

RVVE Townhall Meeting Q&A and Owner Statements

January 7th, 2025

The following questions were received prior to and during the Townhall Meeting.

Financial Related Questions:

1. How is the loan secured? What recourse does the lender have if the loan goes into default?

A: From Daniel Corwin – Vice President of HOA Lending at Alliance Association Bank

- The loan is secured by the 1st assignment of all association assessments, no real estate collateral; 1st mortgage, or any pledge by the homeowners other than to pay their assessments
- In other words, this is secured by the association’s ability to collect and maintain assessments (cash flow secured)
- If the loan goes into default, the Bank’s 1st course of action is to increase the effective interest rate
- If the loan goes into egregious default, then we reserve the right to forcibly collect assessments from all of the owners first on a monthly basis; and then distribute what remains back to the association for regular operating expenses
 - o In my large swath of time doing association loans, I have only seen this happen once – so it is not only uncommon, but very rare

2. Is it possible for a fractional owner to pay in advance to avoid the interest fees?

A: The Association and ECM are currently evaluating the process for fractional owners to pay in advance/pre-loan to avoid the interest. Currently this option is not available to individual fractional owners as the debt is with the unit as a whole, not with the unit owners as individuals.

We know that this is of huge importance to our fractional owners. This requires some additional labor on ECM end, and ECM is evaluating whether or not they have the resources to do this. There already will be additional resources to manage and process this this loan on behalf of the Association, so adding an additional time to monitor fractional prepayment is something that we are still evaluating. And while right now the answer is no, we hope to we hope to get to a yes.

3. When will we receive the final cost estimate for our unit, and what is the deadline for upfront payment if we want to avoid additional HOA fees?

A: Once construction is complete and total costs are known, then the Board of Directors can implement the actual special assessments due per owner – where they have the option to either pay their portion in full (principal only), or otherwise amortize their balance out over the term phase (10 years – and payments of principal & interest). Current estimated date for start of assessments is February 2026.

4. Does the monthly cost for fractionals cover skirting? If not, how much will the monthly fee be?

A: See the table on page 7 of the Explanation of Ballot for the estimated monthly costs by Deck Class. As stated, the amounts in this table include the cost to replace 100% of the skirting and as is assumed to be the worst-case scenario. As discussed in the Townhall meeting, the amount of

skirting that will need to be replaced cannot be determined at this time. ECPM will keep track of the actual cost to replace skirting by unit. The actual cost for skirting will be added to amount for each unit.

- 5. In previous communications the additional amount to be paid is referred to as a monthly figure. Is the plan to actually bill monthly or will this figure be added to the regular quarterly assessment? if it's going to be added to the regular quarterly, I think that amount should be shown.**

A: If the project moves forward, the deck replacement project billing will be reflected quarterly on the quarterly billing statement. Please multiple by 3 to get quarterly estimate.

- 6. It looks like there will simultaneously be an ongoing deck assessment in addition to the debt assessment. No figure was given. It might be beneficial for the owners to see that they will be getting double tapped for the decks going forward.**

A: The deck replacement project will be paid for by a loan over a 10-year timeframe and billed out accordingly. All of the costs related to the deck replacement will be billed through the deck replacement assessment. Reserves for the deck structure, decking, and railing for the rear decks will be collected when their estimated remaining useful life is 30 years or less. The amount to be collected for the reserves for the deck related asset items is unknown at this time. Given that the term on the loan is 10 years, it is possible that there could be a few years of loan payments and payments to the reserves for the asset items required for deck replacement in the future.

- 7. Not a question but an observation. These amounts are going to almost double the quarterly assessments which will make it financially untenable for a lot of people to maintain ownership. I know the cost of my deck replacement is going to be close to \$80,000 which is preposterous. These units are going to be hard to sell due to the exorbitant deck costs. Prospective buyers take one look and run out the door.**

A: Not sure how a cost \$80,000 was determined. See the table The Preliminary Cost per Unit by Deck Class on page 6 of the Explanation of Ballot for the cost of the deck replacement by Deck Class. To get the total cost of the deck replacement including skirting, multiply the numbers in the table on page 7 by 120. Using Deck Class 4 as the highest cost, the total cost is \$70,080 (total including principle and interest). This amount assumes that 100% of the skirting is replaced. These figures included in the Explanation of Ballot are preliminary.

