

THE BOUNDARY ASSOCIATION

QUARTERLY BOARD OF DIRECTORS' MEETING

April 16, 2026, at 3:00 p.m.

RVR Ranch House & Zoom

Agenda

BOARD OF DIRECTORS

Quarterly Meeting

April 16, 2026, 3:00 PM

RVR Ranch House Conference Room and 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

Bill Crowley

Kari Crowley

Nick Cova

-
- I. Call to Order- Establish Quorum
 - II. Consent Agenda
 - Approval of minutes from January 15, 2026.
 - Email Approvals
 - 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)
 - III. Public Comment
 - IV. Financial Report
 - Financial Results – YTD through March 31, 2026 (Kari Crowley & Carl Hostetter)
 - V. Old Business
 - Gutter Replacements - Buildings 1, 2, 5 & 6 (Nick Cova)
 - VI. New Business
 - Capital Reserve Contribution at Transfer
 - VII. Adjourn
 - VIII. Executive Session
 - Legal Matters - Exterior Improvement Agreement

**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, January 15th, 2026, at 3:00 PM MDT at the River Valley Ranch Clubhouse 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 3:06 p.m. Board members present included Carl Hostetter, Elaine Grossman, Jay Cofield, and Jim McAtavey (Zoom). Other homeowners present represented units 383 and 431. Also present were Bill Crowley and Nick Cova from Silver Mountain Properties, as well as Ashley Lynch, RVRMA General Manager. Nick Cova assumed the role of secretary to prepare a recording of the meeting.
- II. **Consent Agenda:**
- a. **Minutes Approval:** With no changes requested, Jay Cofield motioned to approve the meeting minutes from the previous board meeting held on October 16, 2025. Elaine Grossman seconded the motion, and all approved.
 - b. **Email Approvals:** The items below that were approved by the Board via email were officially ratified.
 - Approval to renew a \$50,000 CD at 3.75% for 5 months
 - \$61,300 Painting Estimate – Western Slope Custom Painting (Bldgs. 9, 10,11)
- III. **Public Comment:** Lauri Nelson from unit 431 commented on snow removal, posing a question to the Board on how they are looking at creative ways to accomplish snow removal in light of growing difficulties with that particular industry. Carl pointed out that our snow removal contract is not a seasonal rate and that we pay per push. Lauri was pleased with that clarification. Bill Crowley added that several snow removal contractors in the Roaring Fork Valley are now requiring deposits. She also made a request to the Board to implement more in terms of welcoming new owners to the Boundary when a unit is sold. Carl said that he sends a welcome packet to every new owner. He also said that the annual homeowners' meeting and the many RVRMA social events are good opportunities to meet new owners. The Board thanked Lauri for her time and took her comments under advisement.
- IV. **Financial Review**
- a. **Fourth Quarter Financial Results:** Carl Hostetter provided a summary the HOA's fourth quarter financials by going through the balance sheet and P&L. The Association ended the year in good standing given the increases experienced in insurance and landscaping. Carl went through the P&L and pointed out pertinent line items for discussion. The Board then reviewed the reserve spending forecast for 2026 before moving on to old business.

I. Old Business

- a. **Gutter Replacements (Bldgs 1, 2, 5 & 6):** Nick Cova from SMP reported that the gutter work on these buildings has been completed for now. It was requested that buildings one and two be looked at again to mitigate the ice build up on certain areas of driveways. It had also previously been requested that a quote be obtained for gutter replacement at building 8, as that building has the same type of gutters that needed to be replaced on building's 5 & 6 due to rapid deterioration. Nick informed the Board that the estimate for building 8 is forthcoming.
- b. **Staining Buildings 7 & 8:** This project was completed in November by Western Slope Custom Painting.
- c. **Metal Siding – Unit 451:** Nick informed the Board that this project had also been completed back in November by MNJ Construction.

VI. New Business

- a. **Exterior Improvement Policy & Procedure:** The Board discussed the Association's policy for approval of exterior improvements considering a recent issue with an unapproved improvement.
- b. **3 Spruce Tree Removals:** Carl reported that the three spruce tree removals that had been approved in 2025 had been completed last week. It was also discussed that a walkthrough in the spring would be beneficial to update the overall list of pending tree removals per the insurance company requirements.

