded by Foundation's Capital Campaign.										
2026 Budget: 7.7% 2026 Forecast Decrease due to Capital Campaign delay ($165,475), with additional Primary Care Restricted Funds $138,534.										
2025 Actual: 83.4% 2026 Forecast Increase due to additional Primary Care Restricted Funds $138,534.										

	2027 Budget	2026 Forecast	*Change*	*%*	2026 Budget	*Variance*	*%*	2025 Actual	*Change YOY*	*%*
8035 Interest & Dividend Income	$ 236,559	$ 236,559	*$ 0*	*0.0%*	$ 221,016	*$ 15,543*	*7.0%*	$ 221,448	*$ 15,111*	*6.8%*
2027 Budget: No Increase Budgeted										
2026 Budget: 7% Increase due to Money Market Accounts										
2025 Actual: 6.8% Increase due to Money Market Accounts										

2027 Capital Budget

	Description	Department	Projected Start Date	Amount
1	New Facility - CIP	Admin	CIP	$ 2,988,878.00
2	Ultrasound Equipment (RHTF Grant)	ED	1/1/2027	$ 138,053.00
3	Overhead Lights	ED	6/1/2027	$ 45,000.00
4	5 Patient bedside Monitors with IT upgrade	ED	6/1/2027	$ 95,000.00
5	Dragon	ED	1/1/2027	$ 6,000.00
	Total			**$ 3,272,931.00**

Administrative Report
THD Board Meeting
November 19, 2026

Board of Directors,

Following, for your review, are select departmental updates and highlights:

Primary Care/Patient Access

- We're proud to share that TRMC has successfully achieved PCMH recognition for another year, reflecting our continued commitment to high-quality, coordinated, patient-centered care as certified by the National Committee for Quality Assurance.
- PC is currently at fill rate 93.1% of available appointments which is 3% higher than last year
- Health Month Oct 2026 we completed 313 Annual Preventive visits, 12 more than last year, and (another) October preventive visit record. 49 Patients took advantage of special pricing.
- The team from Paragon presented on their San Miguel County Behavioral Health Support Programs.
- We completed over 400 WLM visits this year, helping to offset volume loss from visitation.
- As of Oct we've had 282 less No shows than last year. Reducing our no show rate from 5.4 to 3.4.

Emergency & Trauma Services

- We have utilized this offseason to have some meaningful trainings for our staff here and out of town. Children's Hospital Pediatric Symposium (9 ED RN/EMT staff attended), Two-day Children's Hospital Pediatric Trauma and Emergency Conference (8 ED RN/EMT staff attended), Equipment review and scenarios (10 ED RN/EMT staff attended).
- We recently had a successful "go-live" with an upgrade to our ED EMR to a cloud-based, new and improved platform. Thanks to Shayni, Eric, T-system, and our whole ED team to make this go smoothly!
- The mountain plans to open on Thanksgiving, if the snow gods are generous. Here we go again....wear a helmet and wrist guards and stay safe out there!

Radiology

- Volumes (Xray + CT) were up by 20 studies in October 2026 (248) vs October 2025 (228).
- Year-to-date volumes are up 2% overall from 2025.
- Cardiac Calcium implementation plan is going well with the software installation in place, planning for a Dec soft launch.

Lab / Safety

- Ongoing Projects: The in-house laboratory billing program, implemented last year, is projected to generate more than $200,000 in additional annual net revenue for the organization.
- Updates: The Colorado Department of Public Health and Environment (CDPHE) completed its on-site laboratory survey with **no deficiencies cited**.
- Training: All 2026 laboratory department performance evaluations have been completed. Annual staff laboratory competencies remain in progress.

IT

- Advanced the T-System Evolved implementation, completing configuration, interface build, testing, training, and validation of the GoAnywhere/SFTP document process ahead of the November 11-12 go-live.

- Progressed the 8x8 hosted phone (cloud based phone system) migration by completing key build worksheets, number-porting information, user configuration, and recovery of existing phone-tree recordings; go-live is targeted for the week of November 16.
- Deployed the updated eClinicalWorks plug-in across most workstations and continued follow-up on remaining and offline devices.
- Initiated priority security updates for the main and disaster-recovery firewalls in response to Fortinet's security advisory.
- Coordinated the CT cardiac calcium software installation and continued work on remote-access and infrastructure support improvements.

Facilities

- Continued routine maintenance and repair work to support safe, reliable operations.
- Continued facility planning and infrastructure review activities supporting current operations and future organizational needs.
- There is another leak directly to the South (approximately 10” in another vertical run) of the previous one (pictures attached below). That section of roof was sheeted with OSB and basic Tar Paper. Ice and water penetrate below the tar paper and is eventually rusting the galvanized 8P roofing nails to failure and the resultant water path into the attic space.
- After 28 years we will continue to see failures throughout various sections due to the aggressive freeze/thaw nature of our area and the lack of protection without modern bituminous self-adhesive waterproofing membranes as now required by modern code. This is why the roof is manually cleared after almost every snowstorm. Without those interventions we have leaks quite often throughout the structure on all aspects of the roof. We have always been ”moving out” in 3-5yrs and have been discouraged from more durable and lasting repairs.
- This is reality and there is no immediate or simple fix. It will continue to happen regularly, as it has for years. We can address the matter per incident or plan on a more comprehensive fix in 2027. If we chose the more comprehensive fix we need to start quoting, budgeting, planning, permitting.

HR

- Human Resources completed 2027 benefit open enrollment. As a reminder TMC will using CEBT as our benefit provider for 2027, maintaining PPO4 and Surest 5 and transitioning the current HDHP to HDHP6 to help mitigate the renewal increase.
- TMC’s annual performance review process is underway. All employees have completed their self-evaluations; managers have completed their performance assessments and individual review discussions are ongoing. The process provides an opportunity to recognize accomplishments, provide meaningful feedback, identify development opportunities, and align individual performance and goals with TMC’s organizational priorities for the coming year.

