

VOTING PAMPHLET
 RVVE DECK REPLACEMENT PROJECT

12/6/24

MESSAGE FROM THE BOARD: The Board of Directors of River View Vista Estates, Inc. (“Association”) is presenting a proposal to the Association membership to approve a loan to finance the replacement of rear decks, deck railing, deck substructure for all 47 units, and hot tub support platforms for units with hot tubs (“Project”), the repayment of which is to be funded through regular Association operating assessments over the term of the loan. Design has been completed and construction, if the loan is approved, will be managed by Eagle Crest Project Management (ECPM). The Board believes that approving the loan and proceeding with the Project is in the best interest of all owners. The Board strongly recommends owners vote to approve the loan for this project.

If not approved, the Board directed deck replacement project will stop. Disapproval now postpones the eventual need to replace decks. The Association will no longer be responsible for the decks and the Board will disavow decks (structure, railings, and decking) as part of “Areas of Common Responsibility”. All Owners will thus become responsible for making their decks safe and bear the associated liability risk. The Association will not monitor the conditions of the decks. However, in the event of a deck failure, the Board could take enforcement action against Owners who choose not to repair or replace their deck. Owners could be held responsible to meet the standard set forth in Article IV, Section 2 of the CC&Rs (“in good repair”). If the Owner(s) of a unit choose not to repair or replace their deck, the Association could do it at the Owners’ expense.

SECTION 1 – Approval requires a majority vote of at least fifty percent (50%) of the total votes held by Owners, plus one vote or 236 yes votes. An owner of a whole unit has 10 votes, owner of a 1/5 interest has 2 votes, owner of a 1/10 interest has 1 vote, and owner of a 1/12 interest has 0.8 vote. A large voter turnout is needed. Not casting a vote is the same as a no vote.

SECTION 2 – The Project is required because an engineer’s evaluation has found that the decking substructure is near or at the end of its useful life and should be replaced as soon as possible. The Project includes the removal and replacement of the decking substructure, decking, and railing for the rear decks of the RVVE Units. Existing skirting will be reused as much as possible to minimize cost. The Project also includes replacement of the hot tub support platforms for all units with hot tubs.

SECTION 3 –The Board decided that six (6) Unit Classes would reasonably capture the cost differences. All large decks have hot tubs (recessed on canyon side and on top of the decks on the golf side).

Unit Class	Description	Pending Unit Assignment
1	Golf Unit, Size A (large deck) (6)	16, 20, 22, 26, 28, 32
2	Golf Unit, Size B (small deck) (3)	18, 24, 30
3	Canyon Unit, Size A (large deck), Height 1 (<6’) (17)	1, 3, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 19, 51, 55, 57, 61
4	Canyon Unit, Size A (large deck), Height 2 (>6’) (10)	21, 25, 27, 31, 33, 37, 39, 43, 45, 49
5	Canyon Unit, Size B (small deck), Height 1 (<6’) (6)	2, 4, 5, 17, 53, 59
6	Canyon Unit, Size B (small deck), Height 2 (>6’) (5)	23, 29, 35, 41, 47

The Preliminary Cost per Unit by Deck Class exclusive of cost to replace skirting is shown in the table below. ECPM will keep track of the quantity of skirting actually replaced and cost will be added to the payment amount for each unit as applicable.

Unit Class 1	Unit Class 2	Unit Class 3	Unit Class 4	Unit Class 5	Unit Class 6
Golf Unit, Size A (large deck)	Golf Unit, Size B (small deck)	Canyon Unit, Size A (large deck), Height 1 (<6')	Canyon Unit, Size A (large deck), Height 2 (>6')	Canyon Unit, Size B (small deck), Height 1 (<6')	Canyon Unit, Size B (small deck), Height 2 (>6')
\$ 34,448	\$ 20,765	\$ 39,728	\$ 42,400	\$ 22,646	\$ 23,962

The amount of skirting is highly variable for the canyon units and cost for skirting replacement cannot fairly be put into the deck classes. The table below is an estimate of the minimum and maximum cost for skirting replacement based solely on the surface area of skirting by unit. These costs assume that all of the skirting is replaced. The actual cost for skirting replacement for each unit will likely be different than the estimated costs in the table below.

