THE KNOLLS PROPERTY OWNERS ASSOCIATION

BOARD OF DIRECTORS QUARTERLY MEETING MINUTES

Wednesday, October 21, 2026 | 5:00 PM
Central Arizona Association of Realtors Board Room, Payson, AZ

Record of Postponed Executive Session — October 21, 2026

The Board of Directors had scheduled an Executive Session for 4:00 PM to discuss matters involving potential litigation and enforcement of the Association's recorded Covenants, Conditions, and Restrictions (CC&Rs). The Executive Session had been noticed in advance, including the subjects to be discussed.

Before the Executive Session began, an Association member who was not a director entered the meeting area. The member was advised that the meeting was an Executive Session and was repeatedly asked to leave so the Board could conduct its confidential business. The member declined to leave.

The directors present agreed that the member's continued presence was inappropriate and that the Executive Session could not proceed under those circumstances. The Board therefore postponed the scheduled discussions. No Executive Session business was conducted, and the directors departed pending the regularly scheduled 5:00 PM open meeting.

The Board will need to reschedule the postponed discussions for a future Executive Session.

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1. Call to Order

The regular meeting of the Board of Directors of The Knolls Property Owners Association was called to order at 5:00 PM by President Stewart Osgood.

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2. Roll Call / Establish Quorum

Secretary Whitney Fentress conducted roll call.

Board Members Present: Stewart Osgood, Whitney Fentress, Bob Hartman, Dave Haggist, and Art Rogers.

All Board members were present, and a quorum was established.

Residents in Attendance: Don Quackenbush, Michelle Motzkus, Kathleen Quirk, Brian Page, Heather Williams, Gary Williams, Blake Fentress, Bill Davis, and Carl Shumaker.

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3. Treasurer's Financial Report

Treasurer Dave Haggist presented the Association's financial information for the period ending September 30, 2026, and reviewed current balances and financial obligations.

Financial Summary — January 1 through September 30, 2026

- Total Income: $34,640.00
- Total Expenses: $26,170.66
- Net Income: $8,473.46, including $4.12 in interest income

Balance Sheet — September 30, 2026

- Total Assets: $60,810.38
- Total Liabilities: $10,000.00, representing refundable building deposits
- Total Equity: $50,810.38

Current Account Balances — October 21, 2026

- Community Checking: $15,942.76
- Business Savings: $19,521.64
- Business Certificate of Deposit: $25,819.70, maturing November 11, 2026

The Board reviewed the Association's financial obligations, including accounting fees, entry sign lighting, meeting room rental, and refundable building deposits. Total anticipated liabilities were reported at approximately $12,350.

Stewart Osgood reported that Penney Mullins, who has been building on Lot 38, had received her Certificate of Occupancy and had applied for her $5,000 construction deposit refund through the Architectural Control Committee. Ken Lucci, who is building on Lot 6, has informed the ACC that he expects to complete his home around February 15, 2027 and will likely be requesting his refund around that period.

Investment Options

Stewart Osgood suggested moving additional Association funds into a certificate of deposit earning approximately 3%. He explained that the bank had indicated that early withdrawal would result in the loss of accumulated interest rather than principal.

Carl Shumaker asked why the Association was not investing in U.S. Treasury bills. Don Quackenbush also suggested researching an investment company called Y Refi. Stewart suggested that Dave Haggist research these and other investment options for the Association with an eye toward maintaining liquidity but also getting some interest on the savings and reserves.

Potential Snow Removal Expenses

Bill Davis asked whether the Association had budgeted funds for snow removal in the event of heavy snowfall this winter. Stewart explained that no funds had been specifically budgeted for snow removal on the tracts owned by the POA. Being able to respond to rare or infrequent events (like a significant snow storm) reinforces the need to replenish and build our reserves.

Road Maintenance Responsibilities

Carl Shumaker asked which roads are maintained by the Town of Star Valley and which are the Association's responsibility. Stewart explained that the Town is responsible for the named streets, with the exception of Sunset, while the Association is responsible for the other streets within The Knolls.

The detailed financial statements will be included with these minutes. The Board accepted the Treasurer's Report as presented.