VII. **Executive Session:** The Board entered executive session at 3:54pm to discuss matters pertaining to billing and HOA communication. The executive session ended at 4:20pm

VIII. **Adjournment:** With nothing further to discuss, Elaine Grossman motioned to adjourn the meeting at 4:20pm.

Respectfully submitted,
/s/ Nick Cova
Secretary to the Meeting

/s/ Carl Hostetter
President

Balance Sheet | YTD Through March 31, 2026

TOTAL ASSETS

\$206,544

Operating + Reserve Funds

TOTAL LIABILITIES

\$18,135

Prepaid Assessments

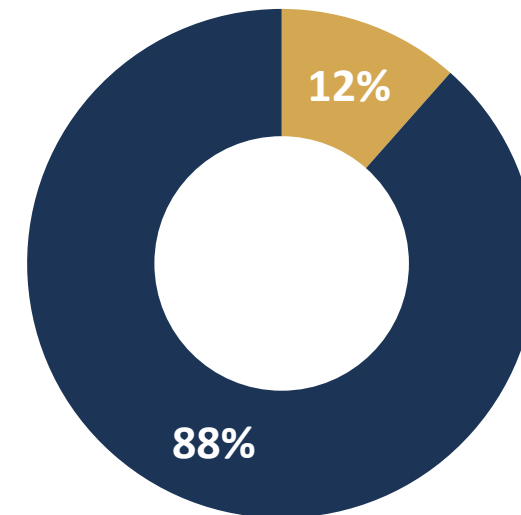
TOTAL EQUITY

\$188,409

Net Worth

Operating Funds	\$23,752
Reserve Funds	\$182,287
Accounts Receivable	\$505
TOTAL ASSETS	\$206,544
Prepaid Assessments	\$18,135
TOTAL LIABILITIES	\$18,135
Equity (Unrestricted)	\$154,414
Net Income (YTD)	\$33,995
TOTAL EQUITY	\$188,409
TOTAL LIABILITIES & EQUITY	\$206,544

Asset Composition



■ Operating \$23,752 ■ Reserve \$182,287

Assets = Liabilities + Equity | \$206,544 = \$18,135 + \$188,409 ✓

P&L Summary

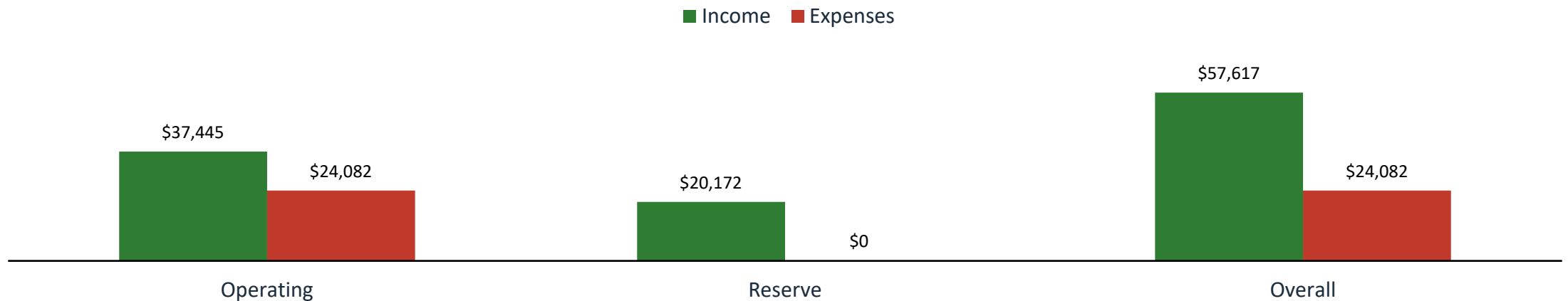
YTD Through March 31, 2026

OPERATING NET
\$13,363

RESERVE NET
\$20,172

OVERALL NET
\$33,535

	Operating	Reserve	Overall
Income	\$37,445	\$20,172	\$57,617
Expenses	\$24,082	\$0	\$24,082
Net Surplus/(Deficit)	\$13,363	\$20,172	\$33,535