	Unit Class 1	Unit Class 2	Unit Class 3	Unit Class 4	Unit Class 5	Unit Class 6
	Golf Unit, Size A (large deck)	Golf Unit, Size B (small deck)	Canyon Unit, Size A (large deck), Height 1 (<6')	Canyon Unit, Size A (large deck), Height 2 (>6')	Canyon Unit, Size B (small deck), Height 1 (<6')	Canyon Unit, Size B (small deck), Height 2 (>6')
Minimum	\$906	\$559	\$1,413	\$8,272	\$1,413	\$4,136
Maximum	\$1,793	\$822	\$8,033	\$12,232	\$4,171	\$6,116

SECTION 4 – The current Project budget including the contingency for skirting replacement is \$1,878,339. Financing for 10 years has been approved by the Alliance Association Bank (AAB) for \$1.9 million, with a construction draw down treated as a 12-month line of credit.

The cost for the deck plus the cost for skirting replacement is the amount that will be due prior to the start of the loan period if the Owner wants to avoid the interest charges and chooses not to be part of the AAB loan.

Preliminary Monthly Cost by Deck Class. These amounts are for the payment of a 10-year \$1.9 million loan at an estimated interest rate of 7.22%. The payment amounts listed below will change depending on the final cost of construction and the interest rate at the time of loan conversion.

	Unit Class 1	Unit Class 2	Unit Class 3	Unit Class 4	Unit Class 5	Unit Class 6
	Golf Unit, Size A (large deck)	Golf Unit, Size B (small deck)	Canyon Unit, Size A (large deck), Height 1 (<6')	Canyon Unit, Size A (large deck), Height 2 (>6')	Canyon Unit, Size B (small deck), Height 1 (<6')	Canyon Unit, Size B (small deck), Height 2 (>6')
Whole owned unit	\$ 473	\$ 285	\$ 545	\$ 584	\$ 311	\$ 329
Fractional 1/5	\$ 95	\$ 57	\$ 109	\$ 116	\$ 62	\$ 66
Fractional 1/10	\$ 47	\$ 29	\$ 54	\$ 58	\$ 31	\$ 33
Fractional 1/12	\$ 39	\$ 24	\$ 45	\$ 48	\$ 26	\$ 27

SECTION 5 – Refer to the Explanation of Ballot for additional information on the RVVE Association Owners website at <http://eaglecrestowners.com/hoas/rvve/> and in the Shared Documents folder on the Eagle Crest Management Online Portal at https://eaglecrest.appfolio.com/connect/users/sign_in. Owners must set up an account to access the Eagle Crest Management Online Portal.

EXPLANATION OF BALLOT

RVVE DECK REPLACEMENT PROJECT

12/6/24

Deck Project Information

The existing decks were constructed in phases from 1990 to 1995 as part of their respective RVVE units. Most decks were constructed between 1990 and 1993 and are older than 30 years. The original wood decking was replaced with Trex decking from 2005 to 2008. See below for information on the warranty settlement with Trex.

In 2021, Eagle Crest Management (ECM) began a program replacing the hot tubs on the decks. An owner knowledgeable on construction and building codes observed that the work being done to accommodate the new hot tubs did not appear to meet code. New hot tubs have been installed at RV 7, RV12, and RV39. ECM informed the River View Vista Estates (RVVE) Association Board of these concerns and put the hot tub replacement on hold.

With the Trex warranty claim pending, the Board requested that a structural engineer assess and provide an opinion on the remaining useful life of the deck structure. The Board felt it would not be in the best interest of the owners to put replacement decking on a structure that would have to be replaced in a few years.

