THE BOUNDARY ASSOCIATION

Quarterly Board of Directors' Meeting

July 16, 2026 · 3:00 p.m.

Annual Homeowners' Meeting to follow at 4:00 p.m.

Agenda

Quarterly Meeting & Annual Homeowners' Meeting

July 16, 2026 · 3:00 PM
RVR Ranch House Conference Room & via Zoom

BOARD OF DIRECTORS

Carl Hostetter — President
Cathy Cooney — Vice President / Secretary
Jay Cofield — Treasurer
Elaine Grossman — Director
Jim McAtavey — Director

SILVER MOUNTAIN PROPERTY MANAGEMENT TEAM

Bill Crowley
Kari Crowley
Nick Cova

01 **Call to Order — Establish Board Quorum**

02 **Consent Agenda**
Approval of minutes from April 16, 2026 · Email approvals

03 **Public Comment**
Limited to 3 minutes per owner, on agenda items only

04 **Financial Report**
Financial results — YTD through June 30, 2026 (Kari Crowley & Carl Hostetter)

05 **Old Business**
Capital Reserve Contribution amendment — Board vote

06 **New Business**
Fire Mitigation — Vent Wire Mesh / Gutter Guards
Installation of new Board members · Appointment of Board officers

07 **Adjourn Board Meeting / Convene Annual Homeowners' Meeting**
Establish homeowner quorum · Year in Review · Looking Ahead: Calendar & Budget Process

08 **Adjourn**

Minutes — April 16, 2026

A meeting of the Board of Directors of The Boundary Association was held Thursday, April 16, 2026, at 3:00 PM MDT at the River Valley Ranch Clubhouse and via Zoom, Carbondale, Colorado, County of Garfield.

RECORD OF PROCEEDINGS

1. **Call to Order / Establish Quorum:** The meeting was called to order by President, Carl Hostetter, at 3:01 p.m. Board members present included Carl Hostetter, Elaine Grossman, Jay Cofield, and Cathy Cooney. Jim McAtavey was absent. Other homeowners present represented units 397, 423, 431, 465, and 475. Also present were Bill Crowley, Kari Crowley and Nick Cova from Silver Mountain Properties. Kari Crowley assumed the role of secretary to prepare a recording of the meeting.

2. **Consent Agenda:**

   Minutes Approval: With no changes requested, Cathy Cooney motioned to approve the meeting minutes from the previous board meeting held on January 15, 2026. Elaine Grossman seconded the motion, and all approved.

   Email Approvals: The items below that were approved by the Board via email were officially ratified:

   - Approval to renew a $50,000 CD at 3.50% for 5 months
   - Approval of contract with Mr. Vac for dryer vent cleaning (33 Units — $1,980)

3. **Public Comment:** N/A

4. **Financial Review — First Quarter Financial Results:** Kari Crowley from SMP presented the first quarter 2026 financial report showing total assets of $206,544, with operating funds at $24,000 and reserve funds at $182,287. The financial report revealed a net surplus of $33,500 for the first quarter, with operating expenses of $24,000 and reserve assessments of $20,172. She shared the expense detail showing the Association is performing well in the first quarter, with only 11% of the repairs and maintenance budget utilized. Key upcoming expenses include landscaping costs and building exterior staining scheduled for May. The Board found the financials to be in good standing.

5. **Old Business — Gutter Replacements:** Nick Cova from SMP reported on the gutter replacement estimate for full replacement of gutters and downspouts on building 8 for $6,650. The Board will continue to review options before scheduling this work for completion.

6. **New Business — Capital Reserve Contribution at Transfer:** President, Carl Hostetter began this presentation with a brief history of financial challenges in the Association, including issues that arose when a developer went bankrupt, leading to unpaid assessments and a subsequent lawsuit settlement for $25,000. Carl explained the current reserve funding situation, noting they have $161,839 in reserves but will go negative by 2054 under the current plan. Carl presented a proposal to implement a Capital Reserve Contribution (CRC) through an amendment, which would add a 0.5% fee on property sales, generating approximately $10,000 annually to help address future reserve shortfalls. He also shared the potential to adjust the current annual reserve funding structure from 8% stepping down to 3% in 2036 to level increases of 6%. Some comments from the homeowners in attendance centered around advocating for a higher percentage than the current 0.5% proposal, suggesting a 1–3% range to better address future reserve needs. Jay Cofield expressed concerns about rushing the vote before July and emphasized the need for better communication with homeowners, while others noted that similar proposals have struggled to pass in other communities. The Board concluded that there is a need for more education about the proposal's impact on both buyers and sellers and also discussed strategies for gauging neighbor feedback through one-on-one conversations or a Special Board Meeting before holding a formal Board vote to move forward with the Amendment.