Construction Related Questions (were answered by ECPM during the Townhall meeting):

- 8. Can the board/contractor provide a line-item cost proposal for each of the 6 types of deck proposals.**

A: Absolutely, we have detailed takeoffs for every size and shape of the decks. We would need a little time, and we can get that back to the board.

- 9. How soon after a "yes" vote can we expect the construction of our deck?**

A: Following notice of a "Yes" Vote, we anticipate the need for a 30-day notice to mobilize our team and our crew to get started.

10. Can I occupy my unit during replacement?

A: Yes, absolutely part of the scope of work that we put out. This includes temporary barriers at all the exterior doors leading to the back deck, restricting access for obvious safety concerns. The interior of the units can certainly be fully utilized.

11. What are the holes for that were dug prior to the start of the project? How are they being managed for safety?

A: ECPM did some investigatory and concrete work that was allowed by the county in advance of the project. Recognizing there is a potential safety hazard with exposed holes, these are currently being addressed with caution tape and other materials to cover the exposure in the event someone is walking around underneath these units.

12. Will there be a risk-based approach to replacing the deck – highest and worst first or what is the plan?

A: Not necessarily, we have permits ready to pull for units 13 and 14 with the goal to work North down the canyon side from there. Economies of scale allow for more efficient production when working with a building-to- adjacent building schedule.

13. Will some owners lose peak enjoyment months during June July August?

A: Potentially. At this point we do not have an actual start date commitment. Pending a “Yes” vote, a critical path schedule will be aligned and shared so that we have a better understanding of each unit and the affected dates. We anticipate frequent updates to be shared regarding scheduling so that owners would receive no less than 30 days’ notice prior to starting on a particular unit or building.

14. Which units have had spas replaced paid for already, and how much did it cost the owners for decks and hot tubs?

A: RV 7, RV 12, and RV 39 have been replaced as a Fractional Hot Tub Reserve item. Fractional owners’ hot tubs are covered through reserve replacement while whole owners would bear the cost of a new spa should they want one. Additionally, whole owners will bear the cost to have their current spas removed prior to deck replacement and re-installation post deck replacement. These costs are still TBD. ECM is coordinating spa replacements alongside this project and will be communicating directly with owners of these affected units both whole-owned and fractional with more details.

15. We have no specific figures on a new spa tub, stairs to get into it and installation and connection fee?

A: ECM has been working closely with Emerald, Hearth, Spa & Patio on two spa options for the Fractional units under reserve replacement. This information will be communicated to those units prior to the deck replacement. The board determined that all hot tubs will be recessed into the deck which eliminates the need for stairs. Additionally, ECM will be coordinating hot tub replacements that align with the deck replacement schedule for the most cost-effective use of crane services and crew. Hot tub installation / connection fees are currently being vetted and will be shared once determined.

Board Questions:

16. If a whole owner deems their deck to be safe, well maintained and visually desirable for occupancy why would the HOA/EC mandate them to participate in total deck replacement?

A: If the owners vote to approve the loan, then the rear decks for all 47 units will be replaced. If the owners do not approve the loan, then all owners (whole and fractional owners) will be responsible for the deck replacement. Refer to pages 9 and 10 of the Explanation of Ballot.

17. If an owner(s) wishes to contract independently for deck replacement or repair, why shouldn't this be an available option for them as long as it is visually conforming and quality of construction acceptable?

A: See the answer to question 16. In addition, fractional owners are reminded that they are bound to the terms of the Co-Ownership Agreement for their unit(s) and cannot contract for the deck replacement themselves. The Co-Ownership agreement says the Managing Agent, ECM is responsible to contract for the work. For whole owners it is not typical that they contract for replacement of common areas of responsibility since this is contracted by the Association.

18. I was wondering if there is any possibility that the whole owners could be excluded from the deck replacement project. I understand that they are very opposed to being included, which I can kind of understand. With the number of votes they have, I worry that fractional owners will be disproportionately penalized in the vote because of them.

A: See the answer for question 16. The CC&Rs clearly define the number of votes by ownership group. The wholly owned units will benefit from having the deck replaced just as much as the fractional units. The Board strongly encourages all owners to vote to approve the loan.