The Reserve Study clearly shows that the decking and handrails are in the Area of Common Responsibility. The Board learned that the deck structure (framing supporting the decking) was not in the Area of Common Responsibility and as such, the Association had no responsibility, and could take no action to correct an unsafe condition if found. In addition, since the deck structure was not in the Area of Common Responsibility, no reserves for repair or replacement of the deck structure had been collected. The reason given is that reserves are not collected for assets with a useful life of 30 or more years. The Board agreed that asset items with a useful life will be assigned asset item numbers and listed in the Reserve Study. Reserves will be collected for those asset items starting when their remaining useful life is 30 years or less. In the best interest of the Owners, during the March 2022 Board meeting, the Board resolved to add the deck structure to the Area of Common responsibility because the deck structure spans multiple units and is integral to decking and railing. In order for the Association to address the decking and railing, the sub-structure needed to be addressed.

In July 2022, the Board sought legal guidance from Michelle DaRosa Attorney at Law, about the Board's authority to make the deck resolution and how the Board may assess owners for the costs of the deck replacement project. Michelle DaRosa responded with the following opinion:

The duty of the Board is broadly to care for the "Property" subject to the CC&Rs and the members' interest in it. Because the structural integrity of all of the decks affects the safety of the association's members and their enjoyment of their Residential Units, the Board made a reasonable decision to include the decks' structural framework within the Areas of Common Responsibility.

Areas of Common Responsibility are defined as Common Areas and the areas "if any, within or upon a Lot, the maintenance, repair, or replacement of which is the responsibility of the Association." The

CC&Rs do not include or describe such areas or features on the Lots. The Board has no choice but to reasonably determine, from time to time, what those features should be.

Assessments to cover the costs of the deck replacements should be allocated so that those who benefit more, pay more. To achieve equitable allocation of deck-related common expenses, the Board should create classes of units based on the size of the deck and the extent of its structural framework. Within a certain deck class of Residential Units, the owners would pay equally. Reserves for the decks should be subject to the allocation according to the deck classes; likewise, if the Board needs to make a Special Assessment because it determines deck replacement is urgent.

The Board approved funds for ECM to hire a structural engineer to inspect and report on the deck work and to assess and provide an opinion on the remaining useful life of the deck structure.

Over a 6-month period, several rounds of requests for proposals were sent to 9 engineering firms in the Bend, Redmond, and Sisters area. 7 firms declined stating that they had interest but their workload would not permit them to respond. 2 firms did not respond at all. In late July 2022 the search was expanded, Morrison-Hershfield (M-H), an engineering firm in Portland, was the only engineering firm to submit a proposal. Their proposal was accepted and two engineers traveled to Eagle Crest to conduct a visual assessment of decks of 12 units on Aug 3, 2022. Their findings are contained in letters to Eagle Crest Management dated Aug 25, 2022 and include the following statements:

“It is our opinion that the decking, the structural framing and associated connection hardware is at the end of its useful service life and should be replaced. While we did observe damaged framing members, we did not see any obvious framing that appeared to be an immediate life safety concern, provided the decks don’t undergo atypical loading such as earthquakes, excessively large gatherings or large accumulations of snow.”

“It is our opinion that the original hot tub support framing is at the end of its useful service life and that all the hot tub supports should be replaced right away as part of the complete deck replacement recommendations in our letter regarding the condition of the decks. In our opinion, it is impractical to repair, or retrofit, the inadequate hot tub support framing independent of replacing the deck framing for both the recessed and “on top” hot tub conditions, given the many structural concerns with the original design, the condition of the deck framing and hot tub support framing, and the recently installed inadequate hot tub support repairs.”

Upon receiving this information, the Board shifted its focus from a need to repair or retrofit the installation of new hot tubs on elevated decks, in particular RV 7 and RV12 because of the height of the deck above ground to a need to replace the rear decks and hot tub support platform for units with hot tubs for all 47 RVVE units because the condition of the decks posed a health and safety concern. The front entry deck and upstairs deck are not included in this project. The Board approved funds for ECM to solicit proposals from design firms for designing replacement decks for all units.