7. **Executive Session:** The Board entered executive session at 4:17 p.m. to discuss matters pertaining to a recorded exterior maintenance agreement. The executive session ended at 4:56 p.m.

8. **Adjournment:** With nothing further to discuss, Cathy Cooney motioned to adjourn the meeting at 4:57 p.m.; Jay Cofield seconded.

Respectfully submitted,

/s/ Kari Crowley
Secretary to the Meeting

/s/ Carl Hostetter
President

Balance Sheet

TOTAL ASSETS
$223,259
Operating + Reserve Funds

TOTAL LIABILITIES
$24,101
Prepaid Assessments

TOTAL EQUITY
$199,158
Net Worth

ASSETS

Operating Funds	$20,198
Reserve Funds	$202,571
Accounts Receivable	$490
Total Assets	**$223,259**

LIABILITIES & EQUITY

Prepaid Assessments	$24,101
Total Liabilities	**$24,101**
Equity (Unrestricted)	$154,414
Net Income (YTD)	$44,743
Total Equity	**$199,158**
Total Liabilities & Equity	**$223,259**

Assets = Liabilities + Equity → $223,259 = $24,101 + $199,158 ✓

Profit & Loss Summary

OPERATING NET
$4,133

RESERVE NET
$40,610

OVERALL NET
$44,743

	OPERATING	RESERVE	OVERALL
Income	$75,500	$40,610	**$116,110**
Expenses	$71,367	$0	**$71,367**
Net Surplus / (Deficit)	**$4,133**	**$40,610**	**$44,743**

* No reserve expenses incurred YTD — staining, gutters, and entrance plantings scheduled for the second half

Operating Expense Detail

ADMIN · INSURANCE · PROFESSIONAL	YTD ACTUAL	ANNUAL BUDGET	% USED
ADMINISTRATIVE			
Office	58	350	17%
Website	–	350	–
Licenses & Permits	–	80	–
Total Administrative	**58**	**780**	**7%**
INSURANCE *			
Hazard Down Payment	17,594	18,304	96%
Hazard Installments	12,480	35,360	35%
Directors & Officers	1,451	1,803	80%
Excess Liability	1,836	1,534	120%
Total Insurance	**33,361**	**57,001**	**59%**
PROFESSIONAL FEES			
Property Management	4,452	8,904	50%
Project Management	2,476	7,500	33%
Accounting	–	600	–
Legal Services **	95	–	–
Total Professional Fees	**7,023**	**17,004**	**41%**
Subtotal	**40,441**	**74,785**	**54%**

R&M · TAXES · UTILITIES	YTD ACTUAL	ANNUAL BUDGET	% USED
REPAIRS & MAINTENANCE			
Contract Landscaping	16,628	56,000	30%
Contract Snow Removal	4,315	8,000	54%
Irrigation System	285	3,500	8%
Buildings ****	3,443	3,000	115%
Trees ***	3,960	2,500	158%
Supplies	70	500	14%
Grounds	315	250	126%
Total R&M	**29,016**	**73,750**	**39%**
TAXES			
Federal	–	100	–
State	–	25	–
UTILITIES			
Water	1,563	1,690	92%
Electric	348	651	53%
Total Taxes & Utilities	**1,911**	**2,466**	**78%**
Total Operating Expense	**71,367**	**151,000**	**47%**

RESERVE EXPENSE BUDGET 2026

Exterior Staining **65,000** Roadway Crack Seal **10,000** Gutters & Downspouts **5,000** Entrance Landscaping **5,000**

TOTAL · ACTUAL NONE YTD

$85,000

Actuals YTD through June 30, 2026. * Hazard down payment is paid in full; installments continue per carrier schedule. ** No annual budget line. *** Trees overage reflects removal of 2 large spruce trees approved in 2025. **** Buildings overage mainly reflects unbudgeted dryer vent cleaning for all 33 units. Gold percentages exceed the annual budget line.