19. Are the front porch and upper deck being replaced?

A: No, not at this time. The Board will be reviewing the reserve study to make sure these items are properly addressed.

20. If the project is not approved, how do you plan to address the issues with our existing deck, and what is the process for installing a new deck as soon as possible?

A: If the loan is not approved, all owners and NOT the Board nor the Association will address issues with existing decks. Refer to pages 9 and 10 of the Explanation of Ballot for consequences and actions required if the owners vote to disapprove the loan.

21. Can we repair our current deck independently, without having to coordinate with neighbors we don't know?

A: See the answer to question 17. As was discussed in the Townhall meeting, if the loan is not approved, owners can replace their deck without involving the other units in their building. Cost for an independent deck will be higher because of additional design of the independent deck structure and cost to bring the party walls up to current code. Refer to page 9 of the Explanation of Ballot.

22. If there is a safety issue with the only two condos with the hot tubs and the rest of them are not unsafe but are near end of life, why aren't the most unsafe / highest risk desk being fixed first from the reserves? Were they ever fixed?

A: The assessment performed by M-H states that all decks are near or at end of life and all should be replaced as soon as possible. Sequence or order of construction is determined by ECPM for best use of resources and least cost. The canyon side units that have hot tubs installed on top of their

decks have not been retrofitted to correct the problems noted by M-H. See page 2 of the Explanation of Ballot for M-H's findings.

23. Why were the canyon facing unit supports dug up and not caution taped creating further hazard and why was the project started prior to the vote?

A: See the answer to question 11. ECPM did not notify the Board prior to starting the excavations for new foundations. The Board was surprised that work had started and although allowed by Deschutes County, the Board was not involved in the decision to dig the holes for the foundations.

24. Have other options been explored such as: doing the work over time out of the reserve that has already been charged to the community vs. the economy of scale savings and needing to use a loan with ridiculously high interest rates. And where is the supporting financial data showing the difference between doing the work over time with reserve monies vs. financing?

A: Replacing the decks using available reserves is not feasible because there are no reserves for the deck structure. Replacing decks over time with available funds would take longer than as soon as possible as recommended M-H. Since no reserves are available, there is no reason to do a comparison between doing the work over time vs financing.

25. Arguably, communications around the deck project have been extremely bad up until recently, to the point it has given many of us an impression that our board has been secretive vs. transparent about the deck problems. For many owners, word of mouth was the way many of us found out and had to start asking questions and even then, it's like pulling teeth to get answers. Given the board is being so protective of the reserves, are there other high dollar projects the board is planning and has yet to communicate with us about? If so, when and what are they?

A. The Board assures all owner we are not intentionally being secretive and are working to provide more frequent communication. The deck replacement project is the only project that the Board is currently working on. In keeping with the Board's commitment to provide communication with the owners, information will be provided for future projects when they come to the Board's attention.

26. Do all condo units have to participate in this venture?

A: See the answers to questions 16 and 17.

27. Can a unit just replace the deck boards and 'save the railing posts and skirting underneath – keeping things green – for there is nothing wrong with them in out unit?

A: The assessment performed by M-H states that all decks are near or at end of life and all should be replaced as soon as possible.

28. At one time, someone decided to put new hot tubs on top of the deck, and some were completed that way. I think it was after that, that a study was done to see if it was safe to put hot tubs on top of the deck. The original purpose of the deck was to walk on and lay on, not to support a hot tub. It is not likely that an engineer will say an old deck will support more than it was designed to support. Our hot tub has a separate support under it, it does not sit on the deck. I don't think that our deck needs fixing because some decks have hot tubs sitting on them.

A: See the answer to question 27 for the need replace decks. In addition, M-H found that hot tub support platforms for recessed hot tub are at end of life and should be replaced right away. Refer to page 2 of the Explanation of Ballot for M-H's findings.

29. We do not think that the deck needs to be rebuilt. We do not think that the deck is not safe. I have not seen any engineering report that says my deck for my specific unit is unsafe. I don't know why the deck requires a special loan or assessment. When the cedar roof was replaced with a new composition roof, there was no loan or special assessment.

