

**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 fourth quarter meeting of the Board of Directors was held on November 18, 2021, at 9:00 a.m. at 7555 Falcon Crest Drive in Redmond, Oregon and via web conference.

ATTENDANCE Directors present included Mike Bessonette (Residential Director), Chris Earnest (Commercial Director), Mark Hunt (VROA Director), Brett Moshofsky (Residential Director), and Bill Neumann (VROA Director). Management company staff members present included Mark Owings, Marrissa Rainey, Curt Heimuller and Debbie Hahn. Brett Limbeck attended representing Oregon Water Utilities-Cline Butte. Karen Smith, consultant with Resort Resources, Inc., and two members of the association also attended. Bill Neumann, President, presided at the meeting, and Debbie Hahn recorded the minutes on behalf of the Secretary.

CONSENT TO AGENDA The meeting was called to order at 9:00 a.m. Bill requested moving the Joint Use Easement Agreement Amendment to the beginning of the meeting, and to add an executive session to discuss advice from legal counsel at the end of the meeting. Mark Hunt moved to accept the agenda as amended. Mike Bessonette seconded the motion and the motion passed unanimously.

PRIOR MINUTES Reading of the prior meeting minutes dated October 26, 2021 was waived and Mike moved to approve the minutes as presented. Chris seconded the motion and it passed unanimously.

OLD BUSINESS None pending.

NEW BUSINESS

THIRD AMENDMENT TO THE SECOND AMENDED AND RESTATED JOINT USE EASEMENT AGREEMENT The Third Amendment to the Second Amended and Restated Joint Use Easement Agreement (“Attachment 1”) was provided to directors. Karen Smith reminded directors that at the third quarter board meeting, the Board indicated a desire to keep the terms of the agreement unchanged and discussed forming a committee at a future meeting to negotiate any changes to the amendment. The other parties to the agreement continued negotiations with Bill Neumann and Mike Bessonette observing their negotiations. As there were no changes proposed to the agreement that would impact ECMA, there was no need to appoint a committee to negotiate. Karen confirmed the amendment includes a 3-year term and VROA will approve their portion of the agreement, as VROA is the entity with title to the facility and grants the easement.

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

RESOLVED, that the Third Amendment to the Second Amended and Restated Joint Use Easement Agreement (“Attachment 1”) be approved as presented and the President be authorized to sign the agreement on behalf of the Association.

Resolution 2021.11.18-01

MANAGEMENT AND COMMITTEE REPORTS

FINANCIAL REPORT

Mark Owings referred directors to the draft CPA audited 2020 financial statements (“Attachment 2”), advising the audit had been completed remotely due to the COVID-19 pandemic.

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

RESOLVED, that the Board of Directors approves the 2020 Audited Financial Statements in the draft form (“Attachment 2”) and further authorizes the Treasurer of the Association to sign the management representation letter and CPA adjusting journal entries included with the draft statements.

Resolution 2021.11.18-02

Mark then provided the financial report, which included the financial summary (“Attachment 3”) and internally prepared third-quarter 2021 financial statements (“Attachment 4”).

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

RESOLVED, that the financial report submitted by Mark Owings including “Attachment 3” and “Attachment 4” be hereby approved subject to audit.

Resolution 2021.11.18-03

UTILITY SYSTEMS REPORT

Brett Limbeck, reporting for Oregon Water Utilities—the contracted utility system service provider—reviewed the written Utilities Report and related test results (“Attachment 5”).

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

RESOLVED, that Oregon Water Utilities-Cline Butte be authorized to provide necessary sewer and/or water connections for the lot on Condor Court at a cost not to exceed \$6,300 with expenses payable from the water utility operating fund.

Resolution 2021.11.18-04

Brett noted the results of the County’s recent sanitary survey of the ECMA wells was received just prior to the meeting, and the results should be considered outstanding. As a result of the positive survey, the ECMA water system will now be placed on a 5-year inspection cycle rather than a 3-year cycle. Bill Neumann requested management share the survey results with owners in upcoming communications.

Following brief discussion of nearby property development, Brett confirmed he will provide information to the Utilities Committee, once formed, regarding well depth and static water level measurements.

OPERATIONS REPORT

Marrissa Rainey presented the written Operations Report (“Attachment 6”). Regarding the recycling area, the Board requested management prepare a recommendation on securing the oil receptacle while leaving glass and cardboard recycling available for owner usage.

Marrissa reviewed the insurance claim report (“Attachment 7”), noting the sole claim was closed on November 1st with no payment made to the claimant.

RESERVE EXPENSE REPORT

Karen Smith presented the Budget vs. Expenditures per 2021 Reserve Study (“Attachment 8”) noting there are no variances requiring Board approval.