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4. Committee Reports & Updates

Architectural Control Committee (ACC) — Stewart Osgood

Stewart reiterated that Penney Mullins, building on Lot 38, had received her Certificate of Occupancy and has applied for her $5,000 construction deposit refund. Ken Lucci, building on Lot 6, expected to complete his home around February 15, 2027.

Stewart also reported that several deck and siding projects remained pending with the Architectural Control Committee.

Streets & Common Areas Committee — Blake Fentress

Highway 260 Intersection Visibility

Blake reported that he had removed a tree on the east side of the neighborhood entrance to improve visibility for drivers exiting The Knolls onto Highway 260. Around the same time, the

Arizona Department of Transportation installed a mile marker on the west side of the intersection that partially obstructs the view to the west. Blake has contacted the Highway Department to request that the sign be moved slightly to improve visibility.

Monsoon-Related Road Repairs

Blake reported that recent monsoon rains caused road washouts on Tracts G and H. The Association contracted with Perna Family Construction to complete the repairs at a total cost of $7,845.

The Board discussed possible causes of the washouts, including extensive vegetation removal on nearby properties and a potential connection to new home construction on Tract G. Board members are in on-going discussions with property owners along Tract G and H to discuss countermeasures to protect against future erosion damage to the streets.

Michelle Motzkus asked why property owners would not be required to pay for the damage if their activities caused the washouts. Stewart explained that an Executive Session had been scheduled to discuss the matter, but it had been postponed and would need to be rescheduled.

Carl Shumaker asked whether the builder had obtained a Stormwater Pollution Prevention Plan (SWPPP), which he understood might be required for construction projects disturbing more than one acre. The status of any such plan was not established during the meeting.

Stewart noted that the Architectural Control Committee does not have the authority to enforce stormwater requirements. The Board will continue discussions regarding responsibility for the repairs and possible recovery of costs.

Fire Safety Committee — Whitney Fentress

Whitney shared copies of the *Fire Safe – Rim Country Wildfire Guide*, published by the Payson Roundup. The guide includes information on protecting homes from wildfire, fire-hardening measures, insurance considerations, preparedness checklists, emergency plans, and the Ready, Set, Go! program. Residents were encouraged to take a copy.

Whitney reported that she had received Firewise worksheets from approximately one-third of the neighborhood and would be submitting the Association's paperwork to renew its Firewise USA® recognition.

Dave Haggist suggested making the Firewise worksheet a fillable form to make it easier for residents to complete. Whitney said she was unsure whether she had the necessary software to create a fillable form but would look into it for next year.

Whitney also reviewed the Community Wildfire Hazard Severity/Risk Assessment completed for The Knolls last year by Kyle Klein of the Arizona Department of Forestry and Fire Management. The community received a score of 49, placing it at the lower end of the Moderate hazard category and just one point above the Low category.

The Association will continue encouraging residents to complete wildfire mitigation work on their properties and to pursue a lower community risk score.

Social & Community Engagement Committee — Whitney Fentress

Whitney reported that the Ladies of The Knolls gathered for a taco night in August, hosted by Kathy Shumaker. The event was well attended and provided an opportunity for neighbors to socialize.

Residents interested in hosting a future community or social event, either at their home or elsewhere in the community, were encouraged to volunteer.

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5. Old Business

Secondary Access/Egress to The Knolls — Stewart Osgood

Stewart presented a map showing the originally intended secondary access and egress routes into The Knolls via Freegard Lane and Moonlight Drive. Portions of these routes are currently impassable by passenger vehicles.

Stewart reported that he was working with Hellsgate Fire Department Fire Chief Randy Haugen to explore options for making the routes available for emergency access and determining how improvements might be funded.

Residents along these fire access and egress roads have expressed concerns about recreational side-by-side traffic as people in Star Valley look to access the Tonto National Forrest through The Knolls. Art Rogers noted that the roads run along private property where easements exist.

Stewart also noted that the Pine Ridge neighborhood was in discussions with the Hellsgate Fire Department regarding the issue, as the access routes affect that neighborhood as well.

Hydrant Testing Results — Stewart Osgood

Stewart reported that Hellsgate Fire Department Chief Randy Haugen has confirmed that the fire department has tested the community's fire hydrants and confirmed that they are operational. Hydrant testing is conducted at least annually. Every five years, the hydrants are supposed to have a more robust testing process. The fire hydrants are owned by the Town of Star Valley.