Capital Reserve Forecast — 2026

Starting Balance (January 1, 2026)	**$161,839**
+ Reserve Dues Income	76,582
+ Estimated Interest Income	4,000
Total Income	**80,582**
– Exterior Stain (Bldgs 9, 10 & 11)	65,000
– Roadway Crack Seal	10,000
– Gutter Replacements (TBD)	5,000
Total Planned Projects	**($80,000)**

PROJECTED ENDING BALANCE
December 31, 2026

$162,421

NET CHANGE

+$582

* The original 2026 reserve budget included $5,000 for new plantings at the north entrance; the Board has since cancelled that project, so it is not reflected above.

Capital Reserve Contribution — Summary

The proposed Fourth Amendment adds a **one-time Capital Reserve Contribution** — paid by the buyer at closing on each sale or transfer, with all proceeds going directly into the Association's capital reserve fund.

0.75%	Buyer	100%	> 50%
Of gross contract sale price	Pays at closing, each sale	Of proceeds to reserves	Owner approval to pass

KEY TERMS

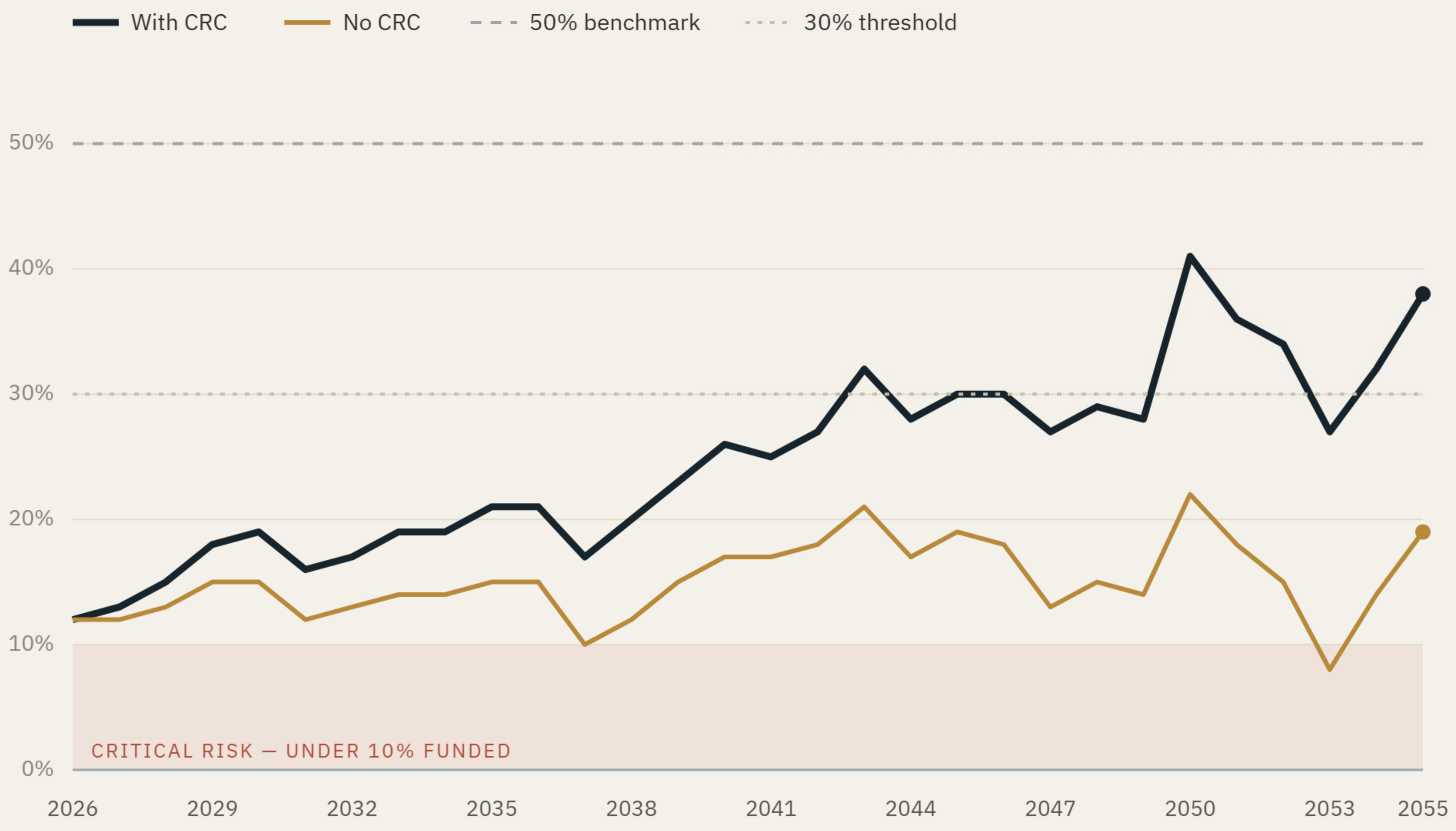
- 0.75% of gross sale price on each sale or transfer
- Paid by the buyer to the Association at closing
- All proceeds go directly into the reserve fund
- Used exclusively for capital reserves

