THE BOUNDARY ASSOCIATION

MINUTES OF THE BOARD OF DIRECTORS' QUARTERLY MEETING

A meeting of the Board of Directors of the Boundary Association was held on Thursday, July 16, 2026, at 3:00 PM MDT at the RVR Ranch House Conference Room and via Zoom Conferencing, Carbondale, Colorado, County of Garfield.

RECORD OF PROCEEDINGS

I. Call to Order / Establish Quorum: The meeting was called to order by President, Carl Hostetter, at approximately 3:00 p.m. Board members present included Carl Hostetter, Cathy Cooney, Jay Cofield, Elaine Grossman, and Jim McAtavey (via Zoom). Other homeowners present represented units 411, 423, 433, 435, 443, and 461. 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.

II. Consent Agenda:

a. **Minutes Approval:** With no changes requested, Cathy Cooney motioned to approve the meeting minutes from the previous board meeting held on April 16, 2026, Elaine Grossman seconded and all approved.

b. **Email Approvals:** The item below that was approved by the Board via email was officially ratified.

- Approval to renew a $50,000 CD at 3.50% for 5 months

III. Public Comment: An owner raised a concern regarding renters' use of the golf course property, asking that all owners who lease their units ensure tenants are informed of, and comply with, community rules regarding dogs (leash and clean-up requirements) and pedestrian and bicycle use of golf course areas.

IV. Financial Review

a. **Second Quarter Financial Results:** Kari Crowley from SMP presented the second quarter 2026 financial report showing total assets of $223,259, consisting of operating funds of $20,198, reserve funds of $202,571, and accounts receivable of $490. Total liabilities (prepaid assessments) were $24,101, and total equity was $199,158. The report reflected a year-to-date net surplus of $44,743, consisting of an operating net of $4,133 and a reserve net of $40,610. Total operating expenses through June 30 were $71,367, or 47% of the $151,000 annual budget, generally on pace at the midyear point, with the primary overage attributable to unbudgeted dryer vent cleaning across all 33 units. No funds had yet been spent on the $85,000 in planned 2026 reserve projects (exterior staining, roadway crack seal, gutters and downspouts, and entrance landscaping), which are expected to be incurred in the second half of the year and would leave the reserve fund essentially flat, with a projected year-end balance of approximately $162,421. The Board found the financials to be in good standing.

V. Old Business

a. **Capital Reserve Contribution (Fourth Amendment):** Continuing the discussion begun at the April 16, 2026 meeting, President Carl Hostetter presented the Board's proposal for a Capital Reserve Contribution (CRC) to be implemented through a Fourth Amendment to the Association's Declaration. After considering owner feedback gathered since April — including requests for a higher percentage — the Board settled on a rate of 0.75% of the gross contract sale price, paid by the buyer at closing, with 100% of proceeds directed exclusively to the capital reserve fund. The amendment allows the Board to lower or suspend the rate at any time by majority vote and to raise it up to a maximum of 1.00% by Board resolution; any increase above 1.00% would require owner approval of more than 50%. Family, trust, inheritance, and foreclosure transfers are exempt from the contribution. Under this plan, the reserve fund is not projected to fall below 10% funded (the "Critical" risk threshold) at any point over the next 30 years, and no special assessments are currently projected. A motion was made by Elaine Grossman to adopt the resolution submitting the Fourth Amendment to the owners for a vote, seconded by Jay Cofield and the resolution was approved unanimously. Silver Mountain Properties will distribute the amendment and electronic ballot to all owners on Tuesday, July 21, 2026, with voting open for 30 days.

VI. New Business

a. **Wildfire Risk Mitigation Update:** Nick Cova from SMP updated the Board on wildfire mitigation efforts, reporting that initial vendor pricing for vent screening and gutter guards — identified as lower-cost, high-priority measures compared to full perimeter rock replacement — came in higher than expected. SMP is now soliciting comparative bids from local roofing contractors, who are increasingly experienced with this scope of work. In response to owner questions, the Board clarified that gutter work will be limited to like-for-like replacement of existing gutters; units that do not currently have gutters will not have them added under this program, though the Board will evaluate additions on a case-by-case basis where drainage issues threaten building foundations or create safety concerns.

b. **Board Election and Officer Appointments:** Carl Hostetter reported that he was the only candidate to file for his open Board seat and was therefore re-elected to a new three-year term. A motion was made by Elaine Grossman to retain the existing slate of officers for the 2026–2027 term — Carl Hostetter as President, Cathy Cooney as Vice President and Secretary, and Jay Cofield as Treasurer, with Elaine Grossman and Jim McAtavey continuing as Directors, which was seconded by Jim McAtavey and approved unanimously.

VII. Executive Session: None held.

VIII. Adjournment: With the business of the quarterly meeting concluded, a motion was made by Elaine Grossman and seconded by Jay Cofield to adjourn the Board meeting at approximately 3:30 p.m. The Board reconvened at the Annual Homeowners' Meeting shortly before 4:00 p.m.

Respectfully submitted,

/s/ Kari Crowley	/s/ Carl Hostetter
Secretary to the Meeting	President