

**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 16, 2018, at 9:00 a.m. at the Administrative Office of Eagle Crest Resort, Redmond, Oregon.

ATTENDANCE Directors present included Mike Bessonette (Residential Director), Hank Cavender (Residential Director), Chris Earnest (Commercial Director), and Bill Neumann (VROA Director). Attendance by Mike was accommodated via conference call. Management company staff members present included Arron Curtis, Curt Heimuller, Robin Dowty, Debbie Hahn, and Kelsey Rook. Brett Limbeck and Bob McDaniel attended representing Oregon Water Utilities. Karen Smith, consultant with Resort Resources, Inc., also attended. Several members of the Association were in attendance. 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 from the Vacation Resort Owners Association for temporary use of ECMA common area. Chris moved to approve the agenda and amended. Hank seconded the motion and it passed unanimously.

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

RESOLVED, that the Board adjourns to executive session for the purpose of discussing contract negotiations.

Bill advised the executive session would take approximately 30-45 minutes, after which the Board would reconvene in open session. Directors requested Karen Smith and management company staff attend the executive session.

The Board reconvened in open session at 9:45 a.m. Upon motion duly made (CE) and seconded (HC), the following resolution was unanimously approved.

RESOLVED, that the ECMA accept the proposal offered by Eagle Crest Acquisition Group for a three-year extension of the current Joint Use Easement Agreement with a limit on the annual fee increase not to exceed the Western Region Consumer Price Index, which the ECMA President shall be authorized to sign on behalf of the Board.

Resolution 2018-11.16-01

Bill temporarily adjourned the meeting at 9:47 a.m. to allow for the owner comment period. The meeting was reconvened in open session at 10:10 a.m.

PRIOR MINUTES Reading of the prior meeting minutes dated September 14, September 28, and October 25, 2018 was waived and Hank moved to approve the minutes as presented. Mike seconded the motion and it passed unanimously.

OLD BUSINESS

None pending.

MANAGEMENT AND COMMITTEE

REPORTS

FINANCIAL REPORT

Robin Dowty provided the financial report, which included the financial summary (“Attachment 1”) and internally prepared third-quarter 2018 financial statements (“Attachment 2”).

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

RESOLVED, that the financial report submitted by Robin Dowty including “Attachment 1”, and “Attachment 2” be hereby approved subject to audit.

Resolution 2018-11.16-02

UTILITY SYSTEMS REPORT

Brett Limbeck, reporting for Oregon Water Utilities—the contracted utility system service provider—reviewed the written utilities report (“Attachment 3”). Chris asked for a status update on the generator purchase for water system resiliency. Curt informed Directors that Oregon Water Utility was pricing generators, which information Brett will provide to the Board at a future meeting. There were no actions requested of or taken by the Board.

BACKFLOW DEVICE INSTALLATIONS

Curt Heimuller reviewed the memo “Status Report – Backflow Device Installations” (“Attachment 4”).

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

RESOLVED, that the Board approve a variance to the standard residential specifications for installed backflow devices at attached dwellings until such time ECMA relocates water meters at the street right of way, to be completed by September 30, 2019, at which time the standard residential backflow device is to be relocated.

Resolution 2018-11-16.03

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

RESOLVED, that the Board shall grant an extension until December 31, 2018 to complete backflow installation for all residential properties where the water meter is located at the street right of way.

Resolution 2018-11-16.04

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

RESOLVED, that at all attached dwellings where no backflow device is installed and the water meter is not in street right of way, the Board shall approve a budget of up to \$20,000 for the installation of meters at the street right of way, the design of which the ECMA President shall be authorized to approve; and,

BE IT FURTHER RESOLVED, that after which time the water meter is installed in the street right of way, standard backflow devices must be installed for those dwellings, with both meter and backflow device to be installed within 90 days.

Resolution 2018-11-16.05

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

RESOLVED, that the Board shall grant a 180-day extension for backflow device installations at the Pro Shop and Resort Sports Center, with management to provide a commercial installation proposal that has OWU approval, with cost estimates, to the Board within 60 days.