BOARD FLEXIBILITY & SAFEGUARDS

- Board may lower or suspend the rate anytime by majority vote
- Board may raise it up to a 1.00% maximum by resolution
- Raising above 1.00% requires >50% owner approval
- Family, trust, inheritance & foreclosure transfers exempt

THE AMENDMENT — Approve the Fourth Amendment and submit it to the owners. Electronic and paper ballots mail August 1, 2026; it passes with more than 50% of owners (Section 13.3), effective upon recording in Garfield County.

Staying Out of the Risk Zone



Never Critical
Fund never drops into Critical risk (<10% funded) in any of the 30 years

12% → 41%
Percent funded climbs from ~12% today to a ~41% peak (38% by 2055)

$0
No special assessments projected under this plan

Responding to Owner Feedback

Every alternative and concern owners raised — and why the 0.75% CRC is still the Board's recommendation.

ALTERNATIVES WE EVALUATED

Flat CRC — a flat dollar fee erodes with inflation.

Catch-up assessment — rejected; owners want no lump-sum burden.

Multiple of dues — tracks dues, not market value, and needs repeated re-votes; a percentage scales automatically.

Cap the CRC — an owner-suggested $15,000 cap would cut reserve income by about a third over 30 years ($678K → $435K), so a percentage keeps pace with home values.

OWNER CONCERNS ADDRESSED

Grandfathering — not possible; one rule and one date apply to every owner.

Timing — raised to owners in April when no homes were listed, so no pending sale is caught by surprise.

Market comparison — among the lowest transfer rates in resort Colorado, below the 1–3% norm.

Other RVR sub-associations — their reserves are also underfunded, and they have indicated they will consider a CRC if our Association adopts one.

Capital Reserve Contribution Resolution

Submit the Fourth Amendment to the Owners for a Vote

WHEREAS the Board seeks to strengthen the Association's capital reserves through a Capital Reserve Contribution, as set forth in the proposed Fourth Amendment to the Declaration (following pages);

RESOLVED that the Board approves the Fourth Amendment text presented on the following pages and authorizes its submission to the owners for a vote pursuant to Section 13.3 of the Declaration;

RESOLVED FURTHER that Silver Mountain Properties is authorized to distribute the formal notice packet and official ballot to all owners by both electronic and paper delivery on **August 1, 2026.**

A motion to adopt this resolution will be entertained at the meeting.

Fourth Amendment to Amended and Restated Declaration for The Boundary

(CAPITAL RESERVE CONTRIBUTION)

After recording, return to: The Boundary Association,
c/o Silver Mountain Properties, Colorado

This Fourth Amendment (“Fourth Amendment”) shall be effective upon recording; provided, however, that the Contribution shall not apply to any sale or transfer of title made pursuant to a written contract of purchase and sale that became binding prior to the date of recording.

RECITALS

A. On May 13, 1999, the Declaration for The Boundary Townhomes was recorded at Reception No. 545483 in the Office of the Clerk and Recorder for Garfield County, Colorado, as amended by the Amended and Restated Declaration recorded July 13, 2001 (No. 584311); the First Amendment recorded September 26, 2001 (No. 589040); the Second Amendment recorded April 1, 2022 (No. 972961); and the Third Amendment recorded March 25, 2024 (No. 994589) (collectively, the “Declaration”).

