

**MINUTES FOR THE MEETING OF THE BOARD OF DIRECTORS
OF THE
EAGLE CREST MASTER ASSOCIATION**

- CALL TO ORDER** Pursuant to call by the President of the Association, the third quarter meeting of the Board of Directors was held on September 20, 2019, at 9:00 a.m. at 7555 Falcon Crest Drive in Redmond, Oregon.
- ATTENDANCE** Directors present included Mike Bessonette (Residential Director), Hank Cavender (Residential Director), Chris Earnest (Commercial Director), Mark Hunt (VROA Director) and Bill Neumann (VROA Director). Management company staff members present included Robin Dowty, Debbie Hahn, Hannah Henson, Kelsey Rook, and Brenda Tompkins. Brett Limbeck attended representing Oregon Water Utilities. Rob Johns, Association Insurance Broker with Alliant Insurance Services was in attendance as well as Karen Smith, consultant with Resort Resources, Inc. Several members of the Association also attended. Bill Neumann, President, presided at the meeting and Kelsey Rook recorded the minutes on behalf of the Secretary.
- CONSENT TO AGENDA** The meeting was called to order at 9:00 a.m. Management requested an addition to the agenda under new business for consideration of a request for temporary use of ECMA common area. Under scheduled third-quarter business, the insurance proposal was moved to the beginning of the meeting to accommodate attendance by Rob Johns. Mark moved to approve the agenda as amended. Hank seconded the motion and it passed unanimously.
- PRIOR MINUTES** Reading of the prior meeting minutes dated May 17, 2019, was waived and Mike moved to approve the minutes as presented. Hank seconded the motion and it passed unanimously.
- OLD BUSINESS** None pending.
- MANAGEMENT AND COMMITTEE REPORTS**
- INSURANCE POLICY RENEWAL** Rob Johns, First Vice President at insurance brokerage firm Alliant Insurance Services, referred Directors to the “Eagle Crest Master Association Insurance Renewal Proposal 2019-2020” (“Attachment 1”). Rob reported there is currently a hard market in the industry as underwriters are re-evaluating policies which results in increased rates. In total, the policy renewals present a 5.7% increase over last year’s premiums. Rob explained that a new form filed by Philadelphia Insurance Companies resulted in several new endorsements on the general liability and property policies carried by that company. In addition, the property damage deductible was increased from \$1,000 to \$2,500 by the underwriter.
- Following discussion and upon motion duly made (MB) and seconded (CE), the following resolution was unanimously approved.
- RESOLVED, that the insurance proposal submitted by Alliant Insurance Services (“Attachment 1”) to bind property, general liability, directors and officers liability, and umbrella liability for one year effective October 1, 2019, be hereby approved.**

Resolution 2019-09.20-01

FINANCIAL REPORT

Brenda Tompkins provided the financial report, which included the financial summary (“Attachment 2”) and internally prepared second quarter 2019 financial statements (“Attachment 3”). Brenda reviewed the material variances as outlined in the financial summary. Mike requested that management work with the contracted utility system service provider in order to obtain updated payroll projections ahead of 2020 budgeting.

Following discussion and upon motion duly made (MB and seconded (HC), the following resolution was unanimously approved:

RESOLVED, that the financial report submitted by Brenda Tompkins including “Attachment 2” and “Attachment 3” be hereby approved subject to audit.

Resolution 2019-09.20-02

UTILITY SYSTEMS REPORT

Brett Limbeck, reporting for Oregon Water Utilities (OWU), the contracted utility system service provider, reviewed the written utilities report (“Attachment 4”). Brett noted that some estate homesite owners had reported water pressure loss as repairs to Well #4 were pending and requested that anyone experiencing water issues call the OWU emergency message line.

Karen Smith of Resort Resources, Inc. provided Directors with an update on the legal review of the OWU Systems Management Agreement. At the time of the meeting, OWU had not yet approved the revised agreement, but Karen noted that the President could call for a special meeting or consent agenda if OWU approval is obtained prior to the scheduled fourth quarter meeting in November.

Mike and Chris reviewed the recommendations of the Backup Power Generator Ad-Hoc Committee (“Attachment 6”) and a memo provided by Karen Smith summarizing funding options (“Attachment 7”). The Board directed management to provide draft budget numbers to include upgrading Well #4 to make it generator-compatible, as a potential reserve expense. Management will also provide estimates for used generators as well as generator rental programs. Chris offered to meet with Deschutes County Emergency Manager Nathan Garibay to gain more information about the potential response by local agencies to a catastrophic natural event affecting Eagle Crest.

OPERATIONS REPORT

Debbie Hahn presented the written operations report (“Attachment 8”). No further action was requested of or taken by Directors.

Kelsey Rook reviewed the insurance claim report (“Attachment 9”), noting the general liability claim remains open as the third-party adjuster conducts an investigation of the incident.

RESERVE EXPENSE REPORT

Karen Smith, reporting for Resort Resources, Inc., reviewed the Evaluation of Reserve Account Expenditures vs. Budget per 2019 Reserve Study (“Attachment 10”), noting that there are several variances requiring director approval.