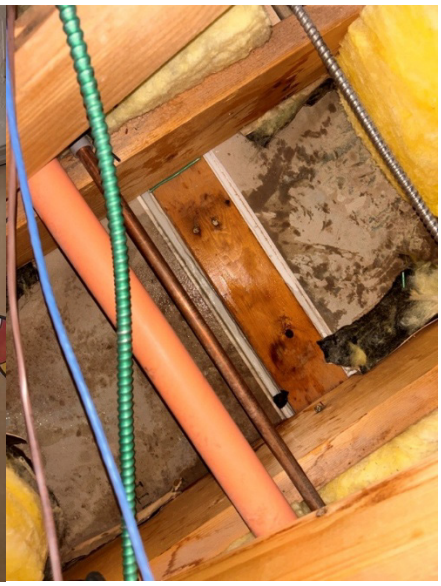
Communications

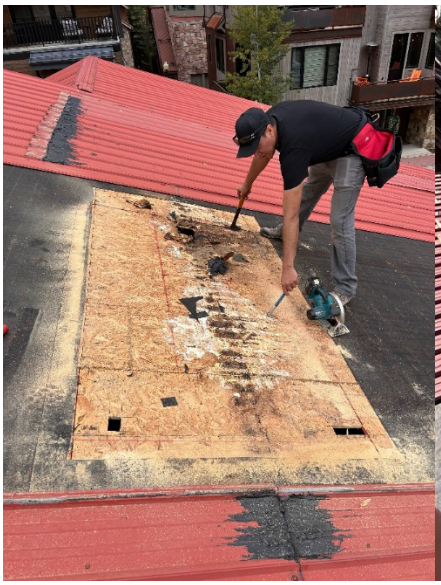
- Email marketing in October has highlighted annual vaccines (flu + COVID shots), announcing Alline’s new role, cancer screening medical records, and health insurance renewal.
- Social media is tracking well with continually higher engagement metrics than the other medical providers in our direct region.
- Daily Planet ads focus has been on health month.
- TMC’s marketing looks forward to opportunities to help engage the community with progress updates on planning for new facility and information on partnership discussions with CommonSpirit.

RHTP Project kick-off meetings are completed and projects are underway. Happy Rural Health Day! Site Visits are happening Dec 3-4. Save the Date for Holiday Party Dec 11th at the Brewery.

Respectfully,
Alline Arguelles, Interim Director of Operations









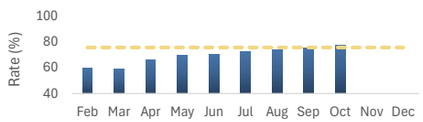
TELLURIDE REGIONAL MEDICAL CENTER

Performance Scorecard

October 2026

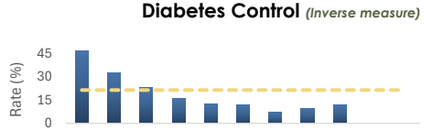
Quality

Blood Pressure Control



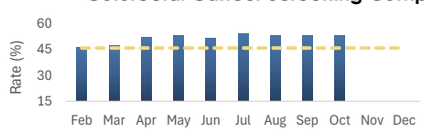
Population: **373**
Current Rate: **77.8%**
Goal Rate: **75.7%**
Status:

Diabetes Control *(Inverse measure)*



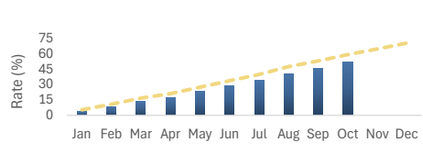
Population: **119**
Current Rate: **11.8%**
Goal Rate: **21.5%**
Status:

Colorectal Cancer Screening Completion



Population: **2152**
Current Rate: **53.4%**
Goal Rate: **46.0%**
Status:

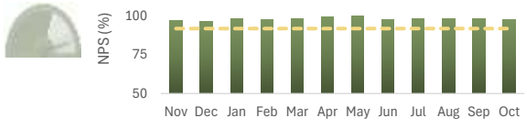
Preventive Visit Completion



Population: **4600**
YTD Rate: **52.1%**
YTD Goal: **58.8%**
Status:

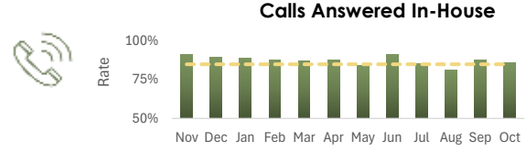
Service

Net Promoter Score



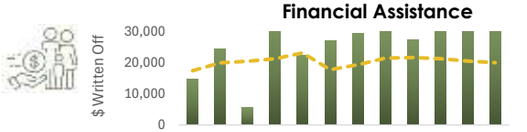
Surveys Sent: **3527**
Completed: **6.1%**
Current NPS: **98.0%**
Status:

Calls Answered In-House



Incoming Calls: **4171**
Current Rate: **85.7%**
Goal Rate: **85.0%**
Status:

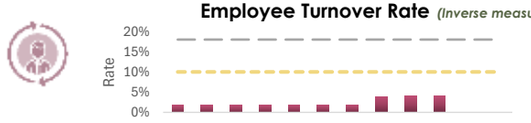
Financial Assistance



Current Month: **$33,318**
12mo Total: **$317,017**
12mo Total Goal: **$244,557**
Status:

Staffing

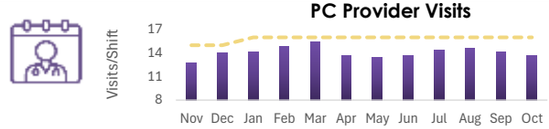
Employee Turnover Rate *(Inverse measure)*



Industry Standard: **18.0%**
Current YTD rate: **4.0%**
Goal YTD rate: **10.0%**
Status:

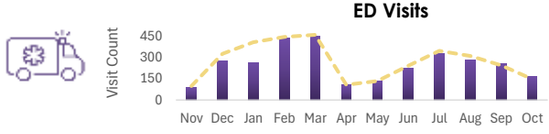
Volume

PC Provider Visits



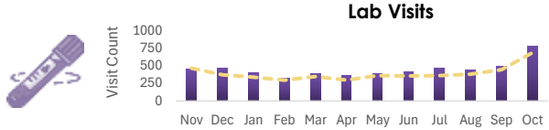
Visit Count: **1055**
Visits/Shift: **13.7**
12mo Avg: **14.1**
12mo Avg Status:

ED Visits



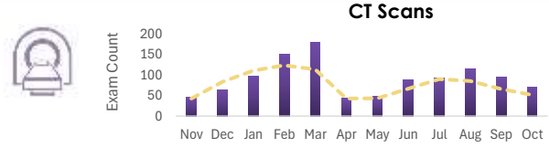
Current Month: **167**
Current Mo Avg: **149**
12mo Total: **3016**
12mo Total Status:

Lab Visits



Current Month: **777**
Current Mo Avg: **684**
12mo Total: **5352**
12mo Total Status:

CT Scans



Current Month: **71**
Current Mo Avg: **51**
12mo Total: **1093**
12mo Total Status:

Certificate of Recognition

National Committee for Quality Assurance commends

PCMH Recognition

Recognized

on Achievement of Recognition for
Delivering High-Quality, Patient-Centered Care

Recognition Date: **November 11, 2026** **Anniversary Date:** **December 8, 2027**

NCQA
Measuring quality. Improving health care.