B. The Boundary Association (“Association”) is a Colorado nonprofit corporation and a mandatory membership homeowners’ association organized and existing pursuant to the Declaration and the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-101, et seq. (“CCIOA”).

C. The Association maintains a capital reserve fund and a reserve study identifying long-term capital repair, replacement, and infrastructure needs within the community.

D. The Association and its Owners desire to strengthen the long-term financial stability of the community and provide additional funding for capital repair, replacement, and infrastructure projects identified in the reserve study through the adoption of a Capital Reserve Contribution payable upon the transfer of title to a Unit.

E. The Association has determined that a capital reserve contribution payable at the time of sale distributes reserve funding more equitably over time and helps reduce the likelihood of future special assessments.

F. Pursuant to Section 13.3 of the Declaration and C.R.S. §38-33.3-217, an amendment to the Declaration requires approval of Owners holding more than fifty percent (50%) of the votes in the Association.

G. More than fifty percent (50%) of the Owners have approved this Fourth Amendment.

NOW, THEREFORE, the Declaration is hereby amended as follows:

Section 13.19. Capital Reserve Contribution

Imposition of Contribution. Upon each sale or transfer of title to a Townhome or Condominium Unit within The Boundary (a “Unit”), there shall be paid to the Association at closing by the Buyer (Transferee) a Capital Reserve Contribution (the “Contribution”) equal to three-quarters of one percent (0.75%) of the gross contract sale price of the Unit.

Purpose and Restriction. All proceeds of the Contribution shall be deposited directly into the Association’s capital reserve fund and shall be used exclusively for capital repair, replacement, and infrastructure projects. Such funds shall not be used for operating expenses. The Contribution is intended to supplement ongoing reserve funding and support long-term capital repair and replacement needs identified in the Association’s reserve study.

Calculation and Collection. The Contribution shall be calculated based upon the gross contract sale price as reflected in the final settlement statement; provided that, for any transfer that is not an arm’s-length sale for valuable consideration, the Contribution shall be calculated based upon the fair market value of the Unit as of the date of transfer. The Contribution shall be collected at closing through standard title procedures and remitted to the Association.

Exempt Transfers. The Contribution shall not apply to transfers between spouses; transfers to a revocable living trust in which the transferor is the beneficiary; transfers by inheritance or devise; transfers resulting from foreclosure or deed in lieu of foreclosure; the first conveyance of a Unit by the declarant; transfers to the Association; transfers confirming or correcting title, or made for no or nominal consideration as a bona fide gift; transfers pursuant to a decree of dissolution of marriage, legal separation, or a property settlement agreement; transfers between existing co-owners or joint tenants; transfers to an entity wholly owned by the transferor, and transfers by such an entity back to its owner; the resale of a Unit by a lender or other party that acquired title through foreclosure or deed in lieu of foreclosure; or any other transfer required by law to be exempt.

Alteration of Rate. The Board of Directors may, by a majority resolution of the Board, decrease or temporarily suspend the percentage rate of the Contribution at any time, and may likewise increase the percentage rate up to a maximum of one percent (1.00%) of the gross contract sale price, without the approval of the Owners. Any increase above one percent (1.00%), or any modification that expands the scope of the Contribution, shall require an amendment to this Declaration approved by more than fifty percent (50%) of the total votes in the Association, in compliance with Section 13.3 and C.R.S. §38-33.3-217.

Compliance with Law. This Contribution is imposed by a mandatory membership homeowners’ association and is intended to comply with C.R.S. §38-35-127 and the Colorado Common Interest Ownership Act. Upon the written request of an Owner or a prospective transferee, the Association shall furnish a written statement of the amount of the Contribution then payable with respect to a Unit within the time period required by applicable law.

Failure to Collect; Enforcement. Failure of a closing agent or other party to collect or remit the Contribution at closing shall not relieve the obligation to pay, and the Association shall retain the right to collect the amount due from the transferee or transferor as permitted by law. Any unpaid Contribution shall constitute an assessment against the Unit and may be collected in the same manner as any other assessment permitted under the Declaration and CCIOA.

