COUNTRY HOLLOW CONDOMINIUMS

Board of Directors Meeting Minutes

Friday, November 13, 2026

Location: Country Hollow Condominiums Clubhouse / Microsoft Teams
Time: 6:00 p.m. – 7:45 p.m.
Status: Draft – Pending Board Approval

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1. Call to Order and Attendance

The Board of Directors meeting was called to order at 6:00 p.m. All five Board members were present, establishing a quorum.

Board Members Present:

- Barbara Billingsley
- William Clarkson
- Lyle Jackson
- Tyler Wilcox
- Nathan Sparrow

Management Present:

- Aisley Stevens, Lance Swonson

Owners Present – In Person:

Carmen Cruz – Unit 106, Rebeca Benavides – Unit 201, Nancy Brown – Unit 203, Lillian Galdeano – Unit 204, Fisher / Mulet – Units 803 / 210, Asela Mara – Unit 307, Charistine Jacobson – Unit 403, Santiago Pedraza – Unit 421, Evelyn Kusek – Unit 503, Marcos Ortiz – Unit 506, Nirupama Jena – Unit 508, Marty Caballero – Unit 510, Adriana DeLeon – Unit 603, Connie Parsons – Unit 1001, Premila Allauddin – Unit 1002, Michelle Ingoldsby – Unit 1004, Lance Swonson – Unit 1012, Steve Nichols – Unit 1021

Owners Present – Microsoft Teams:

Christopher Mendez – Unit 1005, Rebecca Mendez – Unit 1006, Ray Weinman – Unit 1007, Genny Rakowitz – Unit 1015

Board Member Introductions

Members of the Board reintroduced themselves to the owners in attendance.

Tyler Wilcox, the newest interim Board member, introduced himself and addressed his participation since joining the Board earlier in the year. He explained that personal obligations had limited his availability to attend certain meetings but confirmed that he had been invited to Board and executive meetings and remained informed of Association matters.

Mr. Wilcox expressed his interest in improving the overall appearance and aesthetics of the community.

2. 2025 Financial Audit and Board Response

The Board discussed the official statement previously distributed to owners regarding the findings of the 2025 financial audit.

The Board explained that they became aware of the financial irregularities through the audit process. Information was not immediately disclosed to owners while the Board gathered additional information, investigated the matter, and consulted with the Association's auditor and legal counsel.

The Board stated that both the auditor and legal counsel advised that temporarily withholding the information during this process was appropriate.

Lyle Jackson announced that the Association had successfully recovered the full amount of $33,682 associated with payments made to the former Office Manager, Sylvia Trevino Myers.

Previous Financial Procedures and Corrective Measures

The Board explained that previous financial procedures included providing the Office Manager with pre-signed checks to facilitate payment of routine operating expenses.

The Board stated that it believed this procedure contributed to the circumstances identified during the audit.

To strengthen financial oversight and prevent similar incidents, the Board announced that:

- Pre-signed checks are no longer provided to the Office Manager.
- The Board will maintain a more active role in reviewing Association finances and daily operations.
- Financial transactions and expenditures will receive more frequent oversight.

The Board also addressed previous discussions regarding potential compensation for the former Office Manager should her assistance be required during the management transition. The Board

clarified that, although compensation had been discussed, no final agreement or written authorization had been established.

Board Responsibilities and Leadership Changes

In response to owner questions, the Board clarified that Lance Swonson served as Board President and Barbara Billingsley served as Treasurer during the period in question.

Following Mr. Swonson's departure from the Board and transition into the Property Manager position, Barbara Billingsley was elected President, and Nathan Sparrow assumed the Treasurer responsibilities.

Owner Questions and Discussion

Owners raised questions regarding previous financial oversight, the annual audit process, the timing of disclosure, and potential legal action.

The Board confirmed that the Association conducts annual financial audits and emphasized the importance of these audits in identifying financial discrepancies.

The Board explained that legal counsel had been consulted throughout the recovery process. According to the Board, a police report was not filed regarding this matter, and criminal charges were not pursued following the full recovery of the funds and consultation with legal counsel.

When asked whether the Board would cooperate if individual owners elected to file their own reports, the Board stated that it would cooperate as appropriate.

At an owner's request, William Clarkson provided his perspective regarding the disclosure of the audit findings. Mr. Clarkson stated that he opposed the majority decision to withhold the information.

Owners also questioned differences between the wording of the audit and the Board's official statement. The Board clarified that prior discussions regarding potential compensation should not be interpreted as formal authorization of the payments.

The Board reiterated its commitment to strengthening financial oversight and internal controls.

Barbara Billingsley also announced that she was not currently planning to seek reelection.

3. Bank Fraud Incident and Recovery Efforts

Lyle Jackson provided an update regarding the separate bank fraud incident that occurred during the summer of 2026.