Vivek K. Garg, MD, MBA, President

tierney lawrence stiles
attorneys at law

Cara B. Lawrence
Direct Dial: 720-936-3730
clawrence@tls.legal

November 10, 2026

Attorney-Client Communication

VIA E-MAIL

Telluride Medical Center Foundation

Re: *Overview of Recommended Changes to Articles of Incorporation and Bylaws*

It is very common that a fundraising organization (an Internal Revenue Code § 501(c)(3) charity) that raises funds on behalf of a university, school district, or hospital is organized as a separate legal entity, with a separate fiduciary board of directors that oversees the fundraising, investment of assets, and the distribution of assets to the university, hospital, or school district.

A separate fundraising organization, run by a board of directors that doesn't simply answer to the school or hospital, gives donors, fiduciaries, and assets some protection that a fund kept inside the institution doesn't have. The main reasons for separating out the boards of directors include the following:

Keeping assets safe from the institution's liabilities
Money held by a separate entity is generally out of reach of the institution's creditors, malpractice claimants, judgments, and bankruptcy. That only works if the separateness is real. If the institution's people dominate the board, the funds mix together, and the foundation exists to do what the institution says, a court can treat it as an alter ego and pierce the veil. Independent directors are some of the best evidence that the foundation is a separate entity in substance, not just on paper.

Fiduciary duties run to the foundation and its donors
Directors owe loyalty to the fundraising organization's charitable purposes and to donor restrictions, not to the institution. A board made up of the institution's executives is structurally conflicted. It's deciding whether to give money to its own employer, often to projects those same people run. Independent directors can push back, for example, when the institution wants to use restricted gifts for general operations, cover a budget shortfall, or pay for something donors didn't fund. Enforcing restrictions is a real legal obligation. Donors and state attorneys general can enforce it.

Conflicts of interest and private benefit
When institution insiders control the fundraising organization, conflict-of-interest problems come up constantly. Examples include grants to the institution, sharing staff and space, the

fundraising organization's money paying for perks for institution executives, and setting compensation. Disinterested directors make it possible to recuse properly and get a valid approval. For tax-exempt organizations, that matters for intermediate sanctions (Internal Revenue Code § 4958) and the rebuttable presumption of reasonableness.

Public Institutions Specifically
If a public institution effectively controls the fundraising organization, its money can start to look like public money. That can bring in open records and open meetings laws, rules on public procurement and spending, and limits on how public entities may use funds, and it can expose donor confidentiality. The legislature or district may treat the fundraising organization's money as a reason to cut appropriations ("you have a foundation, so you need less from us"). Further, control affects financial reporting. Under the Governmental Accounting Standards Board accounting principles, a fundraising organization that the government controls, or that is fiscally dependent on it, may have to be reported as a component unit.

Donor confidence and fundraising
Donors give more readily to a body they see as an independent steward that will honor their intent, not a pass-through account the administration can raid. Community leaders on the board also bring networks and credibility the institution can't supply itself.

Continuity and a Long-Term View
Endowments last longer than administrations. An independent board can keep a spending policy steady, resist pressure for short-term draws, and hold the institution to its commitments as leadership changes.

Local examples of independent fundraising organizations that raise funds for other organizations include the Children's Hospital Foundation in Aurora, Colorado, the Denver Health Foundation, the Telluride Education Foundation, which raises funds for the Telluride public school district, the Denver Public Schools Foundation, and the University of Colorado Foundation.

In line with these principles of independence, the draft amended and restated articles of incorporation and bylaws for the Telluride Medical Center Foundation ("Foundation"), and the organization it supports, the Telluride Hospital District ("District"), contain the major key terms:

Mission/Name Change

- The articles of incorporation have been updated to include required legal language and removal of the reference to the District.

- The mission is broadened as follows: "*to advance and sustain the health and well-being of the Telluride region through independent stewardship of philanthropic resources, supporting accessible, high-quality healthcare, essential medical services, and initiatives addressing evolving community health needs*." This will permit the Foundation to support additional health organizations and initiatives in the Telluride region.

- Further, the name will be changed to the *Telluride Health Foundation* in the draft amended and restated articles of incorporation to reflect its broader mission.

Structure of Board of Directors

- The Foundation's board of directors ("Board") will elect directors from the community at its annual meeting. There will be a "board give," but this is not in the proposed bylaws.

- The Board will consist of between 5 and 35 voting directors, with the exact number set by Board resolution. The Board will also have an executive committee (see below under Committees).

- The Foundation's Board may appoint *ex officio*, non-voting directors from the Telluride Regional Medical Center ("Medical Center") and the District, with the number at no more than 10% of its voting directors (rounded down), and not less than 2, with priority given to the Medical Center CEO, head of emergency services, head of primary care, and the District chair. This will provide communication between the organizations without losing the independence of the Foundation's Board.

- There will be staggered terms of 3 years each, with a limit of 2 consecutive full terms (6 years total). The Board may extend a director's service so the director can complete a particular project.

Officers

- The Board officers will consist of the Board chair, vice chair, secretary, and treasurer. There will also be an executive director.

- The Board officers will serve for a 3-year term. The executive director serves at the pleasure of the Board.

Committees

- There will be a standing executive committee comprised of the Board chair, vice chair, secretary, treasurer, the chairs of the finance committee and of the development, capital campaign, and construction committees (once created by Chartering Resolution), plus up to 2 more directors; the executive director will attend as an *ex officio* non-voting member of the executive committee.

- The executive committee may act between Board meetings. However, the executive committee may not authorize distributions; approve the dissolution, merger, or sale of substantially all assets of the Foundation; elect or remove directors or fill vacancies; amend the articles or bylaws; or approve conflict-of-interest or excess-benefit matters. It

reports all actions at the next Board meeting. The operational details of the executive committee will be set forth in its Chartering Resolution (as defined below), which will be approved by the Board.

- There will also be a standing finance committee, which will oversee the Foundation's budget, investments, and annual audit and report to the Board.

- The Board may create other standing or advisory committees pursuant to Board resolutions approving the creation and operation of a committee (each, a "Chartering Resolution").

Miscellaneous

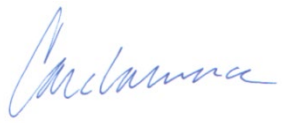
- The draft articles and bylaws have been updated to reflect current law, including the Colorado Revised Nonprofit Corporation Act.