RESOLVED, that the Evaluation of Reserve Account Expenditures vs. Budget per 2019 Reserve Study (“Attachment 10”) be approved, including the variances as noted in highlighting on the report.

Resolution 2019-09.20-03

GOLF OVERSIGHT COMMITTEE

Mike Bessonette, committee chair, reported that the committee’s updated 5-year Capital Plan will be reviewed later in the meeting as scheduled. Mike noted that following the completion of cart path overlays in 2021, the committee has

identified three categories of future spending: (1) ongoing asphalt maintenance and irrigation updates; (2) pro shop and course restroom remodeling; and (3) deferred replacements which have continued to roll forward in the Reserve Study year-over-year. Mike noted that the committee will meet in early 2020 for a strategic planning session to prioritize areas of spending in 2022 and beyond.

**ENVIRONMENTAL
CONTROL
COMMITTEE**

Debbie Hahn, on behalf of committee chair Jim Madison, reported no new activity for the committee.

**COVENANT
COMPLIANCE
COMMITTEE**

Hank Cavender, committee chair, reported no new activity for the committee.

**CONTRACTS
MANAGEMENT
COMMITTEE**

Bill reported that the next meeting of the committee is September 24, 2019. The committee plans to appoint a new chairperson following position renewals in early 2020.

**JOINT USE SYSTEMS
EVALUATION
COMMITTEE**

Mike informed the Board that the committee has focused on three goals for 2019: (1) updating the “check-in” system in use at Eagle Crest Sports Centers; (2) revising sports center usage policies; and (3) implementing a vacation rental facility pass program. Mike explained that successful adoption of the proposed revised usage policies by the facility operators—which include the ECMA Board and Eagle Crest Acquisition Group—will drive the committee’s next steps in regards to evaluating check-in software options and the development of the vacation rental pass system.

**SCHEDULED 3RD
QUARTER BUSINESS**

ANNUAL MEETING

Debbie announced that a quorum for the ECMA annual meeting on September 21, 2019 has been met by the proxies received to date. The meeting will be held at 7555 Falcon Crest Drive at 11:30 a.m.

**PRELIMINARY 2020
BUDGET
ASSUMPTIONS**

Debbie Hahn summarized her memo “2020 Budget Assumptions” (“Attachment 11”). There were no actions requested of or taken by the Board.

**RESORT GOLF
COURSE 5-YEAR
CAPITAL PLAN**

Mike Bessonette, presented the “Resort Golf Course 5-Year Capital Plan” (“Attachment 12”).

Following discussion and upon motion duly made (MB) and seconded (MH), the following resolution was unanimously approved.

RESOLVED, that the updated “Resort Golf Course 5-Year Capital Plan” (“Attachment 12”) be hereby approved as presented.

Resolution 2019-09.20-04

**UNFINISHED
BUSINESS**

None pending.

NEW BUSINESS

**WHEEL FUN
CONTRACT AND
STORAGE REQUEST**

Debbie noted that the revised Wheel Fun Rentals Contract is still under review and will be provided to the Board for consideration at their fourth quarter meeting. Debbie reviewed her memo summarizing a request by the proprietor of Wheel Fun

Rentals to allow placement of a storage container on association common property (“Attachment 13”). The Board denied the request as submitted.

**SPORTS CENTER
POLICIES – DRAFT
REVISIONS**

Mike provided a summary of the initial draft proposed policy revisions developed by the Joint Use Systems Evaluation Committee. Directors agreed to review the draft revisions and provide their comments to Mike and the committee no later than October 1st.

**OTHER NEW
BUSINESS**

Debbie reviewed two requests by Vacation Resort Owners Association (VROA) and Eagle Crest Management (ECM) for use of ECMA common area (“Attachment 15”).

Following discussion and upon motion duly made (MB) and seconded (MH), the following resolution was unanimously approved:

RESOLVED, that the Board approves the request for temporary common area use and authorizes the ECMA President to sign an agreement documenting the permission for ECM to use ECMA tax lots 151223A009600 & 1512240000200, from September 25th – December 15th, with ECM to provide ECMA a certificate of insurance for liability coverage and indemnification of ECMA.

Resolution 2019.09.20.05

Following discussion and upon motion duly made (MB) and seconded (CE), the following resolution was unanimously approved:

RESOLVED, that the Board approves the request for temporary common area use and authorizes the ECMA President to sign an agreement documenting the permission for VROA to use ECMA Lot 15, Block 2, Eagle Crest plat recorded June 24, 1985, from December 1st – March 30th, with VROA to provide ECMA a certificate of insurance for liability coverage and indemnification of ECMA.

Resolution 2019.09.20.06

Hank opened a discussion of the planned asphalt striping at the mail station on Mountain Quail Drive and requested that the Board reconsider their prior decision to add parking stalls. Mike noted that the striping was requested by the Estate Homesite Owners Association (EHOA) and offered to bring the topic to the EHOA Board of Directors at their upcoming meeting.

Directors confirmed the budget study session on Tuesday, October 22nd at 9:00 a.m. and fourth quarter meeting on Friday, November 15th at 9:00 a.m. at 7555 Falcon Crest Drive in Redmond, Oregon.

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:03 a.m.

Secretary to the Association