A: See the answer for question 27. A special assessment is required because reserves were NOT collected for the deck substructure. Reserves have been and are being collected for roofing so a special assessment for roofing was not required.

30. I have had 3 estimates to replace my deck/siding and the other 2 decks in my building. All have been 2/3 less than the cost you have assigned me. I understand that I am paying costs with interest for a period of time, but I don't not want to pay for over 10 years.

A: In order to do a fair comparison, you need to confirm that the scope of what is included in the estimates you received is the same as what is included in the deck replacement project. All whole owners and all owners within a fractional unit with 100% agreement of all owners of the unit can pay upfront and not have a loan payment.

31. I have had a reliable construction company review my deck, it does not need to be replaced. However, the decks that are elevated do not meet current guidelines if the property were to be inspected during an inspection to be sold.

A: See the answer to question 27. Reliable construction company's opinion is not the same as the engineer's assessment provided by M-H.

32. My condo has the smallest deck and yet the portion for my unit does not reflect what I am being charged. I would like to see the actual costs for each group of decks.

A: Refer page 5 of the Explanation of Ballot for the basis of the Deck Classes and the table on page 6 of the Explanation of Ballot for the Preliminary cost by Deck Class. The cost for smaller decks is lower than the cost of larger decks. If this question pertains to RV59, see the answers for questions 58 and 77 below. The Board needs to review special situations of RV59 (small deck with hot tub).

33. Was the decision to make the decks part of the common areas before or after the issue with the hot tubs came to light?

A: The decision to make the deck substructure part of the Area of Common Responsibility was made after the issue with the replacement hot tubs became known. The decking and railing were already part of the Area of Common Responsibility. Refer to page 1 of the Explanation of Ballot.

34. Does the deck project include hot tubs?

A: No. ECM is responsible for the hot tub replacement. ECM will coordinate with ECPM and the owners for the removal and installation of the hot tubs. Cost is responsibility of owners.

35. What part is our maintenance fee paying for?

A: The Association maintenance fees or dues are established by the board annually and covers common area expenses, including a contribution to the reserves. The reserve balance is allocated to reserve assets are at their replacement date or end of useful life. Reserves are collected for asset items that have an estimated remaining useful life of 30-years or less. As stated in the Explanation of Ballot, prior to the Board resolution of in March 2022, the deck structure was not

part of the Area of Common Responsibility and as such, the Association did not collect reserves for the deck structure.

36. Why are the reserve fees not paying for this project? If due to other projects, what other projects that need to be done since our dues are increasing for common projects.

A: Reserves for the deck structure were not collected so there are no reserves available for the deck replacement project. The deck replacement project is the only project that the Board is currently working on. In keeping with the Board's commitment to provide communication with the owners, information will be provided for future projects when they come to the Board's attention.

37. Has ECMA given any thought to paying the cost of deck replacement on their own dime since it was their negligence or failure to initially reserve for decks.

A: I believe this question meant to say ECM (not ECMA). I think this question is answered along with many of other reserve related questions. The sub-structure was not reserved for as it was not the Association's responsibility up until roughly 2 years ago.

38. The decks at Worldmark units at Eagle Crest are similar. They are not saying that they are not safe. I suspect that this entire project is because one owner thinks their deck is not safe. *I would like to see any and all studies about the decks. I have been under the deck, and I do not think it is unsafe. Maybe it could be improved with minimal cost. If the design of the deck is bad and unsafe; then is Eagle Crest responsible? They sold us the condo and deck with that design. The Building Department of Deschutes County accepted on the design and the construction at the building code of that year. I don't think that there is any requirement to upgrade the deck to the newer building code. Maybe the Building Department should inspect the deck. They might say that is just fine for the original purpose of a walking deck (not a hot tub support).*

A: See the answer for question 27. M-H's findings are applicable to all 47 RVVE units. M-H letter/reports are posted on the RVVE owners website <http://eaglecrestowners.com/hoas/rvve/>. The need to replace the decks is because of their age, not because of their design.

39. Some unit railings are consistent with current code; however, the majority are not. If the board would like to save existing railing that is up to code, how does this impact the cost of the project, plans/mounting and attaching railings (assuming the existing railing will have a different mechanism to attach) and consistency/aesthetics.