GOLF OVERSIGHT COMMITTEE

Mike Bessonette, committee chair, summarized the “Resort Course Update November 2021” (“Attachment 9”), noting the information was provided by Ron Buerger, Director of Golf, and Shan Hartford, Superintendent. Mike requested the information be provided to the ECMA sub-associations. Mike questioned if the Board wants the committee to continue working on proposed resort course renovations (“Attachment 10”), adding that Troon Golf has a staff member whose services would be available at no charge other than travel costs to review the renovation plans and provide additional guidance and information. The Board agreed with contacting Troon for their input, then preparing an informational package to share with ECMA members in the future. Mike confirmed he will prepare costs to develop more comprehensive information and present at the first quarter meeting.

ENVIRONMENTAL CONTROL COMMITTEE

Marrissa Rainey reported on behalf of the committee, noting two applications were reviewed since the last meeting. An application for the River Run Event Center was approved and an application in EHOA was denied based on the golf course easement. Marrissa noted she does have one recommendation for the committee vacancy, which will be included on the first quarter meeting agenda.

COVENANT COMPLIANCE COMMITTEE

No report was provided.

SCHEDULED 4TH QUARTER BUSINESS

ELECTION OF OFFICERS

Following nominations by directors, and upon motion duly made (MB) and seconded (BN), the following resolution was unanimously approved:

RESOLVED, that the following persons are elected to the corporate offices set forth opposite their respective names, to serve until the next meeting of directors following the members’ annual meeting in 2022, and until their respective successors shall be elected and qualified:

- Bill Neumann – President**
- Mark Hunt – Vice President**
- Mike Bessonette – Secretary**
- Chris Earnest – Treasurer**

Resolution 2021.11.18-05

TRAVEL/LODGING EXPENSE POLICY

Directors reviewed and affirmed the current expense policy for the 2021/2022 board year. The current policy is copied here for reference purposes:

“Transportation costs are allowed based on the most prudent mode of travel as determined by each director. If driving, a mileage rate will be paid at the then current IRS mileage rate. Air travel will be reimbursed at cost. Lodging, as needed to accommodate for the meeting schedules (1-2 nights), will be provided by the Association at the resort property. In addition, communication costs will be reimbursed to directors at cost upon receipt of a bill.”

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

RESOLVED, that the 2021/2022 Travel/Lodging Expense Policy be hereby approved as follows:

“Transportation costs are allowed based on the most prudent mode of travel as determined by each director. If driving, a mileage rate will be paid at the then current IRS mileage rate. Air travel will be reimbursed at cost. Lodging, as needed to accommodate for the meeting schedules (1-2 nights), will be provided by the Association at the resort property. Directors may be reimbursed for meal expense up to \$50 per day, only if lodged in the hotel, upon delivery of receipts for meal expenses. In addition, communication costs will be reimbursed to directors at cost upon receipt of a bill.”

Resolution 2021.11.18-06

**COLLECTION
POLICY
DELEGATION**

Marrissa Rainey reviewed the memo “Annual Sub-association Billing Delegation” (“Attachment 11”) and proposed ECMA Collection Delegation Policies for 2022 (“Attachment 12”). Karen Smith noted this is an annual delegation and there are no changes to the previous concepts presented. The fee change from \$10 to \$12 is due to increased mail and materials costs and labor.

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

RESOLVED, that ECMA adopts the Collection Delegation Policies for 2022 (“Attachment 12”) and delegates the responsibility for collecting ECMA Dues and Utility Fees in 2022 to those Sub-Associations listed in the adopted policy; and

BE IT FURTHER RESOLVED, that ECMA approves a 2022 Billing Fee equal to \$12 to be added to each invoice generated by its management company for ECMA Dues and Utility Fees to include invoices to Sub-Associations collecting ECMA Dues and Utility Fees on behalf of ECMA as well as invoices to individual owners; and

BE IT FURTHER RESOLVED, that ECMA authorizes payment to its management company on a quarterly schedule equal to the total invoiced Billing Fees.

Resolution 2021.11.18-07

**ASSOCIATION
BUDGET**

Mark Owings electronically reviewed the proposed 2022 association budgets, including the Facilities budget (“Attachment 13”), Utilities budget (“Attachment 14”), and Sports Center operations budget (“Attachment 15”). All budgets were studied and discussed at a prior work session attended by Directors and management.

Mike Bessonette left the meeting at 11:00 a.m.