* No reserve expenses incurred YTD

Expense Detail

| Admin, Insurance & Professional Fees

	Actual YTD	Budget 2026	% Used
Administrative			
Licenses & Permits	-	80	-
Office Expenses	44	350	13%
Website	-	350	-
Total Administrative	44	780	6%
Insurance *			
Directors & Officers	-	1,500	-
Hazard	12,480	53,700	23%
Excess Liability	-	1,800	-
Total Insurance	12,480	57,000	22%
Professional Fees			
Accounting (CPA)	-	600	-
Legal Services	-	8,904	-
Property Management	2,226	8,904	25%
Project Management	1,075	7,500	14%
Total Professional Fees	3,301	17,004	19%
Subtotal: Admin, Insurance & Prof. Fees	15,825	74,784	21%

* Insurance payments are non-uniform; largest installments occur Jul–Dec per carrier payment schedules.

Expense Detail

R&M, Taxes, Utilities & Reserve Expense

	Actual YTD	Budget 2026	% Used
Repairs & Maintenance			
Contract Landscaping	-	56,000	-
Contract Snow Removal **	4,315	8,000	54%
Irrigation System	-	3,500	-
Buildings	780	3,000	26%
Trees *	2,915	2,500	117%
Supplies	32	500	6%
Grounds	-	250	-
Total R&M	8,107	73,750	11%
Taxes			
Federal	-	100	-
State	-	25	-
Total Taxes	-	125	-
Utilities			
Water	-	1,690	-
Electric	150	651	23%
Total Utilities	150	2,341	6%
Total Operating Expense	24,082	151,000	16%
Reserve Expense			
Exterior Staining (Bldgs. 9, 10 & 11)	-	65,000	-
Roadway Crack Sealing	-	10,000	-
Gutters & Downspouts	-	5,000	-
Entrance Sign Landscaping	-	5,000	-
Total Reserve Expense	-	85,000	-

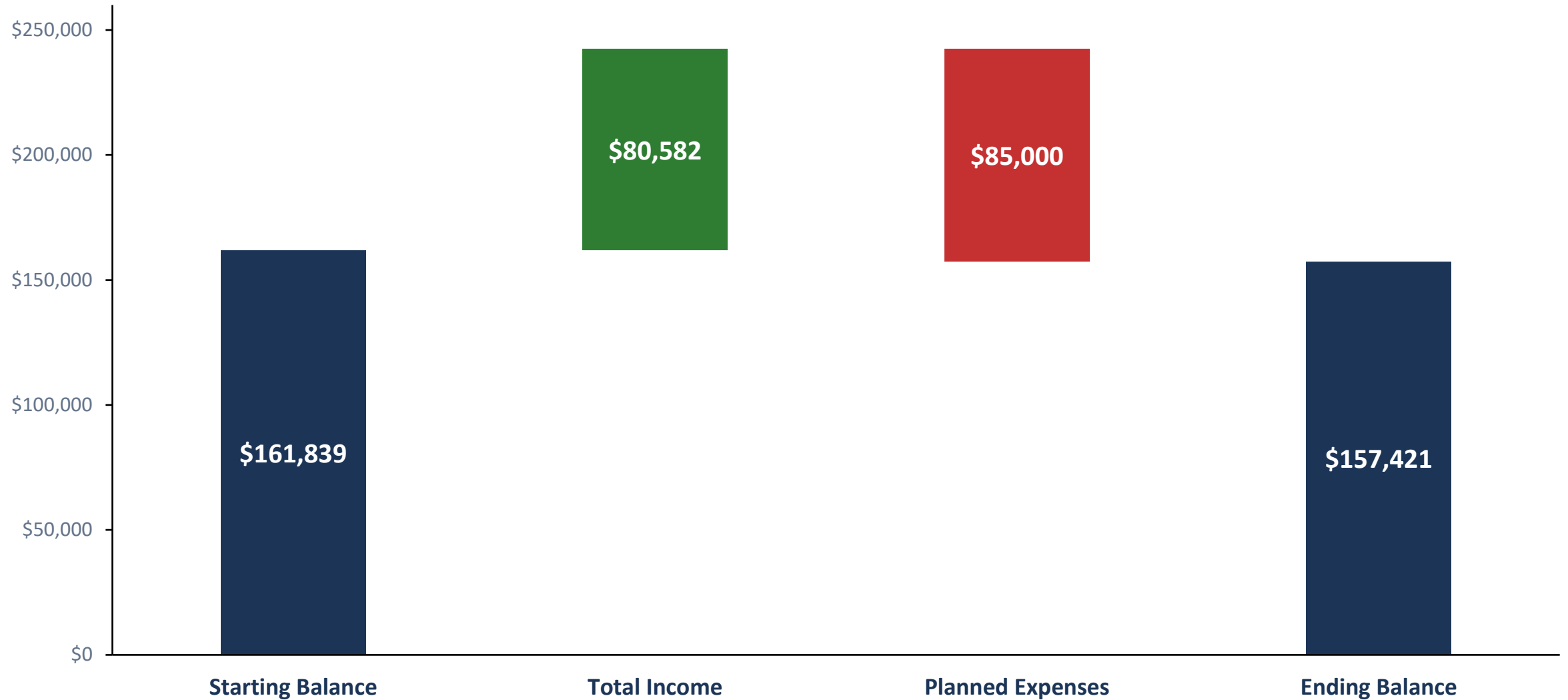
* Trees overage reflects expense for removal of 2 large spruce trees, approved in 2025 and originally expected to be paid in 2025.