Community Address Signs — Dave Haggist

The Board continued its discussion of encouraging residents to display clearly visible street addresses at the entrances to their properties to help emergency responders locate homes quickly.

Chief Randy Haugen of the Hellsgate Fire Department had previously emphasized the importance of visible address signage during a community potluck. The Board noted that many homes in The Knolls are set back from the main road, many streets are unnamed, and the neighborhood currently has a mixture of properties displaying street addresses, lot numbers, or no visible number. These conditions can make locating a residence difficult during an emergency.

Dave reported that he had met with five local sign companies to identify an option for residents who would like to purchase an address sign. Arizona Vinyl Signs and Graphics, located at 434 S. Beeline Highway, was identified as the company best able to meet the neighborhood's needs.

The company can produce a 12-inch-by-18-inch sign for approximately $55.83. Dave was working with the company on a design, and additional information would be shared with residents when ordering arrangements were finalized.

The Board emphasized that the purpose of this initiative is to provide residents with a convenient resource for obtaining an address sign. Signs will be voluntary. The Association will not require residents to purchase signs, pay for or install them, enforce signage requirements, or assume responsibility for their maintenance. Homeowners may choose whether to use lighting.

Residents were encouraged to display their actual street addresses rather than lot numbers and to remove existing lot-number signs. Because first responders enter The Knolls from the north, residents were also encouraged to consider orienting their signs so they are readily visible from that direction.

Dave also proposed the possibility of installing signs at the entrances to individual tracts, displaying the addresses of homes along each tract. He estimated that approximately 13 signs could be installed for a total cost of about $1,000 and volunteered to install them himself at no cost. Dave will continue researching this option.

Community Mailboxes — Dave Haggist

The Board continued its efforts to address the shortage of cluster mailboxes serving The Knolls and the neighboring Pine Ridge community. Some residents currently must travel to the cluster mailboxes near the Plant Fair nursery to collect their mail because the existing neighborhood mailboxes do not provide sufficient capacity.

Stewart and Dave have been communicating with the Payson Post Office for several months to explore the possibility of adding another set of cluster mailboxes within the neighborhood.

Dave reported that he would follow up with his contact at the Post Office in January or February 2027 if no further information had been received by then.

6. New Business

There was no new business.

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7. Open Forum

Bill Davis suggested that the Association consider installing a community bulletin board in the mailbox area, similar to one used in a nearby community by Home Depot. He noted that a bulletin board could provide a convenient place to post neighborhood notices and share information with residents.

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10. Adjournment

Bob Hartman moved to adjourn the meeting. Whitney Fentress seconded the motion.

Vote: The motion carried unanimously.

President Stewart Osgood adjourned the meeting at 6:09 PM.

The next regular meeting of the Board of Directors is scheduled for Wednesday, January 20, 2027, at 5:00 PM at the Central Arizona Association of REALTORS® Board Room, 600 E. Highway 260, Suite 14, Payson, Arizona.

Attachments Beginning Next Page:

The following documents are attached to and made a part of these minutes:

- Meeting Agenda
- Balance Sheet as of September 30, 2026
- Profit & Loss Statement, January 1–September 30, 2026
- Quarterly Financial Report, July 1–September 30, 2026
- Photo of Highway 260 Mile Marker That Blocks View
- The Knolls Tracts
- Photos of Repairs on Tract H - West of Edison & Briggs
- Photos of Repairs on Tract G - North of Sunset & Highline
- Community Wildfire Hazard Severity/Risk Assessment For The Knolls Dated 3-16-26 Completed By Department of Forestry & Fire Management
- The Knolls Overview Map
- Draft of Possible Letter to Residents Regarding Address Signs
- Rendering of a Possible Community Sign to Go at the Entrance of Each Tract
- Example of An Address Sign Some Residents Have Currently
- Rendering of the Same Sign with Full Address On The Sign

- Current Cluster Mailboxes Serving Most Of The Residents Of The Knolls And Pine Ridge
- AI Rendering Of Current Cluster Mailboxes With One More Section To The Left To Accommodate All Our Residents
- Whitney's Dream World of Beautiful and Classy Mailboxes For Our Neighborhood