Tax Classification

After the amended and restated articles of incorporation and bylaws of the Foundation are approved by both the Board and the District's board of directors, the Foundation will seek reclassification with the Internal Revenue Service from a supporting organization under Internal Revenue Code § 509(a)(3) to a publicly supported charity under §§ 509(a)(1) and 170(b)(1)(A)(vi). The Foundation is, and will remain, a public charity; however, supporting organizations cannot receive qualified charitable distributions ("QCDs") from IRAs, and the reclassification will permit the Foundation to accept them. Reclassification depends on the Foundation meeting the public support test, which we will confirm before filing.

Sincerely,

TIERNEY LAWRENCE STILES LLC



By: Cara B. Lawrence

AMENDED AND RESTATED
BYLAWS

OF THE

TELLURIDE HEALTH FOUNDATION

EFFECTIVE JANUARY 1, 2027

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AMENDED AND RESTATED BYLAWS
OF THE
TELLURIDE HEALTH FOUNDATION

Article I.
Offices

1.01 Business Offices.

The corporation will continuously maintain a principal office, which may be located inside or outside of Colorado. The street address and mailing address, if different, of the principal office can be found on the Colorado Secretary of State's website. The corporation may change the location of the principal office at any time by filing a statement of change with the Colorado Secretary of State. The corporation may maintain business offices in other locations as well.

1.02 Registered Office.

The corporation will continuously maintain a registered agent and registered agent address located in Colorado. The registered agent address must be the street address and mailing address, if different, of the registered agent's home or usual place of business. The corporation may change the registered agent or address at any time by filing a statement of change with the Colorado Secretary of State.

1.03 Mission.

The corporation's mission is to advance and sustain the health and well-being of the Telluride region through independent stewardship of philanthropic resources, supporting accessible, high-quality healthcare, essential medical services, and initiatives addressing evolving community health needs.

Article II.
Membership

2.01 No Members.

The corporation will have no voting or nonvoting members.

Article III.
Board of Directors

3.01 General Powers.

All corporate powers will be exercised by or under the authority of, and the business and affairs of the corporation will be managed by, its board of directors, unless the Colorado Revised Nonprofit Corporation Act ("Act"), the corporation's articles of incorporation, or these bylaws provide otherwise.

3.02 Number and Qualification.

The size of the board of directors will range from between 5 - 35 voting directors, with the specific number to be determined by the board from time to time. Directors must be individuals who are age 18 or older. Directors need not be residents of Colorado. Directors will be elected by the board of directors at the annual meeting. Directors shall serve staggered terms of 3 years, with the terms of approximately one-third of the directors expiring each year. At such time as these bylaws are adopted, directors may express a preference for an initial one-, two-, or three-year term, with final assignments approved by the board of directors or a committee delegated with such authority. Directors will hold office until their successors are elected and qualified or until their earlier death, resignation, or removal. Directors may serve no more than 2 consecutive full terms of three years. A director who has completed two consecutive regular three-year terms may receive one nonrenewable extension of up to two years for continuity on a material ongoing project of the corporation upon recommendation by the executive committee and approval by a majority vote of all directors in office, not including the director in question. A partial term served to fill a vacancy will not count towards term limits.

The board of directors may appoint persons from Telluride Regional Medical Center (the "Medical Center") and the Telluride Hospital District to serve as *ex officio*, non-voting directors ("Non-Voting Directors"). Non-Voting Director seats shall be capped at no more than 10% of the total number of voting directors, rounded down, but in no event fewer than 2. The Medical Center's President/CEO, head of emergency services, and head of primary care shall be given priority consideration, as shall the chair of the Telluride Hospital District. Non-Voting Directors shall not be counted in determining the size of the board under this Section or the number of directors in office for purposes of quorum or voting, and are not subject to the term limits in this Section. Non-Voting Directors are subject to the corporation's conflict of interest policy, and the board of directors may exclude Non-Voting Directors from any executive session or any portion of a meeting concerning grants to, agreements with, or other matters involving the Medical Center or the Telluride Hospital District. A Non-Voting Director's service will end automatically when the individual ceases to hold the qualifying position with the Medical Center or the Telluride Hospital District, as applicable.

3.03 Resignation.

A director may resign at any time by giving written notice to the chair or the secretary. The resignation does not have to be accepted to be effective, unless the notice specifies otherwise. The resignation will be effective upon receipt, unless the notice specifies a later effective date. If a resignation has a later effective date, the board of directors may permit the director to remain in office until the effective date and fill the pending vacancy with a deferred effective date, or may remove the director before the effective date and fill the resulting vacancy. A director will be considered to have resigned if a court of competent jurisdiction determines they are incapacitated. Further, a director will be considered to have resigned if they fail to attend three consecutive regular board meetings or 50% of the regular board meetings during any 12-month period without an excused absence, and their failure to attend is confirmed by a majority vote of the board.

3.04 Removal.

Directors may be removed at any time, with or without cause, by a majority vote of all other directors in office, not including the director in question. The notice of a meeting at which a director is to be removed must state that one of the purposes of the meeting is to consider removal of a director.

3.05 Vacancies.

Any director vacancy occurring in the board of directors, whether by reason of death, resignation, or removal of a director, or by reason of an increase in the number of directors, may be filled by the majority vote of the directors in office at any time during the year.

To facilitate staggered terms, the board may assign a partial term of one or two years, or a full term of three (3) years to any person elected to fill a director vacancy, which will commence at the end of the meeting at which the director is elected and conclude at the end of the annual meeting held in the year their assigned term expires.

3.06 Meetings.

The board of directors shall hold at least two regular meetings each year, one of which shall be designated by the board as the annual meeting (the “annual meeting”). Regular meetings may be held at the time and place set forth in a resolution adopted by the board, without further notice other than the resolution. Special meetings may be called by or at the request of the chair or one-third of all directors in office. The person or persons calling a special meeting shall fix the time and place of the meeting.

3.07 Notice.

The chair may change the time and place for any regular meeting of the board of directors (including the annual meeting) by giving notice of the change to each director at least two weeks prior to the meeting. Notice of any special meeting must be given to each director at least 48 hours prior to the meeting, except that, if the chair or vice chair determines that an emergency requires board action before 48 hours' notice can be given, notice given by telephone or email at least 12 hours before the meeting shall be sufficient. Except for notice that is given in person or by personal delivery to a director, notice must be given to each director at their business or residential address or the email address they provide to the corporation for purposes of corresponding with the corporation. Notice may be given in person or by personal delivery; by mail or private carrier; or by telephone, email, or other form of wire or wireless communication. The method of notice can be different for each director. If mailed, notice will be considered delivered on the earlier of: 1) the date received; 2) five days after its deposit in the United States mail, as evidenced by the postmark, if correctly addressed and mailed first-class mail; or 3) the date on the return receipt, if mailed registered or certified mail, return receipt requested, and the receipt is signed by or for the addressee. Notice transmitted by email or other means will be considered given upon receipt, except if emailed to an address regularly used for correspondence with the director, notice sent to such an email address will be considered delivered upon the earlier of receipt or on the day following the day the email is sent to the director.