ECM in collaboration with a Board member prepared a DRAFT Request for Proposal for Engineering & Design Service for Deck Replacement Framing and Hot Tub Support. This draft was presented to the Board during the September 23, 2022 Board meeting. The Board and ECM felt the project was too complex and large to do on their own, and felt they needed the expertise of a qualified construction project manager. As part of this Board meeting, ECM recommended utilizing a fully qualified project manager for the complicated deck project. Without objection the Board was introduced to Arron Curtis,

a licensed General Contractor representing Eagle Crest Project Management, LLC (ECPM) noting Arron has worked on similar projects for other Associations at Eagle Crest, as well as currently managing several multi-million-dollar projects across the country. Arron provided background of his experience and expertise. The Board instructed ECM to provide Arron with preliminary information to allow him to analyze what his role could be in the project. The Board accepted Paul Fujimoto's offer to work directly with Arron to discuss details of the project.

The Board directed that the RFP be paused as the Board vetted ECPM as the Project/Construction Manager for the deck replacement project after receiving positive feedback from several references.

ECPM submitted a Draft Contract Proposal in October 2022 to the Board for discussion. The physical condition, access, complexity, and size varies greatly between units. Overwhelmingly this is dictated by the topography of site as it relates to canyon and golf units. With this considered ECPM recommended a hybrid approach to a design-build, hard bid approach for the project. The Board held a special meeting on November 16, 2022 to review the draft Contract Proposal and submitted several change requests to Arron Curtis. On December 21, 2022, the Board engaged ECPM as the Project and Construction Manager for the deck replacement project (via consent resolution).

The following is a summary of ECPM's process with this project:

Rough Order of Magnitude (ROM) Cost Estimate:

A Rough Order of Magnitude (ROM) cost estimate provides a preliminary high-level cost projection for the project to give decision-makers and stakeholders a general sense of the project's cost. This estimate includes an upper and lower boundary based on professional judgment, experience, and available data. As the project progresses through the design phases including schematic design, design development, and the creation of detailed scopes of work, the ROM cost estimate is refined and replaced by preliminary and budget cost estimates. As design development takes place, project scopes are further clarified, and cost estimates are updated accordingly.

Invitation to Bid & Contractor Interviews:

To select the most qualified contractor, an Invitation to Bid (ITB) process was issued to multiple local contractors. After interviewing several interested contractors, only Keeton-King demonstrated the ability to meet all project criteria, including timeline, crew availability, equipment, and overall capacity to handle the full scope of the project.

Board Motion & Contractor Selection:

On March 2, 2023, the RVVE Board approved moving forward with Keeton-King, contingent on the absence of additional bids before March 10, 2023. This decision marked the formal contractor selection, confirming Keeton-King's role in the project.

Hybrid Design-Build Approach:

As the project evolved, it transitioned to a Hybrid Design-Build approach to streamline the process. Using this approach, ECPM issued ITBs to six design firms. Of the firms approached, five were local, while the sixth had direct experience with similar projects. Bids were received from: Bend Structural Engineering, Morrison Hershfield, and Schertzinger & Party Architects, LLC (S&P).

On June 28, 2023, the RVVE Board approved ECPM to engage S&P for design services. Keeton-King then partnered with S&P to collaborate on value engineering and design the deck according to current building codes and structural design requirements.

ECPM worked with Keeton-King and S&P to establish a project budget and design, which would then be presented to the RVVE Board for approval.

Value Engineering Process:

The objective of value engineering is to find lower cost solutions that still meet the project requirements. Throughout the design phase, ECPM facilitated several review meetings to present value engineering proposals to the RVVE Board. These meetings were focused on refining the design of the deck structure, ensuring that all project requirements were met while seeking lower costs solutions to keep construction costs aligned with the project budget. Adjustments were made to optimize both the structural integrity and cost-effectiveness of the design.

Final Plans & Budget Submission:

After extensive review and design adjustments, the final design drawings and the updated project budget were completed and submitted for approval on June 21, 2024. These documents represent the culmination of the collaborative efforts between ECPM, Keeton-King, S&P, and the RVVE Board.