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THE KNOLLS PROPERTY OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING

Wednesday, October 21, 2026 | 5:00 PM
Central Arizona Association of Realtors Board Room, Payson, AZ

Meeting Agenda

1. **Call to Order – Stewart Osgood**
   - Meeting called to order by the President
2. **Welcome, Introductions & Quorum – Stewart Osgood**
   - Opening remarks
   - Introductions of Board members and attendees
   - Confirmation that a quorum of Board members is present
3. **Treasurer's Report – Dave Haggist**
   - Review of current financial status
   - Key financial observations and items to monitor
4. **Committee Reports & Updates**
   - Architectural Control Committee – Stewart Osgood
   - Streets & Common Areas Committee – Blake Fentress
     - Recent street repairs after monsoon rains
   - Fire Safety Committee – Whitney Fentress
     - Firewise USA® recertification
   - Social & Community Engagement Committee – Whitney Fentress
5. **Old Business**
   - Secondary access/egress to The Knolls – Stewart Osgood
   - Hydrant testing results – Stewart Osgood
   - Address signs – Dave Haggist
   - Mailboxes – Dave Haggist
   - Discussion of any other outstanding items from prior meetings
6. **New Business**
   - Discussion of any new items
7. **Open Forum**
   - Property owner comments - limited to three minutes per speaker
8. **Adjournment**
   - Adjourn meeting
   - Confirm next meeting date: January 20, 2027 | 5:00PM, CAAR Board Room

(An Executive Session of the Board members will precede this meeting. The Board will discuss the following items: 1) Erosion damage on Tract G and covering unbudgeted costs; and 2) Upcoming trustee sale of Lot 56.)

The Knolls Property Association INC
Balance Sheet
As of September 30, 2026

	Sep 30, 26
ASSETS	
Current Assets	
Checking/Savings	
National Bank Checking 0172	16,288.74
National Bank Savings 9282	19,521.64
Total Checking/Savings	35,810.38
Other Current Assets	
CD 4799	25,000.00
Total Other Current Assets	25,000.00
Total Current Assets	60,810.38
TOTAL ASSETS	**60,810.38**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Refundable Building Deposits	10,000.00
Total Other Current Liabilities	10,000.00
Total Current Liabilities	10,000.00
Total Liabilities	10,000.00
Equity	
Opening Balance Equity	29,108.34
Retained Earnings	13,228.58
Net Income	8,473.46
Total Equity	50,810.38
TOTAL LIABILITIES & EQUITY	**60,810.38**

The Knolls Property Association INC
Profit & Loss
January through September 2026

	Jan - Sep 26
Ordinary Income/Expense	
Income	
Dues	33,200.00
Transfer Fee	1,440.00
Total Income	34,640.00
Expense	
Accounting Fees	2,440.00
Annual Meeting	348.01
Insurance Expense	1,281.00
Meals and Entertainment	25.00
Meeting Costs	420.00
Office and Postage Expense	1,164.77
Professional Fees	1,234.50
Repairs and Maintenance	
Paving Maintenance	18,845.00
Total Repairs and Maintenance	18,845.00
Utilities	412.38
Total Expense	26,170.66
Net Ordinary Income	8,469.34
Other Income/Expense	
Other Income	
Interest Income	4.12
Total Other Income	4.12
Net Other Income	4.12
Net Income	**8,473.46**

The Knolls
Quarterly Financial Report
July1, 2026-September 30, 2026

Beginning Balance
Community Checking: 5,508.98
Business Savings: 19,519.39
Business CD: 25,627.70

Ending Balance
Community Checking: 16,288.74
Business Savings: 19,521.64
Business CD: 25,819.70 (+192.00)

Fund Transfers:
10,000.00 from Community Checking to Business Savings on 7-16-26

Expenditures

Rim Country Accounting: 600.00

State Farm Insurance: 1026.00

APS Electrical: 135.33
Entry Sign Lighting

Go Daddy: 948.91
Web Site/Email Fees:

Perna Family Construction: 7,845.00
Community Road Repair

Travel, Meals, Entertainment: 25.00

Current Balances: (10-21-26)