3.08 Waiver of Notice.

A director may waive the required notice of any regular or special meeting of the board of directors before, during, or after the meeting. The waiver must be in writing and signed by the director. A director's attendance at or participation in any meeting will constitute a waiver of notice, unless: 1) at the beginning of the meeting or promptly upon their later arrival, the director objects to holding the meeting or transacting business because of lack of notice or defective notice and does not vote for or assent to action taken at the meeting; or 2) if special notice was required of a particular purpose of the meeting under the Act or these bylaws, the director objects to transacting business regarding the purpose for which the special notice was required, and does not vote for or assent to action taken at the meeting regarding such purpose.

3.09 Assent to Action.

A director who attends or participates in any meeting when corporate action is taken will be considered to have assented to all action taken at the meeting, unless: 1) at the beginning of the meeting or promptly upon their later arrival, the director objects to holding the meeting or transacting business and does not vote for or assent to any action taken at the meeting; 2) the director contemporaneously requests their dissent or abstention on any specific action taken be entered in the minutes of the meeting; or 3) the director causes written notice of their dissent or abstention on any specific action to be received by the presiding officer of the meeting before its

adjournment or by the corporation promptly after adjournment. This right to dissent or abstain is not available to a director who votes in favor of the action taken.

3.10 Quorum and Voting.

A majority of all directors in office immediately before a meeting begins will constitute a quorum for taking action. A majority vote of directors present at a meeting at which there is a quorum will constitute an action of the board of directors, unless the Act, the corporation's articles of incorporation, or these bylaws require a greater vote. If less than a quorum is present at a meeting, a majority of the directors present may adjourn the meeting until a quorum is achieved without further notice other than an announcement at the meeting.

3.11 Proxies.

Directors may not vote or otherwise act by proxy.

3.12 Participation by Telephone or Electronic Media.

Directors may participate in any regular or special meeting by, or conduct the meeting through the use of, any means of communication where all directors participating can hear each other during the meeting. A director participating in this manner will be considered present in person at the meeting.

3.13 Written Action in Lieu of Meeting.

Any action required or permitted to be taken at a meeting of the board of directors may be taken without a meeting by following the process set forth in this Section. An action so taken will have the same force and effect as an action taken at a meeting of the board.

(a) Notice of Vote. Written notice must be delivered to each director setting forth: 1) the action to be voted upon; 2) the time by which the director must respond; and 3) a statement that failing to respond by the time stated will have the same effect as abstaining in writing and failing to demand a meeting.

(b) Response by Director. In response to the written notice, a director may: 1) vote in writing for the action; 2) vote in writing against the action; 3) abstain in writing from voting; 4) fail to respond; or 5) demand in writing action not be taken without a meeting. The response must be in a form sufficient to inform the corporation of the director's identity; the director's vote, abstention, or demand; and the proposed action to which the vote, abstention, or demand relates. A director's right to demand a meeting will be waived unless the corporation receives the demand by the time stated in the written notice. All signed written instruments to effect action under this Section must be filed with the minutes of the meetings of the board of directors.

(c) Action Taken. An action will be considered taken under this Section only if, at the end of the time stated in the written notice: 1) the affirmative votes in writing for the action received by the corporation and not revoked equal or exceed the minimum number of votes that would be necessary to take action at a meeting, assuming all directors in office were present and voted; and 2) the corporation has not received a written demand by a director, other than a demand that has been revoked, that action not be taken without a meeting. Unless the written notice to the directors states a different effective date, action taken under this Section will be effective at the end of the time stated in the written notice for director response.

(d) Method of Delivery. Communications under this Section may be sent or received by the corporation by email or other form of wire or wireless communication. Communications provided under this Section are not effective until received.

3.14 Compensation.

Directors will not receive compensation for their services as directors of the corporation. However, their reasonable expenses incurred for attendance at meetings of the board of directors or for performance of their official functions may be paid or reimbursed by the corporation, if allowed under the corporation's expense reimbursement policies or approved by the board. Directors may also receive reasonable compensation for services rendered to or for the benefit of the corporation in any other capacity that is separate from their duties as directors, including as officers of the corporation, so long as such payment is approved in accordance with Section 4.05 of these bylaws, if applicable, and the corporation's conflict of interest policy.

3.15 Board Committees and Advisory Boards.

(a) Creation. By resolution adopted by a majority vote of all directors in office, the board of directors may establish standing or ad hoc committees or advisory boards, composed of members and having officers as the board designates in the resolution. The name, objectives, and responsibilities of each committee or advisory board will be as set forth in the resolution. Unless otherwise determined by the board of directors, each standing committee (other than the executive committee) shall include at least one member of the executive committee, who shall serve as chair of that committee. Non-directors may serve on advisory committees.

(b) Reliance on Committees; Limitations on Authority. The delegation of authority to any standing or ad hoc committee or advisory board will not operate to relieve the board of directors or any director from any responsibility or standard of conduct imposed by law or these bylaws. If any such committee or advisory board has a voting member who is not also a director of the corporation, it may exercise no power or authority reserved to the board of directors by the Act, the corporation's articles of incorporation, or these bylaws. Further, it will have no authority to incur any corporate expense or make any representation or commitment for the corporation unless express authority is provided in these bylaws or the resolution establishing the committee or

advisory board, or unless express approval is given by the board of directors or the chair or the treasurer, and the expense or commitment complies with any expenditure policies of the corporation.

(c) Rules and Procedures. Rules governing procedures for meetings of any standing or ad hoc committee or advisory board will be the same as those set forth in these bylaws or the Act for the board of directors, unless the board of directors determines otherwise in the resolution establishing or governing the committee or advisory board.

(d) Standing Committees.

