

PINE MEADOWS COUNTRY CLUB ESTATES

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MINUTES OF THE BOARD OF DIRECTORS MEETING

June 18, 2022

OPEN MEETING

The Regular Board of Directors Meeting was held on June 18, 2022 at the Heber-Overgaard Fire District Station, Overgaard, Arizona.

1. President Phil Sanders called the meeting to order at 9:12 a.m.
2. The Board Members present were Phil Sanders, Tim Morgan and Lori Hughes (by telephone). Steve Feola was present by phone as counsel to the Board. There being 3 Board Members present, personally or by phone, a quorum for the Open Meeting was declared.
3. There were 3 Guests present, Sue Bao, Kathy Kroupa and Jim Hughes.
4. The Minutes of the May 21, 2022 Board Meeting were approved.
5. The Treasurer's Report submitted by Lori Hughes for the May 21, 2022 Meeting were approved. Of note, Lori indicated that Mr. Pinto had brought his account current. Although Lori Hughes was not present prior to the meeting, she submitted her April 30, 2022 through May 31, 2022 Financial Report. After discussion, the report was unanimously approved.
6. With regard to the Architectural Committee, although John English was not present, Lori did provide a Architectural Committee Report which was approved by the Board unanimously.
7. The Board then revisited the issue of the entry sign. By unanimous vote of the Board of Directors, it was decided that the sign should be removed and stored at Mr. Koberna's invitation at the golf course tool/storage shed.
8. A list of the home addresses/lot numbers which have dead trees on them was provided to Steve Feola who will send out the customary letter asking that the dead trees be removed promptly. It was noted during the meeting that in years past, especially as the drought persisted, that we have had very good response to our requests. The Board expressed their hope that the current list, which appears to be longer than usual due to the continuing drought, will experience the same level of cooperation.
9. Next, with regard to old business, Steve noted that the Ballots were sent out on June 16, 2022 for the Annual Meeting scheduled for July 16, 2022.

10. Also, with regard to old business, a concern was raised by one of the Guests about the status of the ownership of real estate by Mr. Koberna or one of his entities (i.e. LLCs). It was then noted discussed that the issues of real estate ownership had been presented to the Board over the past several years because of problems Diane Hunter was experiencing in selling the golf course and sewer plant. It was pointed out that our HOA does not have and never had any ownership interest in the golf course or sewer plant and that essentially our role was to monitor, to the extent possible through public records, etc., the plans that Mr. Koberna has for the golf course and sewer plant.

During this discussion, Steve Feola made note of the fact that our HOA was notified that on or about April 7, 2022, a "Notice of Violation" was sent to the sewer plant owner regarding the operation and maintenance of the plant. Steve Feola advised the Board that he had been in contact with Mr. Jeff Cantrell and that Steve had provided Mr. Cantrell with information to reflect that the sewer plant owner since at least January 2012 was Diane Hunter and that Diane Hunter in June 2021 sold the golf course to Mr. Koberna or one of his entities. Apparently, Diane Hunter also sold the sewer plant to Mr. Koberna at that time. Steve Feola informed the Board that he provided Mr. Jeffrey Cantrell, the Assistant Attorney General (representing the Arizona Department of Environmental Quality) with a copy of the Settlement Agreement entered into between our HOA and Diane Hunter dated September 8, 2018. Mr. Cantrell later confirmed that he received the Settlement Agreement and that many, if not all, of his questions regarding ownership of the sewer facility were answered by the Settlement Agreement.

11. Steve again noted and emphasized that our development and out HOA never had an ownership interest in the golf course and never had an ownership interest in the sewer plant and that the ownership of the sewer plant was confirmed by the September 8, 2018 Settlement Agreement between our HOA and Diane Hunter.

12. Steve did emphasize to the Board that Mr. Cantrell has promised to keep him informed as to any developments/progress between ADEQ and Mr. Koberna regarding resolution of the issues identified in the April 7, 2022 "Notice of Violation".

13. During these discussions, it was pointed out that Mr. Koberna and Mr. King Hall during their attendance at our May 21, 2022 Meeting did advise the Board of certain problems that were being experienced with the sewer plant and Mr. Koberna indicated that those problems were somehow delaying transfer of ownership of the facility from Diane Hunter to him or his organization. At this juncture, it appears that the Board is resigned to the fact that the only role our HOA can play with regard to the April 7, 2022 "Notice of Violation" is to monitor the progress of the remediation of the problems by Mr. Koberna and the ADEQ.

14. With regard to new business, guest Susan Bao asked the Board to consider dissolving our HOA and allowing Navajo County to enforce our CC&R's. A discussion was held. It should be noted that guest Kathy Kroupa was against disbanding the HOA. It was suggested that Susan Bao bring this issue up at the Annual Meeting scheduled for July 16, 2022 to gage the response of the Members present.

There being no further business to be brought before the Board the "Open Meeting", was adjourned.

Just prior to adjournment, Lori Hughes stated that she must terminate her telephone call with the Board.

Steven Feola, Counsel to the Board of Directors
Pine Meadows Homeowner's Association

EXECUTIVE SESSION

Because Lori had to leave the meeting, a quorum was not present for an Executive Session Meeting and consequently the Executive Session portion of the meeting was not held.

Steven Feola, Counsel to the Board of Directors
Pine Meadows Homeowner's Association