On March 21, 2023, the Board approved a warranty claim settlement with Trex, the manufacturer of the existing decking material. Some of the decking boards were deteriorating after only 13-16 years of service, considerably less than their 30-year warranty. As a result, the Association presently owns a stockpile of decking, enough for about 60% of the decking required for the deck replacement project. Trex decking provided by the settlement is similar in size, shape, and color to what is currently installed. In addition, \$6,285.80 in cash was paid to the Association.

For most of 2023, and to date in 2024, S&P has been working on the deck replacement plans with periodic review and comment by the Board. The replacement decks are unified structures of essentially the same size and configuration as the existing decks. Design includes replacement platforms for hot tubs for large decks (3-bedroom units) on the canyon side of Redtail Hawk Drive. ECM could not provide as-built drawings of the existing decks. To determine the size and configuration of the existing decks, S&P staff went to Eagle Crest to measure the existing decks. Existing handrails do not meet the ADA requirements of the code and will be replaced. The Board, ECPM, S&P, and Keeton-King have evaluated many value engineering ideas to try reduce construction cost. The most significant of these is reuse where possible of the existing skirting. The existing skirting is as old as the deck structure, is very brittle, and is likely to break apart during construction. Skirting if broken will be replaced with new material of similar configuration to match the existing skirting as much as possible. The amount of replacement skirting that might be needed is unknown at this time and is carried as a cost contingency in the project budget. S&P's construction documents have been submitted to Deschutes County for building permits. Deschutes County requires a separate building permit for each 2- and 3-plex unit. At this point, permits have been obtained for RV13 and RV14, and other permits are pending.

Project costs have been determined by ECPM (as of May 28, 2024)

River View Vista - Deck Replacement Budget



<u>SOFT COSTS</u>	
Plans / Copies	2,585
Architect Fees	12,925
Engineering Fees	21,973
Permits	25,850
Owners Administrative Cost	11,000
	74,333
<u>HARD COSTS</u>	
Site	232,649
Concrete	51,077
*Metals	539,675
*Woods & Plastics	853,735
Trex Claim	(187,427)
Construction Contingency	60,000
	1,549,709
<u>SKIRTING REPLACEMENT</u>	254,297
TOTAL PROJECT COST	\$ 1,878,339
<i>*Includes PT Plywood (Hot Tub Platform)</i>	
<i>*Includes L - 70 angle brackets</i>	
<i>*Includes Thru Bolt Connection</i>	

The Oregon Planned Community Act supports the approach of allocating common expenses related to the deck replacement (already determined to be an “area of common responsibility”) to units based on the principle of matching costs to benefits as opposed to all units sharing equally. In the case of the deck replacement, the owner of a larger deck with more sub-structure would pay more than the owner of a smaller deck with less sub-structure. To allocate the cost of the project the Board agreed that creating classes of units based on the size of the deck and the extent of its structural framework and that within a certain unit class, the owners would pay equally.

Based on the construction cost estimates for all deck sizes and sub-structure framework, six (6) Unit Classes would reasonably capture the cost differences. All large decks have hot tubs (recessed on canyon side and on top of the decks on the golf side).

Unit Class	Description	Pending Unit Assignment
1	Golf Unit, Size A (large deck) (6)	16, 20, 22, 26, 28, 32
2	Golf Unit, Size B (small deck) (3)	18, 24, 30

Unit Class	Description	Pending Unit Assignment
3	Canyon Unit, Size A (large deck), Height 1 (<6') (17)	1, 3, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 19, 51, 55, 57, 61
4	Canyon Unit, Size A (large deck), Height 2 (>6') (10)	21, 25, 27, 31, 33, 37, 39, 43, 45, 49
5	Canyon Unit, Size B (small deck), Height 1 (<6') (6)	2, 4, 5, 17, 53, 59
6	Canyon Unit, Size B (small deck), Height 2 (>6') (5)	23, 29, 35, 41, 47

The Preliminary Cost per Unit by Deck Class:

Unit Class 1	Unit Class 2	Unit Class 3	Unit Class 4	Unit Class 5	Unit Class 6
Golf Unit, Size A (large deck)	Golf Unit, Size B (small deck)	Canyon Unit, Size A (large deck), Height 1 (<6')	Canyon Unit, Size A (large deck), Height 2 (>6')	Canyon Unit, Size B (small deck), Height 1 (<6')	Canyon Unit, Size B (small deck), Height 2 (>6')
\$ 34,448	\$ 20,765	\$ 39,728	\$ 42,400	\$ 22,646	\$ 23,962

The preliminary cost per unit by deck class does not include replacement of skirting if required. To minimize cost as much as possible, the Board requested that the existing siding be retained and reused as much as possible. Since the existing skirting is old and brittle, some of the skirting boards may break during construction and will need to be replaced with material that closely matches the appearance of the existing skirting. The quantity of skirting that will need to be replaced cannot be determined until construction begins. The project budget includes a contingency of \$254,297 for the cost of skirting that must be replaced.

The amount of skirting is highly variable for the canyon units and cost for skirting replacement cannot fairly be put into the deck classes. ECPM has performed a quantity take-off of the skirting for each unit. The following table is an estimate of the minimum and maximum cost for skirting replacement based solely on the surface area of skirting by unit. These costs assume that all of the skirting is replaced. The actual cost for skirting replacement for each unit will likely be different than the estimated costs below. ECPM will keep track of the quantity of skirting actually replaced for each unit and the cost will be added to the payment amount for each unit.

	Unit Class 1	Unit Class 2	Unit Class 3	Unit Class 4	Unit Class 5	Unit Class 6
	Golf Unit, Size A (large deck)	Golf Unit, Size B (small deck)	Canyon Unit, Size A (large deck), Height 1 (<6')	Canyon Unit, Size A (large deck), Height 2 (>6')	Canyon Unit, Size B (small deck), Height 1 (<6')	Canyon Unit, Size B (small deck), Height 2 (>6')
Minimum	\$906	\$559	\$1,413	\$8,272	\$1,413	\$4,136
Maximum	\$1,793	\$822	\$8,033	\$12,232	\$4,171	\$6,116

The cost for the deck plus the cost for skirting replaced is the amount that will be due prior to the start of the loan period if the Owner wants to avoid the interest charges and chooses not to be part of the AAB loan.

The Board felt that some of the owners would not be able to or want pay for the cost of the deck replacement as a single lump sum payment and would prefer a monthly payment for the replacement of their deck. The Board asked ECM to look into options for a loan to finance the deck replacement project.

Financing for 10 years has been approved by the Alliance Association Bank (AAB) for \$1.9 million, with a construction draw down treated as a line of credit with interest only payments during construction. The line of credit is up-to one year once it opens. As such, the Association has up-to 12 months to draw money from the line of credit to pay for construction costs. Loan payments from Owners will start in 2026. Amount of payment depends on size and configuration of the deck (Deck Class), final project cost, and interest rate at time of loan conversion.

Preliminary Monthly Cost by Deck Class. These amounts are for the payment of a 10-year \$1.9 million loan at an estimated interest rate of 7.22%. The payment amounts will change depending on the final cost of construction and the interest rate at the time of loan conversion. This is worst case scenario with all skirting replaced.

	Unit Class 1	Unit Class 2	Unit Class 3	Unit Class 4	Unit Class 5	Unit Class 6
	Golf Unit, Size A (large deck)	Golf Unit, Size B (small deck)	Canyon Unit, Size A (large deck), Height 1 (<6')	Canyon Unit, Size A (large deck), Height 2 (>6')	Canyon Unit, Size B (small deck), Height 1 (<6')	Canyon Unit, Size B (small deck), Height 2 (>6')
Whole owned unit	\$ 473	\$ 285	\$ 545	\$ 584	\$ 311	\$ 329
Fractional 1/5	\$ 95	\$ 57	\$ 109	\$ 116	\$ 62	\$ 66
Fractional 1/10	\$ 47	\$ 29	\$ 54	\$ 58	\$ 31	\$ 33
Fractional 1/12	\$ 39	\$ 24	\$ 45	\$ 48	\$ 26	\$ 27

The owners of wholly owned units and all owners within a fractional unit (upon 100% agreement) will have the option to pay the full amount of the cost for their deck replacement prior to the start of the loan period and avoid interest charges. ECM is working to determine how individual owners of fractionally owned units can also avoid interest charges.