(i) **Executive Committee.** The executive committee shall consist of the chair, vice chair, secretary, and treasurer of the corporation, along with the chairs of the finance, development, capital campaign, and constructions committees, and up to 2 additional directors of the corporation appointed by the board of directors, and in each case only while such person is also a director. If a person is an officer as well as a chair of a committee, they only receive one vote on the executive committee. The executive director will serve as an *ex officio*, non-voting member of the executive committee. Subject to the Act and powers reserved to the board, the executive committee may exercise the authority of the board of directors in the management of the corporation between meetings of the board; provided, however, that the executive committee may not: 1) authorize distributions; 2) approve or recommend to directors dissolution, merger, or the sale, pledge, or transfer of all or substantially all of the corporation's assets; 3) elect, appoint, or remove directors, or fill vacancies on the board or any committee; 4) adopt, amend, or repeal the articles of incorporation or these bylaws; 5) adopt a plan of merger; 6) approve self-dealing transactions, excess benefit transactions, or any matter requiring approval under the corporation's conflict of interest policy; or 7) take any action prohibited by applicable law. All actions of the executive committee shall be reported to the board of directors at its next meeting.

(ii) **Finance Committee.** The finance committee shall consist of the treasurer, who shall serve as chair unless otherwise determined by the board of directors, and such other directors and non-directors as the board of directors may appoint; provided, however, that a majority of the members of the finance committee shall be directors. The executive director may serve as an *ex officio*, non-voting member of the finance committee. The finance committee will assist the board of directors in overseeing the financial affairs of the corporation, including review of the corporation's annual operating and capital budgets, financial reports, cash flow, reserves, investments, and significant financial policies and practices; monitoring the corporation's financial performance and resources; and making recommendations to the board regarding financial strategy, budgeting, investments, and financial controls. The finance committee shall have no authority to

approve the annual budget, incur corporate indebtedness, authorize expenditures or investments except as expressly delegated by the board of directors, or otherwise take any action reserved to the board of directors under the Act, the corporation's articles of incorporation, or these bylaws. All actions and recommendations of the finance committee shall be reported to the board of directors.

Article IV.
Officers

4.01 Designation and Qualification.

The officers of the corporation will include a chair, a vice chair, a secretary, a treasurer, and an executive director, and such other officers and assistant officers as the board of directors considers necessary or useful. One person may hold more than one office at a time, except that the chair may not also serve as the secretary or treasurer, and the executive director may not also serve as the chair, vice chair, secretary, or treasurer. The chair and vice chair must be directors. Other officers need not be directors, but all officers must be individuals who are age 18 or older.

4.02 Election and Tenure.

The officers (other than the executive director) will be elected by the board of directors at the annual meeting for a term of three years and may serve for a maximum of two consecutive terms; provided, however, that an officer's term will end automatically if they cease to be a director. The executive director serves at the pleasure of the board. A director must have sufficient remaining board eligibility to serve a full term of office at the time of their election to an office.

4.03 Resignation.

Any officer may resign at any time by giving written notice to the chair or the secretary. The resignation will be subject to any rights or obligations under any existing contract between the officer and the corporation. Acceptance of the resignation is unnecessary to make it effective, unless the notice specifies otherwise. The resignation will take effect upon receipt unless the notice specifies a later effective date. If a resignation has a later effective date, the board of directors may permit the officer to remain in office until the effective date and fill the pending vacancy with a deferred effective date, or the board may remove the officer before the effective date and fill the resulting vacancy. An officer will be considered to have resigned if a court of competent jurisdiction determines they are incapacitated.

4.04 Removal.

The board of directors may remove an officer at any time, with or without cause, by a majority vote of all directors in office. The notice of a meeting at which an officer is to be removed must state that one of the purposes of the meeting is to consider removal of an officer. Removal

will not affect any contract rights of the officer removed. However, the election or appointment of an officer will not by itself create contract rights.

4.05 Compensation.

The compensation of officers will be determined by the board of directors or a person or group of persons to whom that authority has been delegated by the board. In all cases, the compensation will be determined in accordance with the compensation policy, if any, adopted by the board of directors from time to time. If there is no compensation policy, to the extent reasonably feasible, the person(s) determining compensation will: 1) follow the corporation's conflict of interest policy in approving the compensation arrangement of officers of the corporation; 2) approve the compensation arrangement in advance of paying the compensation; 3) obtain data on the compensation of officers holding similar positions of authority within comparable organizations; 4) set the compensation based on such data and an evaluation of the officer's performance and experience as related to the requirements of the position; and 5) document in writing the date and terms of the approved compensation arrangement, the basis for the compensation determination, including the comparison data used, the requirements of the position and the evaluation of the officer's performance and experience, and the decision of each individual who decided on or voted in favor of the compensation arrangement. However, no payment of compensation or payment or reimbursement of expenses may be made in any manner to result in the imposition of any liability under Section 4958 of the Internal Revenue Code.

4.06 Authority and Duties.

(a) Chair. The chair will serve as chair of the board. As such, the chair will lead the board of directors, convene regularly scheduled board meetings, call special board meetings as necessary, prepare the agenda for all board meetings (provided that any director may request the inclusion of an item on the agenda by written notice to the chair at least five days before the meeting), and oversee or arrange for another officer to oversee all board meetings. The chair will work with the board or a committee of the board to recruit new board members, conduct new board member orientation, consult with board members on their roles, and help them assess their performance. The chair will also perform all other duties customary to that office or as assigned by the board of directors.

(b) Vice Chair. The vice chair will assist the chair. At the request of the chair, or in the chair's absence or inability or refusal to act, the vice chair will perform the duties of the chair and when so acting will have all the authority of and be subject to all the restrictions on the chair. The vice chair will also perform all other duties customary to that office or as assigned by the board of directors.

(c) Secretary. The secretary will see that minutes of the proceedings of the board of directors and any board committees are kept, that all notices are duly given as provided in these

bylaws or the Act, and that the corporate records are kept in good order in accordance with these bylaws and applicable law. The secretary will also perform all other duties customary to that office or as assigned by the board of directors. Assistant secretaries, if any, will have the same duties and authority as the secretary, subject to supervision by the secretary.

(d) Treasurer. The treasurer will be the principal financial officer of the board of directors with general responsibility for oversight of the financial affairs of the corporation, and will present financial reports to the board as requested by the board. Unless otherwise determined by the board of directors, the treasurer shall be the chair of the finance committee and will also perform all other duties customary to that office or as assigned by the board. Assistant treasurers, if any, will have the same duties and authority as the treasurer, subject to supervision by the treasurer.

(e) Executive Director. Subject to the direction and supervision of the board of directors or a committee thereof, the executive director will serve as chief executive and operating officer of the corporation. The executive director will have general responsibility for all day-to-day operations of the corporation. The executive director will develop, direct, and supervise implementation of specific programs and activities that further the corporation's purposes, and report on those programs and activities to the board of directors, a committee thereof, or the chair of the board. The executive director will also perform all other duties customary to that office or as assigned by the board of directors.