** Snow removal budget covers full-year allocation including fall/winter season.

CAPITAL RESERVE FORECAST — 2026

Starting Balance (January 1, 2026)	\$161,839
+ Reserve Dues Income	\$76,582
+ Estimated Interest Income	\$4,000
– Planned Projects	
Exterior Stain (Bldgs 9, 10, & 11)	\$65,000
Roadway Crack Seal	\$10,000
Gutter Replacements (TBD)	\$5,000
Entrance Sign Landscaping	\$5,000
Total Planned Projects	(\$85,000)
Projected Ending Balance (December 31, 2026)	\$157,421
Net Change	(\$4,418)

CAPITAL RESERVE FORECAST CHART — 2026



Capital Reserve Contribution at Transfer (CRC)

Declaration Amendment Proposal

Board Meeting | April 16, 2026

The Challenge

Our Current Reserve Plan

Funding Gap

- Even with 8% annual increases through 2035, then stepping down to 3% increases, our reserve fund cannot keep pace with projected costs
- Roof and siding replacements — along with major roadway work — are the primary cost drivers on the horizon
- Rising construction costs in Colorado continue to push these expenses higher than originally projected
- Without a supplemental funding source, our reserve fund goes negative by 2054

How We Got Here

A History of Reserve Underfunding

1 2010–2011 Developer Default

Braeburn Real Estate stopped paying assessments on 5 lots in March 2010. By 2011, the reserve study showed only \$40,454 for six buildings.

3 2018–2021 Fresh Start, Same Problem

New developer Brian Stowell purchased the 5 lots and resumed paying assessments. However, a 2021 reserve study confirmed the fund remained severely underfunded.

2 2013–2018 Mounting Debt & Liens

Braeburn accumulated ~\$150,000 in unpaid assessments. The Association filed liens in 2018 but settled for just \$25,000 due to no recoverable assets.

4 2022–2025 Recovery Efforts Underway

The Board approved a \$140K capital replenishment and 8% annual reserve increases to fund six roof replacements. The Jan 2025 study still shows a weak reserve.