The Deck Classes and estimated monthly costs were included in the communication sent to all owners on July 10, 2024.

The Board received questions from several owners and were asked why the owners have not had a chance to vote on the assessment that will be required to pay the costs to replace their decks. Additionally, the Board recently received a request from an owner to ‘call a special meeting’ of the owners to discuss and vote on the deck replacement project.

The Board agreed in the September Board meeting to call a Special Meeting of the Owners to present information and answer questions about the deck replacement project.

Although the Board has the authority to borrow funds for the purposes of maintaining, repairing, or replacing the areas of common responsibility, the Board felt it necessary to seek guidance again from our advisors and lawyers. If the majority of owners vote to disapprove the budget, what options does the Board have?

Michelle DaRosa responded on October 17, 2024:

If the membership were to reject a budget that included an increase in assessments to make the loan payments, the membership would be refusing to allow the Board to pursue a health and safety project. In that case, the Board has no recourse but to disavow the decks as part of the Areas of Common Responsibility. If something can be made a part of the Areas of Common Responsibility by the Association taking responsibility for it, then the reverse must also be true. The Board can expressly remove a feature of the project from the Areas of Common Responsibility by resolution. The Board would have to pass a resolution to that effect and provide notice to every owner.

As a result of such a membership vote, to protect themselves from a claim of fiduciary breach and to protect the Association from claims of negligence if someone were to be injured in a deck-related accident, the Board would need to ensure that the Association has no responsibility for a feature of the buildings the membership will not allow the Association to repair.

The Board would also need to resolve that maintenance responsibilities for structurally unified decks be treated as Party Walls under Article IV, Section 3 of the CC&Rs. The obligation to repair the decks would fall to each owner, probably jointly and severally, whatever the Board chooses. If a third party (such as a renter) were injured by a deck failure, then potentially all of the owners who collectively failed to make structural repairs to their building's structurally unified deck, could be found negligent and liable for a tort. The victim of the tort could go after the deepest pockets.

Article V (of the CC&Rs) calls for the Association to insure the "Common Areas," not the "Areas of Common Responsibility." If decks are not uniformly replaced and they were to present a hazard, an insurer could potentially refuse to issue both property and liability coverage. Article V, Section 2 of the CC&Rs seems to provide an opening for the Association to carry insurance on the units, and if it doesn't, for the owners to be responsible for insuring their Residential Units.

Additionally, if a building's deck were to present a hazard, it would be reasonable not to permit those units in a rental pool so that the booking agency would not held liable.

If the decks are removed from the Area of Common Responsibility, the Board could take enforcement action against owners who failed to sufficiently maintain their decks. Owners could be held responsible to meet the standard set forth in Article IV, Section 2 of the CCRs ("in good repair"). Caring for this kind of feature is complicated where there are multiple fractional owners, and the problem is multiplied when a faulty deck spans multiple attached units. The Board could give notice to owners in buildings with decks that the inspection says must be replaced, which would say they must repair their own decks within a certain amount of time, or the Association will do it at their expense. Owners could thus be forced to pay for their deck's replacement, with interest and costs of enforcement to the Association, if they were to fail to do it themselves withing the amount of time stipulated by the Board.

The Board cannot agree to reduced assessments for some and not all. The Board cannot agree to allow owner(s) who want to replace their own deck with their neighboring unit owners, and refuse to pay any portion of a future assessment that would be for paying for common expenses, including replacing features that are in the Area of Common Responsibility.

Repairing potentially dangerous decks for which the Association is responsible, wherever they are, helps to protect the Association as a whole from a negligence claim for injury to persons or property, protects the assets and insurability of the Association, which benefits everyone.