The Board reported that $91,258 was fraudulently transferred from the Association's bank account through unauthorized ACH transactions.

Upon discovering the incident, the Association immediately filed reports with the Federal Bureau of Investigation (FBI) and local law enforcement.

The Board explained that the incident involved a fraudulent banking website that enabled unauthorized access to the Association's banking information. The funds were transferred to a bank account in California. By the time recovery efforts were initiated through the receiving financial institution, the funds were no longer available and the receiving account had been closed.

The Board discussed the differences between fraud protections applicable to personal and commercial banking accounts and explained that the Association's commercial account was not eligible for an immediate reimbursement under the same protections generally available to consumer accounts.

Recovery Efforts

The Association continues to pursue recovery through the following efforts:

- Ongoing communication and written correspondence with Frost Bank.
- Meetings with bank representatives and the Association's legal counsel.
- Pursuit of legal representation on a contingency-fee basis.
- Evaluation of potential recovery of the stolen funds and applicable damages.

As of November 13, 2026, none of the $91,258 had been recovered. Recovery efforts remain ongoing.

The Board also discussed potential changes to the Association's banking arrangements, including maintaining multiple accounts, utilizing separate financial institutions, and implementing additional financial safeguards.

Temporary budget reductions and spending adjustments have been implemented while recovery efforts continue.

4. 2027 HOA Assessment Increase

The Board announced an approved 5% increase in regular HOA assessments, effective January 2027.

Although an 8%-10% increase had been recommended, the Board elected to proceed with a 5% increase.

The Board and Office Manager explained that the increase is necessary to address projected operating expenses, maintain adequate funding for community maintenance, support reserve contributions, and improve the Association's long-term financial stability.

The proposed 2027 budget already incorporates several cost-saving measures, including:

- Reductions in staffing and payroll expenses.
- Reductions in operating expenditures.
- Postponement of major property improvement projects.
- Prioritization of essential maintenance and repairs.
- Reduction of certain outsourced services.

Despite these measures, additional assessment revenue is necessary to adequately support the Association's financial obligations.

The Board emphasized that the 5% increase is not intended to recover funds associated with either of the financial incidents previously discussed.

The increase is intended to support ongoing operations, necessary maintenance, reserve funding, and the Association's future financial needs.

5. Personnel and Staffing Updates

The Board confirmed that the Association no longer maintains an employment or working relationship with former Office Manager Sylvia Trevino Myers.

The Board announced that Michael, a member of the maintenance staff, was no longer employed by the Association.

Management expressed confidence that Lance and John could adequately manage the property's maintenance responsibilities under the revised staffing structure.

The Board also discussed plans to discontinue outsourced pool maintenance services and have John obtain the appropriate pool maintenance certification to perform these responsibilities internally.

Employee compensation was reviewed with owners, including a reduction in the Property Manager's compensation and a planned compensation adjustment for John in connection with his additional pool maintenance responsibilities.

These staffing adjustments are intended to reduce operating expenses while maintaining necessary property maintenance and services.

6. Upcoming Board of Directors Elections

The Board announced that the next Board of Directors elections are scheduled for March 2027.

Proxy materials are scheduled to be distributed to owners on January 1, 2027.

Owners interested in serving on the Board were encouraged to submit their candidacy forms to the Association office before January 1, 2027.

The Board encouraged owner participation in the upcoming election process.

7/8. Property Maintenance and Project Updates

Carport Painting and Pole Replacement

Management reported that the carport painting project had reached completion, except for certain poles identified as requiring replacement.

The remaining unpainted poles have significant deterioration or damage and will be addressed through replacement rather than painting.

The Office Manager also announced that documentation reflecting the updated carport numbering would be distributed to owners.

Wood Replacement and Handrails

Management announced that upcoming maintenance priorities include identifying and replacing deteriorated wood throughout the property.

Replacement of wooden handrails will also remain a primary maintenance focus.

These projects are intended to improve safety, address deterioration, and maintain the overall condition of the community.

Google Fiber Installation

The Board provided an update regarding the installation of Google Fiber infrastructure throughout the property.

The Board explained that the installation would provide owners with an additional internet service option and that the arrangement was expected to generate revenue for the Association.

Hot Tub Operations

The Board announced that the community hot tub would remain open year-round.

The suggestion was presented for consideration. No formal adoption or vote was recorded.

Gate Access and Repairs

Management announced that the building 1 gate access code had been updated.

The Board also acknowledged ongoing operational issues with the property's exit gate and confirmed that the process of addressing the necessary repairs had already been initiated.

10. Adjournment

The meeting concluded at 7:45 p.m.

Minutes Prepared By:
Office Manager
Country Hollow Condominiums

Secretary Signature: _____
Lyle Jackson

Approval Date: 19 Nov 26

President Signature: _____
Barbara Billingsley

Approval Date: 23 Nov 26