Bottom Line: *A prior developer's default cost the Association ~\$125,000 in lost assessments. We have been working to recover ever since.*

Reserve Fund Analysis: The Data

- **Fund NEVER reaches 50% funded**
Over the entire 30-year study period
- **Peak funding: only 21.6% in 2043**
Well below the 50% industry minimum
- **Fund goes NEGATIVE in 2 of 30 years**
Deficit begins in 2054 with 7 Critical-risk years
- **AR Study targets 100% funded**
Would require \$3,292–\$7,048/yr per unit — not practical

21.6%

Peak Funding Level (2043)

30-Year Average: **12.5%** funded

21 of 30 years **HIGH RISK**

7 years **CRITICAL**

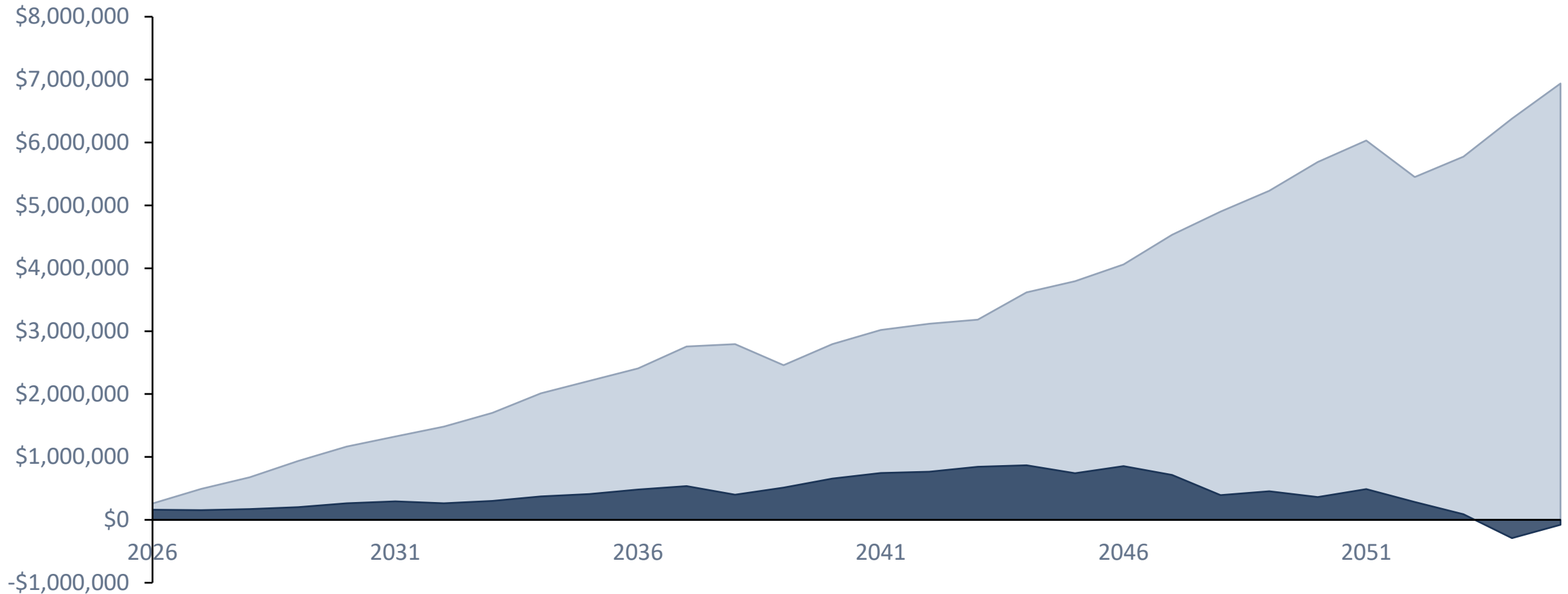
We don't need 100% funding — we need to keep the fund from going negative. The CRC does that.

30-Year Reserve Funding Projection

Key Finding: Reserves go negative by ~2054 without action

Reserve Balance vs. Fully Funded Balance (No CRC)

■ Fully Funded Balance ■ Reserve Balance



Reserve Fund Milestone Analysis

Key milestones showing reserve balance, fully funded balance (FFB), and risk classification

Year	Reserve Balance	Fully Funded Balance	% Funded	Risk Level
2026	\$161,839	\$1,291,686	12.5%	High
2030	\$263,878	\$1,908,569	13.8%	High
2035	\$410,735	\$2,834,619	14.5%	High
2040	\$656,185	\$3,758,556	17.5%	High
2043	\$843,804	\$3,901,424	21.6%	Medium
2045	\$740,210	\$4,488,640	16.5%	High
2050	\$362,799	\$3,770,912	9.6%	Critical
2053	\$89,028	\$4,791,316	1.9%	Critical
2054	(\$290,620)	\$5,254,135	-5.5%	Critical
2055	(\$78,924)	\$5,382,892	-1.5%	Critical