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

RESOLVED, that the 2022 Eagle Crest Master Association budgets for Facilities (“Attachment 13”), Utility operations (“Attachment 14”), and Sports Center operation (“Attachment 15”) be approved as submitted; and

BE IT FURTHER RESOLVED, that the 2022 Association dues shall be assessed at \$82.00 per month, per assessment unit; and

BE IT FURTHER RESOLVED, that the 2022 Association water and sewer rates shall be assessed at \$74.00 per month, per connection; and

BE IT FURTHER RESOLVED, that the Sports Center annual Unit Fee be increased to \$387.36 per Unit and the annual Owner Fee increased to \$35 per Owner, as those terms are defined in the Sports Center Lease; and

BE IT FURTHER RESOLVED, that the Sports Center annual Unit Fee for Ridge at Eagle Crest Owners be increased to \$148.55 per Unit and the annual Owner Fee be increased to \$11.30 per Owner, as those terms are defined in the Joint Use Easement Agreement.

Resolution 2021.11.18-08

Karen Smith referred to digital copies of the draft 2022 Association Reserve Studies for Facilities, Utilities, and the Water System Infrastructure Repair Estimation Plan or “WIREP” recently delivered to directors. Karen reminded directors of the decision to not complete a 2022 update for the Golf Reserve Study as there have not been substantial changes to warrant the expense. Karen suggested allowing time to review the reserve studies more in depth and defer approval until the first quarter board meeting and the Board agreed to that approach. Karen confirmed the suggested reserve fund contributions were included in the 2022 budgets. Specific expenses will also be presented for approval during the first quarter meeting, continuing the process by which pre-approval is obtained for planned reserve expenditures.

**SIGNATURE
AUTHORIZATIONS**

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

RESOLVED, that Chris Earnest and Curt Heimuller be appointed as authorized signers for the Eagle Crest Master Association, effective for calendar year 2022.

Resolution 2021.11.18-09

**RESERVE FUND
INVESTMENTS**

The ECMA Board Operating Procedures state “Determination of reserve fund placement will be based on analysis of the reserve fund balances and the Board-adopted Association reserve studies, updated annually, that project near and longer term estimated contributions and expenses. At least annually the Board of Directors will adopt a resolution identifying authorized officer(s) and/or agent(s) to conduct this analysis and make the resulting fund placements.”

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

RESOLVED, that the Board adopts the reserve fund investment policy and authorizes Chris Earnest, Curt Heimuller and Mark Owings to conduct analysis and placement of Eagle Crest Master Association reserve funds, effective for calendar year 2022.

Resolution 2021.11.18-10

**UNFINISHED
BUSINESS**

**ECMA UTILITY
SYSTEMS PLANNING
COMMITTEE**

Marrissa summarized the Utility Systems Planning Committee Membership Recommendations (“Attachment 16”), noting once additional bios have been received, all will be presented for Board consideration of appointing members to the committee.

**NEW BUSINESS
(CONT’D)**

**RESORT RESOURCES,
INC. 2022 TASK
ORDERS**

Directors reviewed the proposed Resort Resources, Inc. 2022 Task Orders for Services (“Attachment 17”).

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

RESOLVED, that the Resort Resources, Inc. 2022 task orders (“Attachment 17”) be hereby approved as submitted and the Board President be authorized to sign the task orders on behalf of the ECMA Board.

Resolution 2021.11.18-11

**SPORTS CENTER
POOLSIDE GRILL**

Marrissa reviewed the Resort Sports Center Food Vendor Proposals (“Attachment 18”) and the prior version of a lease for that area (“Attachment 19”). Bo Olson, owner of Niblick & Greene’s, joined the meeting to briefly discuss his proposal to operate the facility at the Resort Sports Center. Marrissa requested direction regarding selection of a vendor to allow for preparing a lease for approval at the first quarter meeting.

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

RESOLVED, to pursue a lease with Bo Olson of Niblick and Greene’s and present for approval at the Q1 2022 board meeting.

Resolution 2021.11.18-12

**OTHER NEW
BUSINESS**

Directors set the following dates for 2022 regular meetings:

1st Quarter – Thursday, March 3, 2022, 9:00 a.m.

2nd Quarter – Thursday, June 2, 2022, 9:00 a.m.

3rd Quarter – Thursday, September 22, 2022, 9:00 a.m.

2022 Annual Meeting – Saturday, September 24, 2022, 11:30 a.m.

Annual Budget Study Session – Thursday, October 20, 2022, 9:00 a.m.

4th Quarter – Thursday, November 17, 2022, 9:00 a.m.

EXECUTIVE SESSION

Upon motion duly made (BN) and seconded (CE), the following resolution was unanimously approved:

RESOLVED, that the Board adjourns to executive session for the purpose of discussing legal matters.

Resolution 2021.11.18-13

Directors requested Karen Smith and management company staff attend the executive session.

The Board reconvened in open session at 12:11 p.m. Upon motion duly made (CE) and seconded (MH), the following resolution was unanimously approved.

RESOLVED, that Michelle DaRosa, Association's legal counsel, be engaged to respond to the letter from Peterkin Burgess Attorneys at Law on behalf of ECMA.

Resolution 2021.11.18-14

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:13 p.m.

Secretary to the Association