Article V.
Fiduciary Matters

5.01 Indemnification.

The corporation will indemnify, and advance expenses to, each person who is or was a director or officer of the corporation to the fullest extent permitted under the Act, will indemnify and advance expenses to any person who is or was an employee or volunteer of the corporation to the same extent, and may purchase and maintain insurance insuring its obligations under this Section or otherwise protecting the persons intended to be protected by this Section. Any repeal or modification of this Section will be prospective only and will not adversely affect any right or indemnification of any person who is or was a director, officer, employee, or volunteer of the corporation existing at the time of the repeal or modification. The corporation may, but is not obligated to, indemnify any agent of the corporation not otherwise covered by this Section to the fullest extent permitted under the Act. However, the corporation will not indemnify any person, nor advance any expense or purchase any insurance, in any manner or to any extent that would jeopardize or be inconsistent with the corporation's status as an organization described in Section 501(c)(3) of the Internal Revenue Code, or that would cause the imposition of any liability under Section 4958 of the Internal Revenue Code.

5.02 Standards of Conduct.

(a) Discharge of Duties. Each director shall discharge the director's duties as a director, including the director's duties as a member of a committee of the board of directors, and each officer with discretionary authority shall discharge the officer's duties under that authority, in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the director or officer reasonably believes to be in the best interests of the corporation.

(b) Reliance on Others. In discharging the director's or officer's duties, a director or officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by: 1) officers or employees of the corporation whom the director or officer reasonably believes to be reliable and competent in the matters presented; 2) legal counsel, a public accountant, or another person as to matters the director or officer reasonably believes are within that person's professional or expert competence; or 3) as to a director, a committee of the board of directors of which the director is not a member if the director reasonably believes the committee merits confidence. A director or officer is not acting in good faith if they have knowledge concerning the matter in question that makes reliance otherwise permitted by this Section unwarranted.

(c) Liability to Corporation. A director or officer will not be liable to the corporation in the director's or officer's capacity as a director or officer for any action taken or omitted to be taken as a director or officer if, in connection with the action or omission, the director or officer performed the duties of the position in compliance with this Section.

5.03 Conflict of Interest Policy.

The board of directors will maintain in effect a conflict of interest policy covering directors, officers, and key employees of the corporation and such other persons as the board may determine. This policy will satisfy the requirements of all applicable laws, including the Act and the Internal Revenue Code.

5.04 Unlawful Distributions to Directors and Officers.

The corporation is not permitted to make distributions to directors or officers. For this purpose, a "distribution" is the payment of a dividend or any part of the income or profits of the corporation to the directors or officers, but it does not include payment of reasonable compensation for services rendered. Any director who votes for or assents to a distribution made in violation of this Section will be liable to the corporation for the distribution, if the director did not perform the director's duties in compliance with the general standards of conduct in Section 5.02. A director who is liable under this Section for a distribution is entitled to contribution from every

other director who could be liable under this Section for the distribution, and from each person who accepted the distribution knowing the distribution was made in violation of the Act.

5.05 Loans to Directors and Officers.

The corporation is not permitted to make loans to directors or officers. Any director or officer who assents to or participates in making any loan in violation of this Section will be liable to the corporation for the amount of the loan until the loan is repaid in full.

Article VI.
Books and Records

6.01 Minutes, Proceedings.

The corporation will keep as permanent records minutes of all meetings of the board of directors, a record of all actions taken by the board without a meeting, a record of all actions taken by a board committee in place of the board, and a record of all waivers of notices of meetings of the board or any board committee.

6.02 Accounting Records.

The corporation will maintain appropriate accounting records.

6.03 Records in Written Form.

The corporation will maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

6.04 Records Maintained at Principal Office.

The corporation will keep a copy of each of the following records at its principal office: 1) the corporation's articles of incorporation; 2) these bylaws; 3) a list of the names and business or home addresses of the current directors and officers; 4) a copy of the most recent corporate report delivered to the Colorado Secretary of State; 5) financial statements, if any, prepared for at least the last three years; 6) the corporation's application for recognition of exemption and the tax-exemption determination letter issued by the Internal Revenue Service; 7) the corporation's annual tax information returns (with donor information redacted) for at least the last three years; and 8) all other documents or records required to be maintained by the corporation at its principal office under applicable law or regulation.

Article VII.
Miscellaneous

7.01 Definitions.

As used in these bylaws, the term "Act" includes, to the extent incorporated therein, the Colorado Corporations and Associations Act. The term "Internal Revenue Code" refers to the Internal Revenue Code of 1986, as amended, and the corresponding provisions of any subsequent laws.

7.02 Fiscal Year.

The fiscal year of the corporation will be the calendar year unless otherwise determined by the board of directors.

7.03 Contracts.

Contracts of the corporation may be entered into by officers or agents of the corporation authorized by the board of directors, and this authority may be general or specific.

7.04 Conveyances and Encumbrances.

Property of the corporation may be assigned, conveyed, or encumbered by officers or agents of the corporation authorized to do so by the board of directors, and authorized persons will have power to execute and deliver all instruments of assignment, conveyance, and encumbrance; however, the sale, exchange, lease, or other disposition of all or substantially all of the property and assets of the corporation will be authorized only in the manner prescribed by the Act.

7.05 Designated Contributions.

The corporation may accept any contribution, gift, grant, bequest, or devise with such designation, restriction, or condition as may be imposed by the donor, so long as the designation, restriction, or condition is consistent with the corporation's general tax-exempt purposes. However, the corporation reserves all right, title, and interest in and to and control of such contributions, including authority over the ultimate expenditure of such contributions, so long as such expenditure is consistent with the donor-imposed designation, restriction, or condition or applicable law.

7.06 Amendments.

The board of directors has the power and authority to amend or repeal these bylaws and adopt new bylaws by a majority vote of all directors in office; provided that written notice setting forth the proposed amendment is given to each director at least 10 days before the meeting at which it is to be considered (or is included in the written notice for action without a meeting under

Section 3.13); provided further, however, that these bylaws may not be amended in a manner that is inconsistent with the articles of incorporation, or that would disqualify the corporation under Section 501(c)(3) of the Internal Revenue Code.

(END)

SECRETARY'S CERTIFICATE

The undersigned certifies that the undersigned is the secretary of the Telluride Health Foundation, a Colorado nonprofit corporation, and is authorized to execute this certificate on behalf of the corporation. The undersigned further certifies that the document attached to this certificate is a complete and correct copy of the bylaws currently in effect for the corporation.