Except as expressly amended herein, the Declaration shall remain in full force and effect.

Severability. If any provision of this Fourth Amendment, or its application to any person or circumstance, is held invalid or unenforceable, the remaining provisions, and the application of the challenged provision to other persons or circumstances, shall not be affected and shall remain in full force and effect, it being the intent of the Association and its Owners that the provisions be severable.

IN WITNESS WHEREOF, the undersigned, being the President and Secretary of The Boundary Association, hereby certify that pursuant to Section 13.3 of the Declaration and C.R.S. §38-33.3-217, more than fifty percent (50%) of the Owners have approved this Fourth Amendment.

THE BOUNDARY ASSOCIATION

By: _______________ President

By: _______________ Secretary

ANNUAL HOMEOWNERS' MEETING · JULY 16, 2026

Year in Review

Highlights, Accomplishments & Looking Ahead

This Year's Accomplishments

Key accomplishments completed by the Board and community this past year.

01

Dryer Vents Cleaned

All unit dryer vents cleaned to reduce fire risk.

02

Reserve Study Updated

Refreshed the 30-year capital reserve study.

03

Parking Policy Established

Adopted a community-wide vehicle parking policy.

04

Unit Numbering Standardized

Completed standardization of all unit numbers.

05

Wildfire Risk Mitigation

Advanced defensible-space and mitigation measures.

06

Cottonwood Hazard Reduction

Removed hazardous cottonwoods with Golf at RVR.

Calendar Through Year-End

AUGUST
1

Owner Vote on the Fourth Amendment Opens

Ballots on the 0.75% Capital Reserve Contribution are delivered to all owners. Please review the amendment text in this packet and return your ballot promptly.

SEPTEMBER
24

Budget Work Session

The Board drafts the 2027 budget — operating expenses, reserve funding, and dues.

OCTOBER
15

Quarterly Board Meeting

Regular quarterly business, plus presentation and ratification of the 2027 budget published in the October 1 bulletin.

How the Annual Budget Process Works

EACH YEAR, THE BOARD REVIEWS

1 **Operating expenses**
Insurance, snow removal, landscaping, utilities, maintenance, management

2 **Reserve funding needs**
Roofs, siding, roads, staining, and other major components

3 **Inflation & construction costs**
Contractor pricing, material costs, labor trends

4 **Long-term reserve health**
Projected balances, funding levels, future obligations

5 **Owner affordability & predictability**
Balancing reserve strength with steady dues

THE GOAL

Maintain the community responsibly while reducing the risk of:

- Deferred maintenance
- Surprise special assessments
- Large future dues shocks

THIS YEAR

The Board will hold a **budget work session on Thursday, September 24, 2026** to draft the 2027 budget. The draft budget will be published in the **October 1, 2026 bulletin** and presented for ratification at the **October 15, 2026 quarterly meeting**.