Community Checking: 15,942.76

Business Savings: 19,521.64

Business Certificate of Deposit: 25,819.70 (matures 11-11-26)

Fiscal Year Liabilities

Accountant Fees: 1600.00
APS (sign lights): 400.00
Building Refunds:10K
Realtor's Association: 350.00

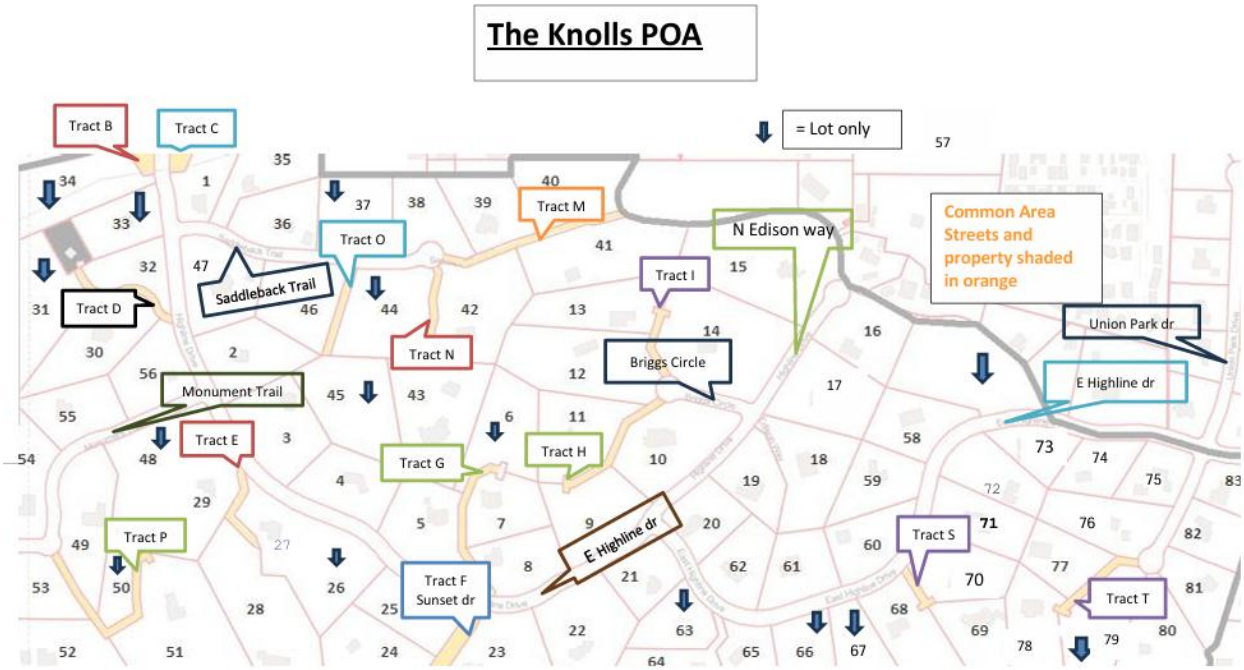
Total Liabilities: 12,350.00

Current CD Rates: 3 or 6 month CD 2.96%

Highway Mile Marker That Blocks View



The Knolls Tracts



Photos of Repairs on Tract H
West of Edison & Briggs



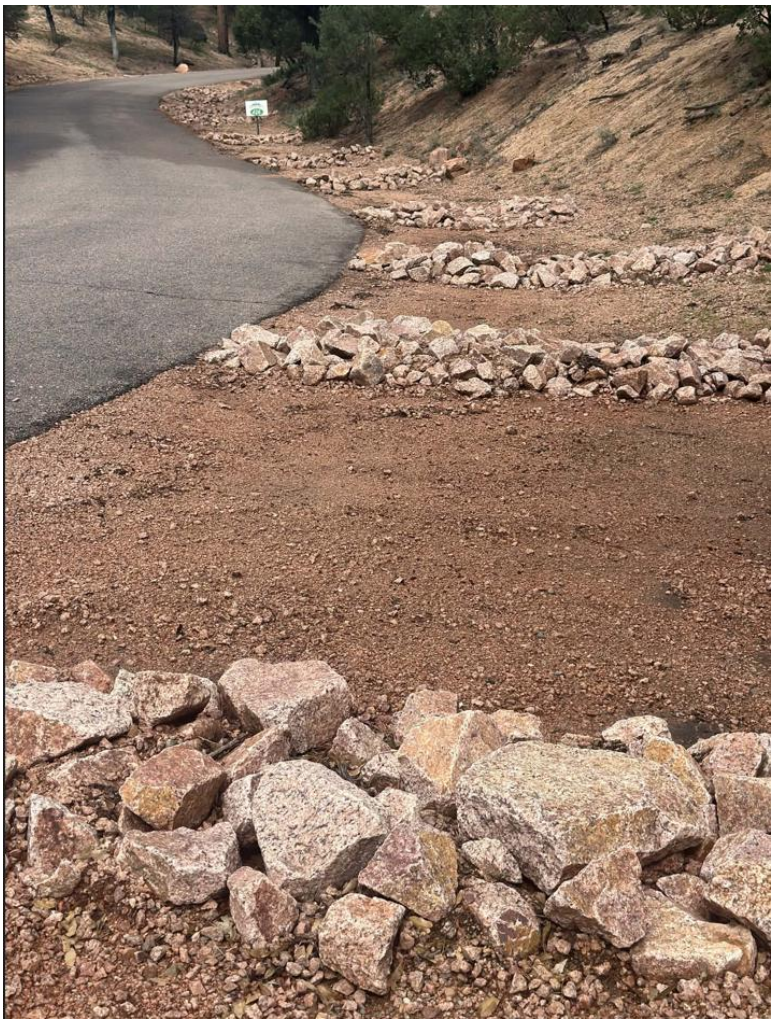






Photos of Repairs on Tract G
North of Sunset & Highline









Community Wildfire Hazard Severity / Risk Assessment

Community Name: The Knolls Date: 3/16/2026

Elements	Points	Community Averages
A. Community Design		
1. Ingress and egress		
Two or more, primary roads	1	1
One road, primary route	3	
One way in/out	5	
2. Primary road width		
Minimum of 20 feet	1	1
Less than 20 feet	3	
3. Road Accessibility		
Smooth road, grade of 5% or less	1	1
Rough road, grade of more than 5%	3	
Other	5	
4. Secondary road terminus (if applicable)		
Loop roads, cul-de-sacs		
Outside turning radius is greater than 50 feet	1	1
Outside turning radius is 50 feet or less	3	
Dead-end roads		
Dead-end roads 200 feet or less in length	3	3
Dead-end roads more than 200 feet in length	5	
5. Average lot size		
More than 10 acres	1	
Between 1-10 acres	3	3
Less than one acre	5	
6. Street signs		
Present (4 inches or greater in size and reflectorized)	1	1
Present (4 inches or less in size or not reflectorized)	3	
Not present	5	
B. Vegetation (Fuel Models)		
1. National Fire Danger Rating System fuel models		
Light (grasses, forbs, and sawgrasses)	1	
Medium (light brush and small trees)	5	5
Heavy (dense brush, timber and hardwoods)	10	5
Slash (timber harvesting residue)	10	
2. Defensible space		
100 feet of defensible-space treatment around buildings	1	
30-70 feet of defensible-space treatment around buildings	5	5
No defensible-space treatment around building	10	
C. Topography		
1. Slope		
Less than 9%	1	
Between 10-20%	4	
Between 21-30%	7	7
Between 31-40%	8	
Greater than 41%	10	

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Form from The University of Arizona Cooperative Extension, Publication AZ 1302
Wildfire Hazard Severity Rating Checklist for Arizona Homes and Communities; originally published 8/2002; revised 9/2011.