Dated: _____

_____

Name: _____

Secretary

Business Program
Colorado Secretary of State
1700 Broadway, Ste. 550 Denver, CO 80290
Phone: 303-894-2200 Fax: 303-869-4864
Email: Business@coloradosos.gov Website: www.coloradosos.gov

Amended and Restated Articles of Incorporation

Filed pursuant to §7-90-301, et seq. and §7-130-106 and §7-90-304.5 of the Colorado Revised Statutes (C.R.S.)

Section 1 – ID number and entity name

For the entity, its ID number and entity name are

ID number:

20081551786

Entity name:

The Telluride Medical Center Foundation

Section 2 – New entity name (if applicable)

The new entity name is:

TELLURIDE HEALTH FOUNDATION

Section 3 – Attachments (if applicable)

The amended and restated constituent filed document is attached.

Section 4 – Amendment details

The amendment to the articles of incorporation was in the manner indicated below: (make the applicable selection)

☒ The amendment and restatement was adopted by the board of directors or incorporators without member action and member action was not required.

☐ The amendment and restatement was adopted by the members AND the number of votes cast for the amendment by each voting group entitled to vote separately on the amendment was sufficient for approval by that voting group.

☐ (If the amended and restated articles of incorporation include amendments adopted on a different date or in a different manner, mark this box and include an attachment stating the date and manner of adoption.)

Section 5 – Delayed effective date (if applicable)

The delayed effective date and/or time (mm/dd/yyyy hour:minute am/pm) of this document is (if applicable):

Caution: Leave blank if the document does not have a delayed effective date. Stating a delayed effective date has significant legal consequences. If you don't enter a specific time, the filing will take effect at 11:59 PM. Times are MST/MDT.

Section 6 – Notice of perjury

Causing this document to be delivered to the Secretary of State for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that such document is such individual's act and deed, or that such individual in good faith believes such document is the act and deed of the person on whose behalf such individual is causing such document to be delivered for filing, taken in conformity with the requirements of part 3 of article 90 of title 7, C.R.S. and, if applicable, the constituent documents and the organic statutes, and that such individual in good faith believes the facts stated in such document are true and such document complies with the requirements of that Part, the constituent documents, and the organic statutes.

This perjury notice applies to each individual who causes this document to be delivered to the Secretary of State, whether or not such individual is identified in this document as one who has caused it to be delivered.

Section 7 – Filer's information

The true name and mailing address of the individual causing the document to be delivered for filing are:

Last name: Lawrence

First name: Cara

Middle:

Suffix:

Address 1: 225 E. 16th Avenue

Address 2: Suite 350

City: Denver

State: CO

ZIP code: 80203

Province (if applicable): CO

Country: United States

If the following statement applies, adopt the statement by marking the box and include an attachment:

☐ This document contains the true name and mailing address of one or more additional individuals causing the document to be delivered for filing.

Section 8 – Disclaimer

This form/cover sheet, and any related instructions, are not intended to provide legal, business or tax advice, and are furnished without representation or warranty. While this form/cover sheet is believed to satisfy minimum legal requirements as of its revision date, compliance with applicable law, as the same may be amended from time to time, remains the responsibility of the user of this form/cover sheet.

Questions should be addressed to the user's legal, business or tax advisor(s).

ATTACHMENT TO
AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
THE TELLURIDE HEALTH FOUNDATION

ARTICLE I
Purposes and Restrictions

A. The corporation is organized and operated exclusively for charitable, scientific, or educational purposes within the meaning of §501(c)(3) of the Internal Revenue Code, as amended, or the corresponding section of any future federal tax code ("Code"). The corporation may carry on any other lawful activity consistent with the provisions of these Articles of Incorporation ("Articles") and the Colorado Revised Nonprofit Corporation Act ("Act").

B. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its officers, directors, or other private persons, and no officer or director of the corporation, or any other private individual, shall be entitled to share in any distribution of any corporate assets on dissolution of the corporation or otherwise, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in these Articles. The corporation shall not devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise. The corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under §501(c)(3) of the Code.

C. Upon dissolution of the corporation, all funds remaining after the payment of its debts and obligations shall be distributed for one or more exempt purposes within the meaning of §501(c)(3) of the Code or shall be distributed to the federal, state or local governmental entity for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction exclusively for such purposes or to such organization or organizations as such court shall determine which are organized and operated exclusively for such purposes.

D. Notwithstanding any other provision of these Articles, if the corporation is at any time a private foundation as defined in §509 of the Code, the following provisions shall apply:

i. The corporation shall distribute its income for each taxable year at such time and in such manner as not to subject the corporation to the tax imposed under §4942 of the Code.

ii. The corporation shall not engage in any act of self dealing, as defined in §4941(d) of the Code.

iii. The corporation shall not retain any excess business holdings, as defined in §4943(c) of the Code.

iv. The corporation shall not make any investments in such a manner as to subject it to the tax imposed under §4944 of the Code.

v. The corporation shall not make any taxable expenditures, as defined in §4945(d) of the Code.

vi. The corporation shall not engage in the carrying on of propaganda or otherwise attempting to influence legislation.

ARTICLE II

Elimination of Certain Liabilities of Directors

No director shall be personally liable to the corporation for monetary damages for any breach of fiduciary duty as a director, except that no director's liability to the corporation for monetary damages shall be eliminated or limited on account of any of the following: (a) any breach of the director's duty of loyalty to the corporation; (b) any acts or omissions of the director not in good faith or that involve intentional misconduct or a knowing violation of law; (c) the director's assent to or participation in a loan by the corporation to any director or officer of the corporation; or (d) any transaction in which the director received improper personal benefit. Any repeal or modification of this Article shall be prospective only and shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

ARTICLE III

Board of Directors

The corporation shall not have any voting members as such term is defined in the Act and shall have no capital stock. Except as otherwise provided in the Act, the management of the affairs of the corporation shall be vested in a Board of Directors. The number of directors, their classifications, if any, their terms of office and the manner of their election shall be as set forth in the bylaws.

ARTICLE IV

Bylaws

The bylaws of the corporation shall be adopted by the Board of Directors. Except to the extent limited by the Act, the Board of Directors shall have power to alter, amend or repeal the bylaws from time to time in force and adopt new bylaws as set forth in the bylaws. The bylaws of the corporation may contain any provisions for the managing and regulating of the affairs of the corporation that are not inconsistent with law or these Articles, as these Articles may from time to time be amended. However, no bylaw shall have the effect of giving any member, director, or officer of the corporation or any other individual any proprietary interest in the corporation’s property, whether during the term of the corporation’s existence or as an incident to its dissolution.

ARTICLE V

Amendment to Articles of Incorporation

These Articles may be altered, amended, or repealed, in whole or in part, and new Articles may be adopted by the vote of the majority of all of the members of the Board of Directors.