A: Existing railings that do not meet current code will be replaced. ECPM will survey all units and determine which units have railings that meet the requirements of the current code. ECPM will provide the Board with recommendations for minor retrofits if required to allow existing railings to be reused.

Miscellaneous Questions:

40. May I receive a paper ballot for voting rather than doing on-line voting?

A: Currently the Board has elected to move forward with a paper ballot process for the upcoming vote. This will be sent out and processed similarly to your neighborhood's annual voting process.

41. Is the EC Management Online Portal just for additional information?

A: The ECM AppFolio portal offers information related to the project and a method to pay your dues online if that were an option you would like. It is not required. In addition to the online portal, the

information can also be found on the owner's website as well –
<http://eaglecrestowners.com/hoas/rvve/>

42. Why am I not able to deposit my week into an exchange program?

A: Depositing weeks into exchange companies has been temporarily suspended pending the outcome of the vote to proceed with this project. The most utilized exchange companies; RCI and Interval International have been notified of the uncertain scheduling issues surrounding the deck replacement project and until a schedule is completed, they will not be accepting any deposits. The primary reason is that Eagle Crest will not be able to accept any incoming exchanges if that unit's deck is under construction. Once the deck is completed, owner reservations will be able to release those completed units to be able to exchange again.

Statements from meeting participants:

43. I am a fractional owner with my share currently up for sale. Once sold will the new owner be responsible for the remainder of the deck loan project? (Anonymous)

A: I believe the answer is yes.

44. Who actually owns the decks and decking, the owners or EC? (Tim Gresham)

A: The owners. The Association is responsible for maintaining the Areas of Common Responsibility which the decking, railing and deck substructure fall under.

45. Would 100% of the \$188K+ be distributed to owners without any cut taken from the settlement? (Mark and Karen Plucinski)

A: The Trex settlement provided \$187K roughly in material and \$6,000 as a check. The cash was deposited in the association's operating fund upon a HOA vote. The board will evaluate how the material, and or, sale of the material would be distributed.

46. My understanding is that the settlement does not defray the cost of the deck replacement? (Mark and Karen Plucinski)

A: We just answered that.

47. How are we going to get to know our neighbors when we cannot get email addresses, even after requesting them from the board several times in 2024 to begin talking about this board project? (Anonymous)

A: I have talked with Tori Swearingen and asked the question. If within your own unit, she can send that information out to you. Now, if you are talking about other unit's information Marrisona, that part I don't know.

We've talked about this at the Board level in terms of ECM's ability to share contact information. We've had some associations allow the sharing of contact information; and while honestly think it's really a question for legal counsel as to what information can be shared with a group, in terms of outside of your fractional Co-ownership group.

48. The loan for my unit over the duration would be around \$80K. (Tyler Gaughan)

A: That must include the interest.

49. Many of the questions are repetitive, can we send answers out later? We need to move on.

50. The costs are absurd. Our deck is one of the larger decks that could cost \$42K plus \$12K for the skirting. This bid should be around \$22-\$25K.

A: Well, I can tell you that my deck at home is half the size, that we just replaced this spring. Our costs were well over \$25K—again for a deck half of the size.

51. So, to confirm, after a survey of only 12 decks it was determined that all of the decks need to be replaced?

A: The answer is yes. 12 was deemed a representative sample by the engineer, and because of the conditions that were found for all 12 were pretty similar. That was stated, or extrapolated, if you will, that says if all 12 of the representative samples yield the same results that would lead us to believe that all 47 would be the same.

52. You guys have done a great job of answering all of the questions, we should move on. (Shari Morrelli)

53. Will new decks increase our tax base to the county? The cost to value of this is upside down. (Ronald Kurtz)

A: The deck replacement project does not increase or change anything. We're just replacing. So, I don't think it will increase your tax base. Changes to the real market value of your unit could increase or decrease due to market factors other than the deck replacement.

54. Is the replacement Trex decking the same finish as what we have now? (Joel Huffman)

A: Very similar.

55. Are the party walls going to be replaced or rebuilt? (Joel Huffman)

A: For the unified deck structure, they are going to be retained. There is a methodology determined between S&P and Keeton-King where they would be able to temporarily support the existing party walls, while the decks are constructed as unified, and then reset.