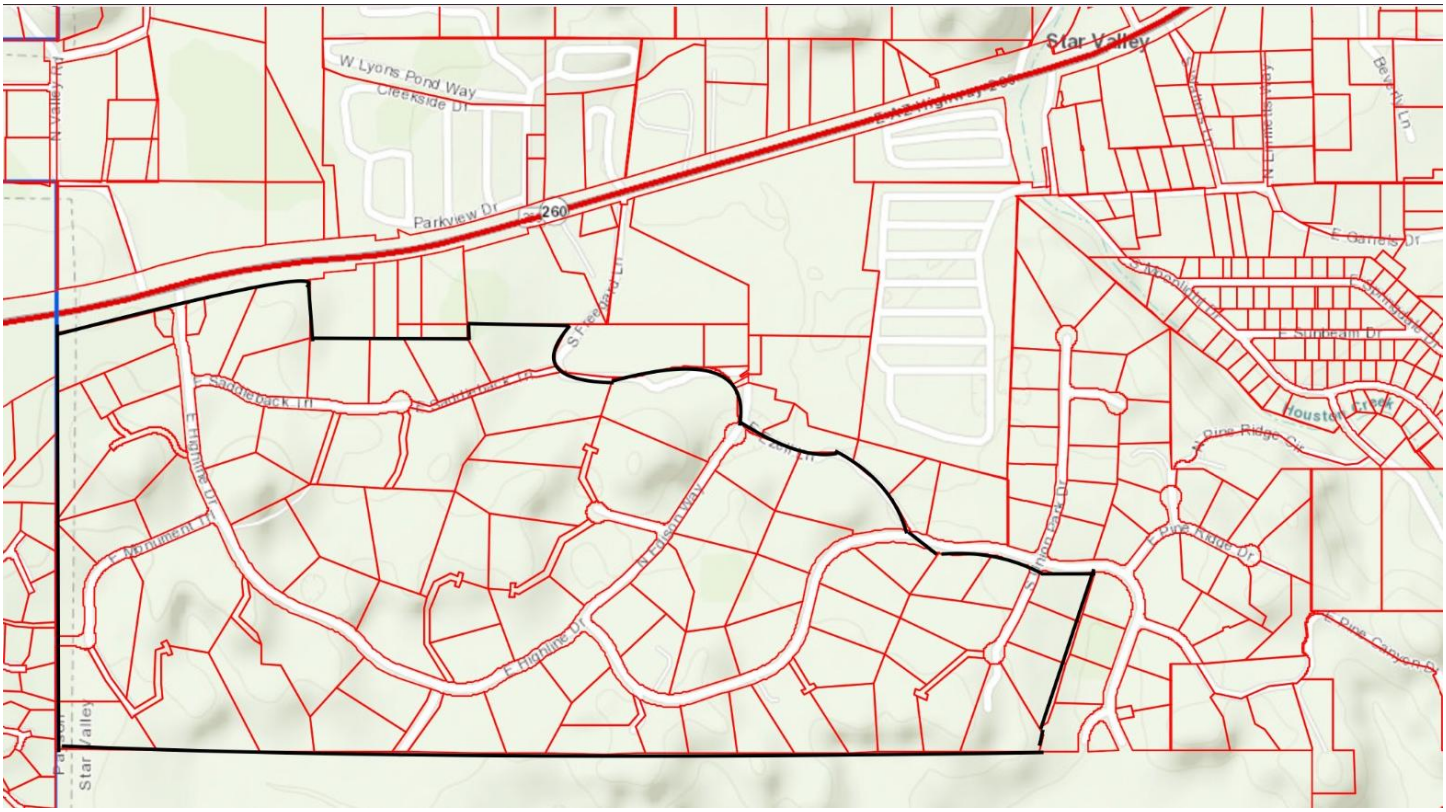
Elements	Points	Community Averages
D. Additional Rating Factors		
1. Rough topography that contains steep canyons	2	2
2. Areas with a history of higher fire occurrence than surrounding areas due to special situations such as heavy lightning, railroads, escaped debris burning, arson, etc.	3	3
3. Areas that are periodically exposed to unusually severe fire weather and strong dry winds.	4	4
E. Roofing Material		
1. Construction material (See explanation of Uniform Building Code fire-resistance classes)		
Class A roof: (ex. concrete shingles and tile, slate shingles, clay tiles, mineral or fiberglass reinforced asphalt shingles; metal roof or fiber-cement shingles with gypsum underlayment)	1	1
Class B roof: (ex. metal sheets or metal shingles without a gypsum underlayment)	3	
Class C roof: (ex. asphalt shingles and wood shingles chemically treated to resist fire)	5	
Non-rated: (ex. untreated wood shakes and shingles)	10	
Any roof with plastic skylights	10	
F. Existing Building Construction		
1. Materials (predominant)		
Noncombustible siding/deck	1	
Noncombustible siding/wood deck	5	3
Combustible siding and deck	10	
G. Available Fire Protection		
1. Water source availability (on site)		
500 gallons per minute hydrants less than 1000 feet apart	1	1
Hydrants producing less or other on-site water source available	2	
No hydrants or other on-site water resource available	10	
2. Water source availability (off site)		
Sources within 20 minute round-trip	1	1
Sources within 21-45 minute round-trip	5	
Sources greater than a 46 minute round-trip	10	
H. Utilities (Gas and Electric)		
1. Placement		
All underground utilities	1	1
One underground, one aboveground	5	
All aboveground	10	
I. Total for Home (Total all checklist points)		
1. Low Hazard: Less than 49 points		
2. Moderate Hazard: 49-68 points		49
3. High Hazard: 69-83 points		
4. Extreme Hazard: 84+ points		