Enhancing Our Current Plan **with** the CRC

WITHOUT CRC
12.5%

Average % Funded

2 years with negative balance

7 CRITICAL years

Peak: **21.6%** | Low: **-5.5%**

Special assessments virtually guaranteed

VS

WITH 0.50% CRC
16.5%

Average % Funded

0 years with negative balance

3 CRITICAL years

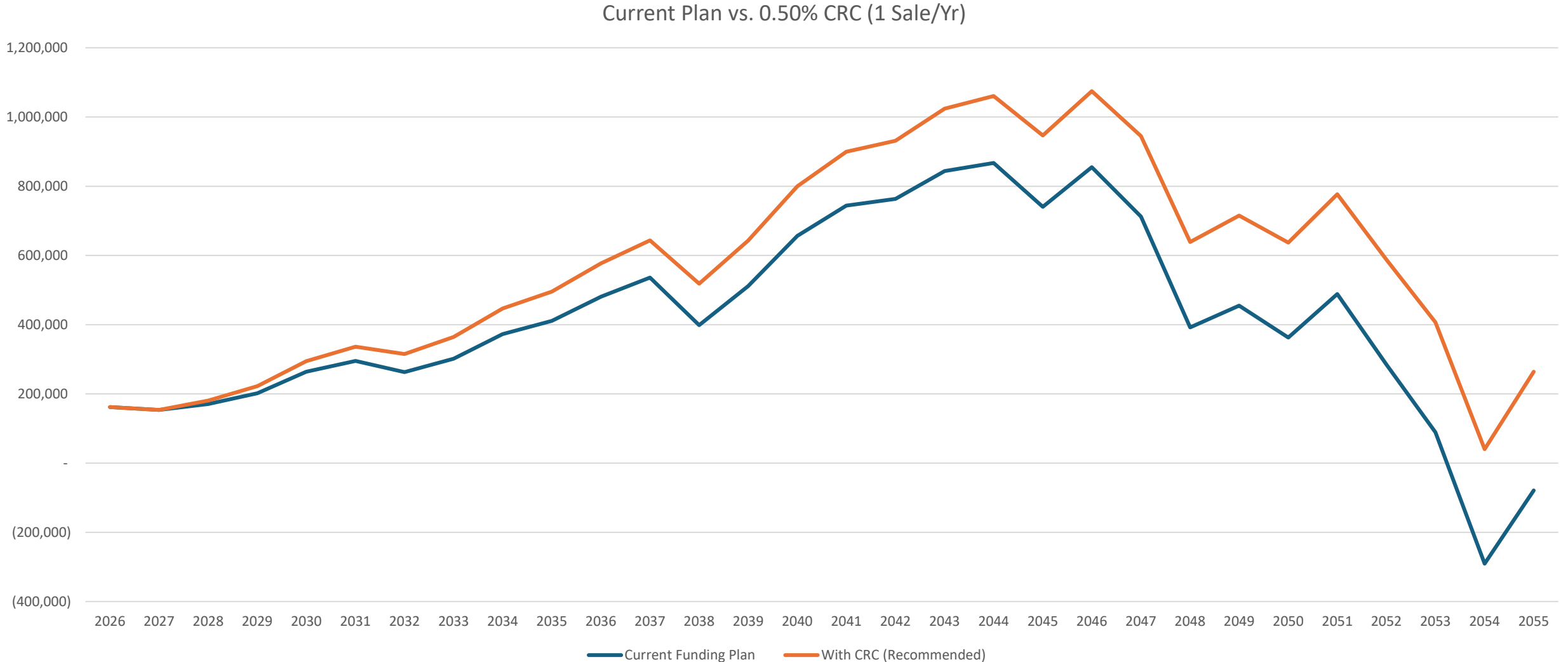
Peak: **26.3%** | Low: **0.8%**

Eliminates all negative years, 4 fewer Critical

The CRC generates **\$10,000/yr** (1 sale/yr) | Just **\$10,000** per sale on a \$2M home | The least disruptive path to long-term reserve stability