56. Is Worldmark participating in the project cost? If there is a no vote, will those still be rented out by Worldmark? (James Golden)

A: There is only one Worldmark unit within RVVE, and yes, they would be required to participate in the project upon a yes vote.

57. The hot tub for unit 59 is not covered under reserves. This is a special case, as all owners came together to get a special assessment to pay for the tub. A few years ago the more recent owners tried to get the group to unanimously agree to replace the hot tub, but were not able to get everyone on board. I'm hoping that the deck for RV 59 will at least be rebuilt to be able to hold a hot tub in the future, even if the current tub is just removed and not replaced at this time. (Evan Hofeld)

A: Is Unit 59 a 2 or 3 bedroom? The unit being discussed is in the middle of a triplex and is a small deck, and is unique in that it is the only small deck unit with a smaller hot tub.

Request that we table this because a board decision said that all hot tubs on the canyon side will be recessed, and as a result, hot tub platforms, new ones or replacements, will be provided as part of this deck project. Deck size is small, would it allow them to put said hot tub below recess into the deck? If they want one on top of the deck, then we need to go back to S&P about the designs about the heavier loads. We need time to research this a bit.

58. Is there a sense for folks' interest in voting? Yay or nay? What is the voting experience for things like this? My concern is, if the yes vote is required, and if the experience is that there is a low turnout, we, the owners, could be hosed. If there is a large number of non-voters, is there room to hold another vote?

A: I don't know if it would be another vote, or extending the existing one. That's a question I'll have to ask in terms of what the requirements are for a vote of this nature.

59. Would it also require you to extend the closing date with AAB? And what does that cost. (Paul Fujimoto)

A: I don't know that there is an option to extend the closing date with AAB without reentering the origination fee. If we wanted to extend the closing date with AAB, we would likely have to repay the origination fee.

60. We're in RV 57, and all of the owners paid over \$200 each to rebuild the platform for the sunken spa. We also paid to rebuild the spa. Is that money wasted? It was finished up in February. We haven't been able to use the hot tub for over a year, or that portion of the deck. It's been broken for all of 2024. Eagle Crest personnel that built it, and they used outdoor wood. (Ronald Kurtz)

A: ECPM did get a bid from Keeton-King to come in and get the platform usable enough to support the hot tub to where it can function. Again, not knowing the schedule and how this was going down the line as far as replacement goes, we went forward with the replacement or the repair of that particular platform. But again, it was not designed to the specs of the S&P design, so essentially, they will be needing to replace the platform in its entirety.

61. I understand it's going to be torn down and rebuilt. So that was wasted money that we were forced to pay. (Ronald Kurtz)

A: Kacy Hjeresen: I wouldn't call it wasted, as we did get your hot tub up and running.

ECPM will look at possibility of re-using new wood and do what can be done that could lower the cost.

62. You guys have done a great job of answering the questions. I just wanted to make one comment. I did a little research myself on having our deck replaced, and we're on the canyon side, because our deck is faltering right now, and it's something that needs to be fixed sooner than later. I had 2 companies come out that said that they couldn't do it. I put that out there for those people who think it would might be easy to replace the decks. My understanding is on the canyon side it's very complex, and they declined actually putting out a bid on my deck. So concern is, if there is a no vote, for those of us who do have issues with our decks, how are we going to address those? I at this point don't really have an answer for that. So I just want to make other people aware of that, because my first inclination was to look at it and see what the cost would be to do it on my own, and I haven't been able to determine that. So just a factoid for people to know. So thank you for the time. (Shari Morrelli)

A: That's great information. Thank you.

63. This is a complex project for sure, and I really appreciate everything Paul and folks have done to put this together. I just want to say, I've done many projects. I've done a lot of design myself on my own house and permitting, and it can be a real pain, let alone dealing with upwards of 12 or more owners at the same time, we tried to get just a simple hot tub replacement, and there

were. It's difficult to get everybody on board with the same project, especially when there are costs involved. (Evan Hofeld)

A Thank you very much.