Resolution 2018-11-16.06

**OPERATIONS
REPORT**

Debbie Hahn presented the written operations report (“Attachment 5”). The Board directed management to research the recent unauthorized tree removal on Thunderbird Court as reported by a resident in attendance.

**RESERVE EXPENSE
REPORT**

Karen Smith presented the Evaluation of Reserve Account Expenditures vs. Budget per 2018 Reserve Study (“Attachment 6”) noting there are no variances requiring Board approval. No action was requested of or taken by directors.

**GOLF OVERSIGHT
COMMITTEE**

Mike Bessonette, committee chair, reported no new activity from the committee.

**ENVIRONMENTAL
CONTROL
COMMITTEE**

Jim Madison, committee chair, reported one new application for tree removal is under review.

**COVENANT
COMPLIANCE
COMMITTEE**

Hank, committee chair, reported that while the committee has no new activity, there is a vacancy.

**CONTRACTS
MANAGEMENT
COMMITTEE**

Bill reported no new activity from the committee.

**SCHEDULED 4TH
QUARTER BUSINESS**

**ELECTION OF
OFFICERS**

Following nominations by directors, and upon motion duly made (HC) and seconded (CE), 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 2019, and until their respective successors shall be elected and qualified:

Bill Neumann – President

Mark Hunt – Vice President

Hank Cavender – Secretary

Chris Earnest – Treasurer

Resolution 2018-11-16.07

**TRAVEL/LODGING
EXPENSE POLICY**

Directors reviewed and affirmed the current expense policy for the 2018/2019 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 (CE) and seconded (HC), the following resolution was unanimously approved:

RESOLVED, that the 2018/2019 Travel/Lodging Expense Policy be hereby approved.

Resolution 2018-11-16.08

**ANNUAL SUB-
ASSOCIATION
BILLING
DELEGATION**

Debbie reviewed the memo “Annual Sub-association Billing Delegation” (“Attachment 7”) and proposed ECMA Collection Delegation Policies for 2019 (“Attachment 8”).

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

RESOLVED, that ECMA adopts the Collection Delegation Policies for 2019 (“Attachment 8”) and delegates the responsibility for collecting ECMA Dues and Utility Fees in 2019 to those Sub-Associations listed in the adopted policy.

Resolution 2018-11-16.09

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

RESOLVED, that ECMA approves a 2019 Billing Fee equal to \$10 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 2018-11-16.10

**2019 ASSOCIATION
BUDGET**

Robin Dowty presented the proposed 2019 Association Budgets, including the draft Facilities budget (“Attachment 9”), draft Utilities budget (“Attachment 10”), draft Sports Center budget assuming no Joint Use Easement Agreement is reached for 2019 (“Attachment 11”), and draft Sports Center budget assuming a reinstated Joint Use Easement Agreement for 2019 (“Attachment 12”). Robin noted that two budgets were drafted for Sports Center operations in the event that the Joint Use Easement Agreement is not signed by all parties before year-end. All budgets were studied and discussed at a prior work session attended by Directors and management.

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

RESOLVED, that the 2019 Eagle Crest Master Association budget for Sports Center operation which assumes no Joint Use Easement Agreement (JUEA) (“Attachment 11”) shall be adopted, unless a reinstated agreement is in place by November 26, 2018, at which time the alternative budget assuming JUEA (“Attachment 12”) shall be adopted; and

BE IT FURTHER RESOLVED, that the Sports Center annual Unit Fee be increased to \$354.62 per Unit and the annual Owner Fee be increased to \$42.25 per Owner, as those terms are defined in the Sports Center Lease.

Resolution 2018-11-16.11

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

RESOLVED, that the 2019 Eagle Crest Master Association budget for Facilities operations as detailed in (“Attachment 9”) be approved with the addition of \$2,000 for common area pathway installation and adjustments to the reserve contribution (\$61,800) and billing fee revenue (\$7,480); and

BE IT FURTHER RESOLVED, that the 2019 Association dues shall be assessed at \$74.00 per month, per assessment unit.