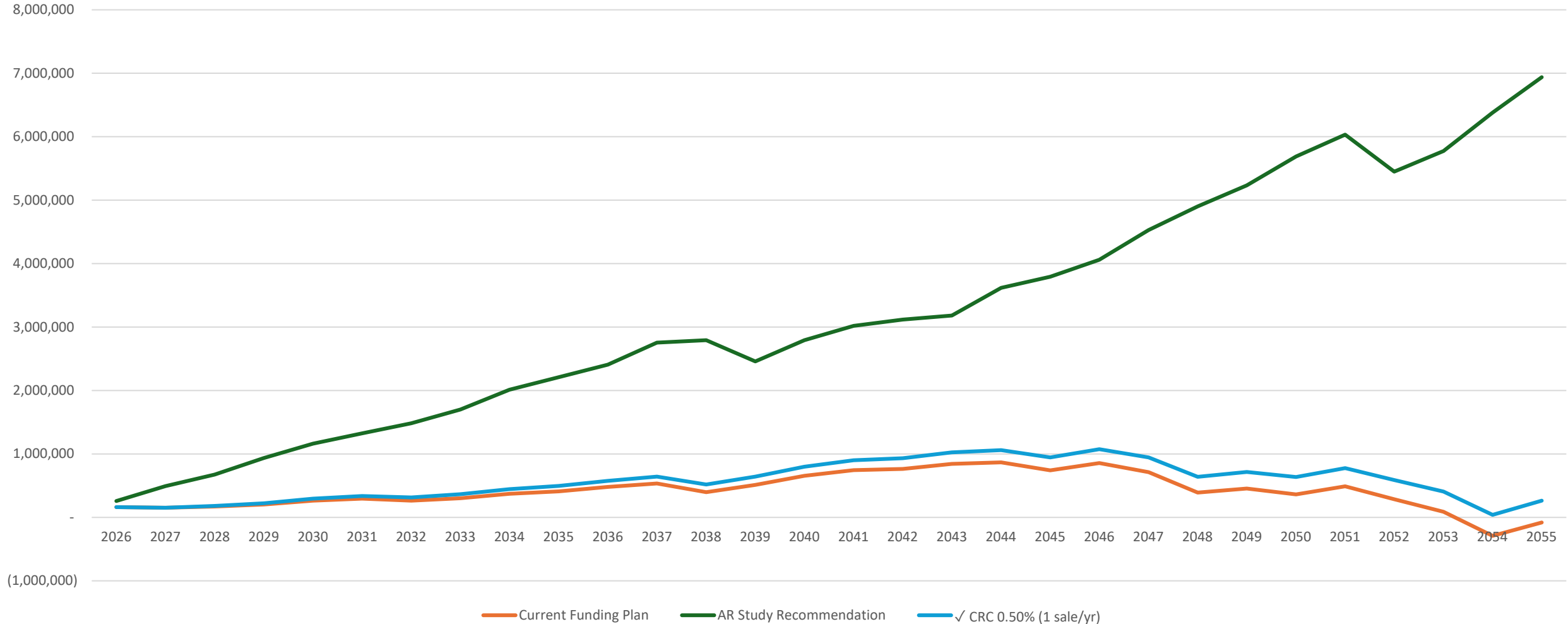
Reserve Fund Balance: Current Plan vs. 0.50% CRC

With CRC: reserves stay funded vs. current plan deficit



30-Year Reserve Balance: How the CRC Closes the Gap

3 Scenarios: Current Plan, AR Study, and CRC



The Proposed Solution

Capital Reserve Contribution at Transfer

A one-time contribution of 0.50% of the sale price, paid at closing when a home is sold. All proceeds go directly into the capital reserve fund — restricted to capital projects only.

This approach is common across community associations nationwide.

The 0.50% rate is calibrated to meaningfully improve reserve stability while distributing costs fairly across ownership transitions.