Site visit completed by: Kyle Klein - DFFM Prevention

Kyle Klein Digitally signed by Kyle Klein Date: 2026.03.26 17:49:04 -07'00'

Form from The University of Arizona Cooperative Extension, Publication AZ 1302
Wildfire Hazard Severity Rating Checklist for Arizona Homes and Communities; originally published 8/2002; revised 9/2011.

The Knolls Overview Map



Draft of Possible Letter to Residents Regarding Address Signs

Dear Knolls Residents

In the event of an emergency, how quickly First Responder's locate your residence can be the difference between life or death or further property damage. With many homes in our community situated a considerable distance from the main road, identification is very difficult. and the demographics of our community increases the likelihood emergency services will be needed.

With these factors in mind, your POA Board made offering a source for residential street signs one of our priorities for this fiscal year. Listed below is the vendor information along with the cost per sign. The vendor has pledged a 3-5 business day availability after ordering.

Arizona Vinyl Signs & Graphics
434 S. Beeline Hwy.
928-474-4121
Dimensions
Cost: $55.83 each



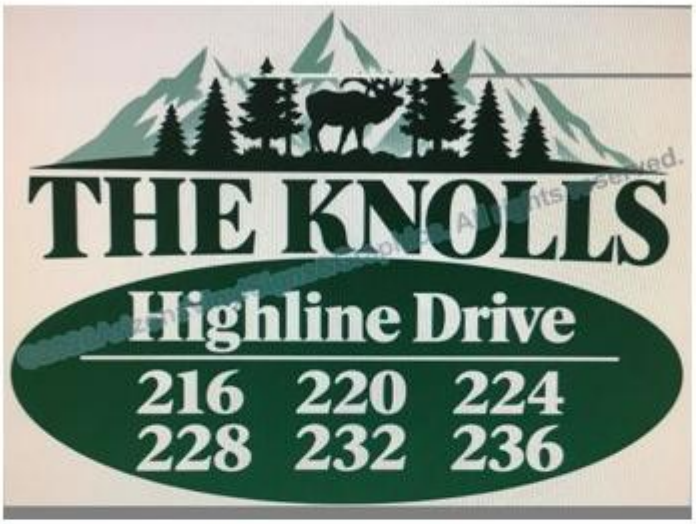
12X18

The POA Board would also kindly request that you remove lot number signs from your property as these cause confusion. However you decide to identify your property, please keep in mind that First Responder's enter The Knolls Community from the north, so how you orientate your street sign is important.

Thank you for your efforts to make The Knolls a safe community.

Rendering of a Possible Community Sign to Go at the Entrance of Each Tract

The Knolls
Community Address Sign Project



Dimensions: 18X24

Materials

- (13) Community Address Signs: $717.71
- (7) 4'X4" X 8' Treated Posts @ $20.08 each: $ 140.56
- (1) Gallon Paint: $61.98
- Screws & Washers: No Cost
- Installation: Free

Example of An Address Sign Some Residents Have Currently



Rendering of the Same Sign with Full Address On The Sign



Current Cluster Mailboxes Serving Most Of The Residents Of The Knolls And Pine Ridge



AI Rendering Of Current Cluster Mailboxes With One More Section To The Left To Accommodate All Our Residents



Whitney's Dream World of Beautiful and Classy Mailboxes For Our Neighborhood