All work on this project has been stopped and the project is currently on hold.

Option 1. Vote to APPROVE

Owners approve the deck replacement project and the special assessment required for the cost of the project. The River View Vista Estates Association will proceed with the planned deck replacement project and loan as currently envisioned. Deck structures, decking material, and railings will remain a responsibility of the Association and will be included as asset items in the Association Reserves. Owners agree that loan payments will be included in all budgets for the life of the loan. Owners agree to loan payments until their share of the loan is paid in full.

None of the work or investment that has been expended over the past 2 years to this point will be lost. This is a needed project addressing code compliance, safety, longevity, and protection against earthquake damage, high wind damage, and heavy snow load.

As a large project, economy of scale will be realized, reducing the unit cost to owners. Eagle Crest Project Management will manage the project and will update the project schedule. Construction will start with units on Snowgoose. First units will be RV13 and RV14. Construction for all 47 units is anticipated to take 12 months.

The ECM hot tub replacement program will resume as soon as possible, and will be coordinated with ECPM.

The Board believes that approving the loan and proceeding with the project is in the best interest of all owners. The Board strongly urges all owners to vote for Option 1. Vote to APPROVE

Option 2: Vote to DISAPPROVE

The Board directed deck replacement project will stop. The Association will no longer be responsible for the decks and the Board will disavow decks (structure, railings, and decking) as part of Areas of Common Responsibility. An asset item for the deck structure will not be added to the reserves and therefore no reserves will be collected.

The Association will be responsible for costs to stop the project and terminate the contract with ECPM.

All Owners will be responsible for making their decks safe. Disapproval now only postpones the eventual need to replace the decks. The M-H report is a matter of record and clearly states that the deck structure and original hot tub support framing is at or near its end of life and should be replaced as soon as possible. Oregon Seller's Common Law Disclosure Duties requires that a seller must disclose to the buyer any material defects known to the seller that would not be readily apparent to a buyer.

Owners of RV 7, RV12, and RV39 will need to work with ECM to take action to correct the inadequate support framing installed for their hot tubs installed on top of the decks.

Condition of the deck could have insurance implications for the unit Owner(s). Additional insurance coverage may be required. Owners will bear the liability for damages and injuries resulting from use of their decks. If a third party (for example a renter) were injured by a deck failure, then potentially all of the owners who collectively failed to make structural repairs to their building's structurally unified deck, could be found negligent and liable for a tort. The victim of the tort could go after the deepest pockets.

Units that have not replaced or made their decks safe will not be permitted in the Eagle Crest rental pool or permitted to exchange their fractional weeks.

Units without functioning hot tubs would now no longer be closer to getting that resolved after waiting for two years.

Decks are unified structures (they span multiple units). Owners will have to work together if one or more Owners of a 2-or 3-plex building choose to repair or replace their deck. Fractional owners should contact Tori Swearington for contact information for the other owners of your fractional unit. Tori's email address is Tori.Swearington@eagle-crest.com.

The S&P design (based on unified deck structure) will be made available to Owners. Cost to design an independent deck structure will be the Owners' responsibility. The existing party walls separating the rear decks has been grandfathered by Deschutes County so long as the replacement decks are a unified structure. The Board has been advised that there will be significant cost to bring Party walls for independent deck structures up to current code. Deviations from the original design (size, configuration, and aesthetics) will require approval from the Eagle Crest Environmental Control Committee.

Owners will have to retain financing and construction contractors. Economy of scale will be lost. ECPM estimates that the cost for separate projects using unified deck structures could be 12% to 15% higher than cost of the Board directed project as currently envisioned.

The Board will determine the most appropriate and fair distribution of the Trex decking provided by the warranty settlement.

The Association will not monitor the condition of decks. However, if there is a deck failure, the Board could take enforcement action against Owners who choose not to repair or replace their deck. Owners could be held responsible to meet the standard set forth in Article IV, Section 2 of the CC&Rs ("in good repair"). If the Owner(s) of a unit choose not to repair or replace their deck following a failure, the Association could do it at the Owners' expense.