\$1.5M sale

\$7,500

contribution at closing



\$2.0M sale

\$10,000

contribution at closing



\$2.5M sale

\$12,500

contribution at closing

Projected Transfer Fee Revenue Added to Reserves

Based on 0.50% fee at average sale price of \$2,000,000 (\$10,000 per sale), with 1.5% annual interest on accumulated contributions

Sales Scenario	Year 1	5 Years	10 Years
Low 1 sale every 2 years	\$5,000	\$25,761	\$53,514
Average ★ 1 sale / year	\$10,000	\$51,523	\$107,027
High 2 sales / year	\$20,000	\$103,045	\$214,054
★ <i>Assumed average</i>	<i>~1 sale/yr est.</i>	<i>1.5% annual interest</i>	<i>100% restricted to reserves</i>

All figures reflect capital reserve contributions only. The Board reviews reserve performance annually.

Key Benefits



Stronger Reserve Position

Transfer contributions strengthen reserves over time, giving the Board flexibility to moderate future assessment increases.



Special Assessment Protection

Stronger reserve balances reduce the likelihood of unexpected special assessments for major capital projects.



Equitable Cost Sharing

Future owners who benefit from community infrastructure contribute to long-term capital needs — not just current owners.



Property Value Support

Strong reserves support buyer confidence, lender approval, and long-term property value stability in the community.

What the CRC Is & Isn't

✓ What This IS

- ✓ A capital reserve contribution
- ✓ Paid only at time of sale
- ✓ Typically paid by buyer at closing

✗ What This IS NOT

- ✗ Not a charge for non-selling owners
- ✗ Not a recurring annual fee
- ✗ Not a new operating revenue stream

Anticipated Owner Questions

Will this make our homes harder to sell?

No — at \$10,000 on a \$2M transaction, this is common in Colorado resort HOAs and not material to buyers. Strong reserves support marketability.

Who pays — buyer or seller?

Negotiable at closing but conventionally paid by the buyer through standard title procedures — similar to other closing costs.

What stops the board from raising it?

The amendment caps the rate at 1.00%. Any increase beyond that requires another owner vote of at least 67%.

Does this affect mortgage approval?

No — the CRC is a one-time closing cost, not recurring debt. Lenders treat it like any other closing expense, and stronger reserves actually improve lender confidence.

THE BOTTOM LINE

“ Our reserve fund goes negative by 2054 without action. The AR Study fix costs \$3,292–\$7,048 per unit, per year. The CRC costs current owners nothing — while preventing future funding shortfalls. ”

+4.0%

Avg % Funded Gain

0

Negative Balance Years

\$0

Cost to Current Owners

Board Recommendation: Adopt the 0.50% Capital Reserve Contribution

Path to Approval

April 16, 2026

1

Board Vote

Board votes to authorize the Fourth Amendment for submission to owners.

May 1, 2026

2

Owner Announcement

Informs owners the Board authorized the Amendment and advises that voting materials will be distributed.

Mid-May to Mid-June

3

Electronic Owner Vote

Amendment summary and electronic ballot distributed via Election Buddy. Owners have 30 days to vote.

Mid-June 2026

4

Vote Tabulation

If 67% approval is achieved, results are certified and the Association proceeds.

After Approval

5

Execution & Recording

President and Secretary execute; file with Garfield County Clerk. Effective upon recording.

2026 CALENDAR OF EVENTS

Meetings & Events

April 16

Board Meeting

3:00 PM | RVR Ranch House / Zoom

July 16

Board Meeting **Annual Meeting**

3:00 PM Board / 4:00 PM Annual | RVR Ranch House / Zoom

October 15

Board Meeting

3:00 PM | RVR Ranch House / Zoom

November 11

Budget Work Session

3:00 PM | Silver Mountain Properties

January 21, 2027

Board Meeting

3:00 PM | RVR Ranch House / Zoom

2026 Election Timeline

June 1 Call for Candidates

June 15 Filing Deadline for Board Candidates

June 30 Ballots Mailed to Homeowners

July 10 Voting Deadline

July 14 Election Results Certified

QUESTIONS & DISCUSSION

The Boundary Association | April 16, 2026