64. My concern is that the decks are not common area, and there's no ability to enter a lien on fees against owners when it's not a common area for the contributions to be imposed. The only time you can make us pay are for our own owners to pay maintenance on our property and I don't think you can get away with this under their bylaws, or the statutes or rules that we haven't enacted. There's a 2009 Oregon case that discusses what a common area is, and unless somebody else's name is on your real estate property, that's not a common area. The common areas are the ones outside of our premises which we own. So I'm concerned how can you put a lien on my property when you don't have a legal right to do so. (James Huffman)

A: I think we need to clarify. This is an area of common responsibility now, which is like your siding and your roof. We took it as part of our HOA to maintain that area. So there's a responsibility right now. The HOA is responsible for keeping, repairing, replacing the deck structure. It's owned by the owners, but as long as it's an area of common responsibility we need to take care of it as an HOA.

Furthermore, the Board sought legal guidance from Michelle DaRosa Attorney at Law, about the Board's authority to make the deck structure part of the Area of Common Responsibility. 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.

The Board's actions are in the best interest of all RVVE owners.

65. No, the CC&Rs say what is the common responsibility areas. That is not the property that you've tried to include. For some reason, and by the way, you folks on the board have a duty of fiduciary responsibility. And if you take away rights of the owners without the right of the owners being protected by you Board, whose duty is to protect our rights, you're personally responsible for that. You want to make our responsibility because of the decks? Guess what your responsibility is to protect our rights, and you're not doing that when you try to take our rights away and make us pay for 3rd parties repairs that we haven't incurred. So, you're going to be responsible personally. I hate the fact that you threatened us with liabilities. You've basically trespassed through our titles, because now you can make it impossible for us to sell our property, because you put on a record that you claim that we are liable for anybody who we sell the property to, and you've just damaged our rights. (James Huffman)

A: The Board never said that you are liable to anybody you sell your property to. As stated in the Explanation of Ballot, it is 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.

66. You're supposed to be on our side, not on some 3rd party's. (James Huffman)

A: The Board is on your side. All Board members are owners. Some members are owners of wholly owned units and others are owners of fractional units.

67. Does Eagle Crest have any full ownerships of the units? Are they going to benefit from this?

(James Huffman)

A: No, Eagle Crest does not benefit. The RVVE owners will benefit because they will get a new deck. Eagle Crest does not own the decks.

68. They get 6% of our dues. And so that's a \$200,000 benefit for the Eagle Crest for the fees that they're going to charge us for a 2 million dollars loan. (James Huffman)

A: We don't know where you get your numbers from. There has been nothing in the notifications for the annual budget that states the Association will pay ECM 6% for this project. It is true that the Association pays Eagle Crest a fee to be our managing agent. The current project budget included in the Explanation of Ballot \$11,000 for Owners Administrative Costs. This is less than 1% of the total project budget. This for ECM's administrative support for the project and will be in addition to the costs the Association pays Eagle Crest for other non-project services and costs.

69. And the lawyer's opinion that you got was bogus, and she defined what was a common area as areas that we have common responsibility for which we don't have any common responsibility for the decks. Owner's responsibility, not the units, not the group's responsibility. It's the individual owners. And so, we have the personal responsibility. My deck was not examined. My deck was not indicated to be a defective deck, and that you're going to make me pay for somebody else's deck. (James Huffman)

A: The Board disagrees. Your 3-minute time allotted has been used up and we need to move on, because we have many people who also want to have an opinion to voice.

70. On Page 9 at the bottom, the owners for 7, 12, and 39. I'm an owner for 12, and thank you for all this information, but I still don't quite understand. Will the hot tub that now sits on top need to go be recessed? And what special do I need to do? Is that going to cost me something, I just don't understand what's special about me. (Kathy Walters)

A: As an explanation. Prior to having your hot tub on top of your deck, it was sitting on a platform below the deck. To provide structure or support for the decking under immediately under the hot tub on top they had to build what I call short crib walls and those crib walls, from what I saw, and I can't speak directly for yours, because I didn't go under the deck for 12, but for the one under 7 it lacked lateral bracing. That raised some concerns because now you have approximately 4,000 pounds of water and potentially people sitting in it, if there was a ground shake from an earthquake, there is a danger that potentially that hot tub plus contents could go down. The deck structure itself doesn't have the bracing required for the horizontal loads that could result from an earthquake. Now for those of you who don't understand or not experienced, when you have something full of water, the sloshing effect of the water inside of the container creates all kinds of other problems.