Questions & Discussion

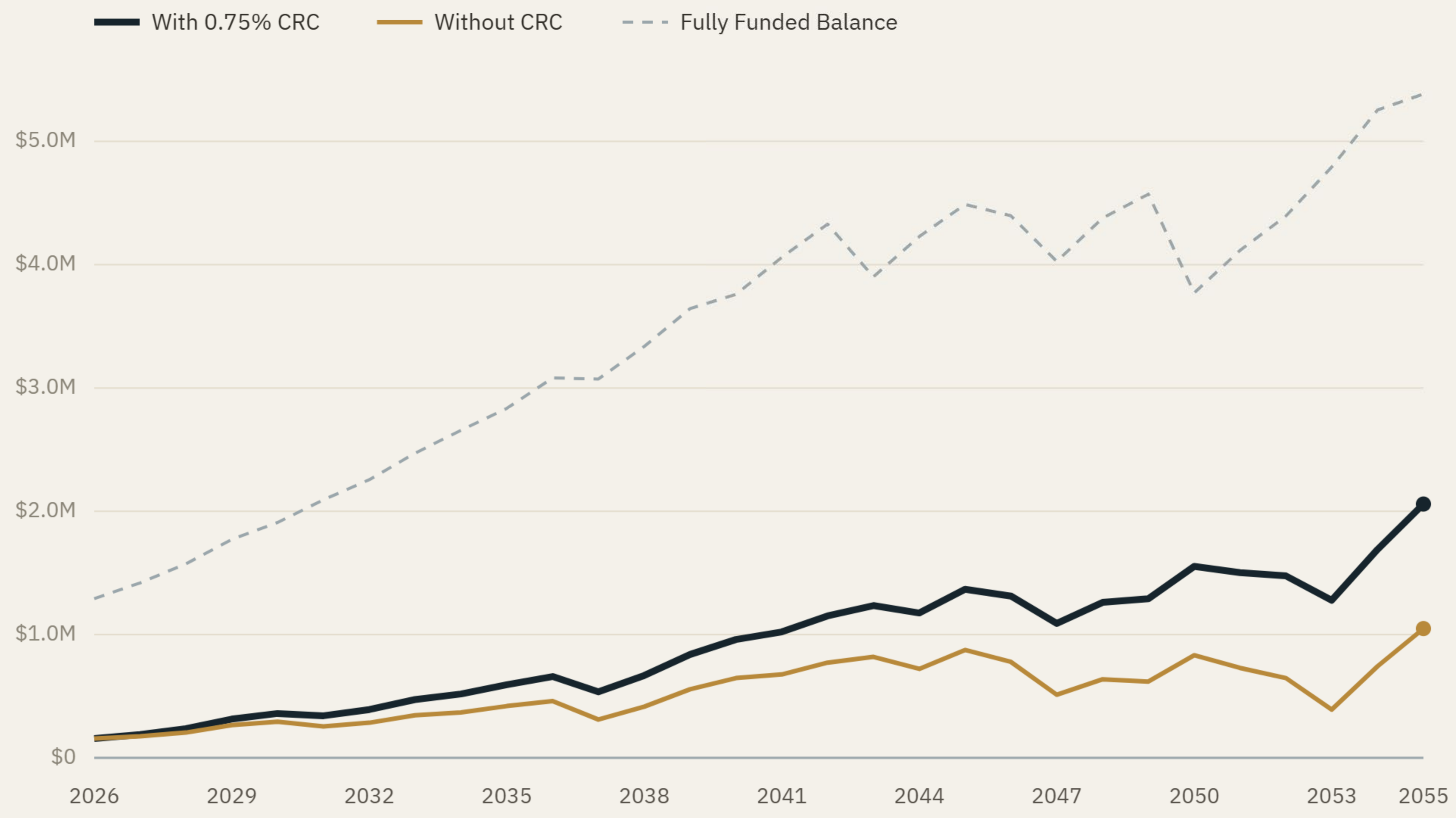
THE BOUNDARY ASSOCIATION · JULY 16, 2026

SUPPORTING DOCUMENTS

Appendix

— 30-Year Reserve Plan — Existing Wildfire Risk Mitigation — Mitigation Considerations — Site Plan & Cottonwood Project

Our 30-Year Reserve Plan



$2.06M
Projected reserve balance by 2055 with the 0.75% CRC

vs. $1.05M
Without it — the CRC nearly doubles our fund

$678K
Raised over 30 years, paid only when homes sell

Existing Wildfire Risk Mitigation

Measures already in place across the community to reduce wildfire risk.

01 All cedar shake roofs have been replaced with **fire-resistant asphalt shingles**

02 Spring and Fall landscape cleanup to remove dry vegetation

03 Lawns maintained at 3 inches to reduce fire spread risk

04 Gutter cleaning to prevent debris buildup

05 Irrigation is maintained to ensure a lush, fire-resistant environment

Mitigation Considerations

Additional measures under consideration to further strengthen defensible space.

- Discontinue the use of wood mulch
- Allow hardscaping with decorative rock (subject to DRC approval)
- Remove highly flammable shrubs, such as junipers
- Remove trees identified by the fire department as wildfire risk
- Prune all trees for ground and roof clearance
- Thin back shrubs around all buildings to create defensible space
- Install wire mesh on inside vents (not dryer vents)
- Fill and repair gaps in siding during scheduled painting
- Add gutter guards

Wildfire Risk Mitigation Plan

Cottonwood Hazard Reduction

Shared expense with Golf at RVR

TOTAL PROJECT COST	$4,000
OUR CONTRIBUTION	$1,500