Resolution 2018-11-16.12

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

RESOLVED, that the 2019 Eagle Crest Master Association budget for Utilities operations as detailed in (“Attachment 10”) be approved with the addition of the previously approved \$20,000 budget line item for water meter relocation at attached dwellings; and

BE IT FURTHER RESOLVED, that the 2019 Association water and sewer rates shall be assessed at \$60.00 per month, per connection.

Resolution 2018-11-16.13

Karen Smith provided the proposed 2019 Association Reserve Studies (“Attachment 13”). Karen reminded directors that Resort Resources, Inc. will present specific expenses for approval at the first quarter board meeting, continuing the process by which pre-approval is obtained for planned reserve expenditures.

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

BE IT FURTHER RESOLVED, that the 2019 Association Reserve Study updates (“Attachment 13”) be approved as submitted with the financial assumptions and contributions as recommended.

Resolution 2018-11-16.14

**REAUTHORIZE
SIGNING AUTHORITY
FOR 2019**

Following discussion, and upon motion duly made (BN) and seconded (MB), 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 2019.

Resolution 2018-11-16.15

**2019 RESERVE FUND
INVESTMENTS
AUTHORITY**

Directors consented unanimously to table reserve fund investment appointments until the first quarter regular meeting in 2019. Mike Bessonette left the meeting at 12:50 p.m.

**UNFINISHED
BUSINESS**

None pending.

NEW BUSINESS

**ECMA SEWER
SERVICES
AGREEMENT**

Directors consented unanimously to table discussion of the proposed amendments to the ECMA Sewer Services Agreement until the first quarter regular meeting in 2019.

**RESORT SPORTS
CENTER POLICY
REVISION**

Debbie presented the memo "Resort Sports Center Policy Recommendation" ("Attachment 14"). No action was taken by directors.

**SPORTS CENTER
COMMITTEE
APPOINTMENTS**

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

RESOLVED, that Bill Neumann and Mike Bessonette be appointed as representatives of the Eagle Crest Master Association on the six-member Sports Center Committee.

Resolution 2018-11-16.16

**TENNIS
INSTRUCTION
SERVICES
AGREEMENT**

The board reviewed the draft services agreement ("Attachment 15") for tennis pro instruction at the Resort Sports Center.

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

RESOLVED, that the tennis services agreement be accepted as presented, and that the Board President be authorized to sign on behalf of the ECMA Board.

Resolution 2018-11-16.17

**RESORT RESOURCES,
INC. 2019 TASK
ORDERS**

Directors reviewed the proposed Resort Resources, Inc. 2019 Task Orders for Services ("Attachment 16").

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

RESOLVED, that the Resort Resources, Inc. 2019 task orders ("Attachment 16") be hereby approved and the President be authorized to sign the task orders as submitted.

Resolution 2018-11-16.18

**OTHER NEW
BUSINESS**

Debbie reviewed the memo "Request for VROA Use of ECMA Common Area" ("Attachment 17").

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

RESOLVED, that the Board approves the request and authorize the ECMA President to sign an agreement allowing VROA to use Lot 15, Block 2, Eagle Crest plat recorded June 24, 1985 from December 1st – March 30th; VROA to provide ECMA a certificate of insurance for liability and indemnify ECMA.

Resolution 2018-11-16.19

Directors set the following dates for 2019 regular meetings:

1st Quarter – Friday, March 1, 2019, 9:00 a.m. at 7555 Falcon Crest Drive in Redmond, OR

2nd Quarter – Friday, May 17, 2019, 9:00 a.m. at 7555 Falcon Crest Drive in Redmond, OR

3rd Quarter – Friday, September 20, 2019, 9:00 a.m. at 7555 Falcon Crest Drive in Redmond, OR

2019 Annual Meeting – Saturday, September 21, 2019 at 7555 Falcon Crest Drive in Redmond, OR

4th Quarter – Friday, November 15, 2019, 9:00 a.m. at 7555 Falcon Crest Drive in Redmond, OR

ADJOURNMENT

There being no further business, the meeting was adjourned at 1:00 p.m.

Secretary to the Association