If the loan is approved and the deck replacement project proceeds, the replacement or the repair of that situation, and remember that all hot tubs henceforth on the canyon side will be recessed, not on top. You get a new platform that is seismically designed, if you will, and you have new deck structure for the new hot tub, so you no longer will have a hot tub sitting on top the deck. It is

included in the cost of your share of the Project budget. So, you'll be making payments over the next 10 years for this work, and nothing on top of that.

Brett Moshofsky: I just want to clarify that there will be a cost. If you're a fractional owner, the Co-Ownership will have to pay the cost to take the new hot tub off, put it back on, and re-hook it up. That's not included in the cost for deck replacement project. We're not privy to what that cost might be. That's an ECM/Co-Ownership discussion with the fractional owners.

Whole owners will have to do the same thing. And whole owners can choose not install a new hot tub to reuse their old hot tub and. Similar to fractional owners, the whole owners will need to pay for removal and reinstall of their old hot tub.

71. Okay, because the statement on page 10 of the explanation of ballot says that we will need to work with ECM to take action to correct the inadequate support. (Kathy Walters)

A: This action is required by the owners of RV 7, RV12, and RV39 only if the loan is not approved. The deck replacement project will correct the problem if the loan is approved.

72. Is it the entire building who have to agree? I'm in 21 does the 2 and 3 bedrooms all have to agree to replacing the deck? (Kristine Smith)

A: If the loan is not approved, does she have to have the other units approve, agree to replace the deck and answer is no. If you choose to do it yourself, and you do only yours and the other 2 or 3 choose not to, then your cost will be higher than what's the estimated cost currently shown.

If yes vote then all buildings get done. If no vote then it is best and lower cost to get agreement with all units in building and preferably use current project design.

73. Just to clarify. Is this a special assessment versus the normal HOA dues? And so that might alleviate some of the prior comments about it being, you know 6% fee that Eagle Crest collects. I don't know is that it's a special assessment outside of the normal. (Evan Hofeld)

A: It is a special assessment that's getting added. It will be a line item on the HOA statement that you'll get quarterly unless you pay principle and opt not to have loan payment.

74. One more thing that I heard, and maybe it would be good to reiterate is that the dividing walls, the short stem walls that divide the 2 decks of the shared deck structure on a 3 unit structure are grandfathered in. I don't know if they would be grandfathered in if the individuals decided to do their own deck replacement is that. (Evan Hofeld)

A: The answer is No. They are grandfathered in, provided that the deck structure is continued to be unified, following the S&P design. To do it independently, and not all at one time, therefore, not a unified structure then the party walls are not grandfathered.

75. Okay. So if the vote is no, the owners would have to redo the decks anyway. But then that wall would have to extend all the way down to the ground and be a firewall. Would it have to go higher? (Evan Hofeld)

A: Yes, it has to go to the height of the roof. It will be substantial. Meeting current code is quite significant. I don't know what the cost will be, but it will much higher than the grandfathered condition.

76. I have some more questions on RV 59, or maybe to throw that out there that owners to consider, maybe not replacing the tub, that that might be a reality, especially if it has to be recessed. And it's such a small deck. Anyway, I don't know if that makes sense to have this hole in the deck.
(Evan Hofeld)

A: RV 59 has a small deck. Looking at the S&P drawings, the current plan or design for RV 59 does not include provisions for a hot tub. There is no hole in the deck nor a platform below to support a recessed hot tub. Additionally cost to provide a platform for a recessed hot tub will be borne by owners. All hot tubs on the large decks on canyon side are recessed so the deck structure is not designed for hot tubs on top of the deck. Only large decks have been designed for hot tubs.

I think your idea of taking the hot tub off and don't put it on is one option. I would think the owners would want to consider.

77. Is this vote on a building-by-building basis, or all the buildings at one time? I'm guessing that means the whole Association.

A: This is for the approval of a loan. It's all owners for all 47 units.

78. Thank you for the meeting. It was very helpful.

79. What's the deadline to vote.

A: The deadline will be included in the ballot as of right now the board has looked at the end of January.

80. Are there marketing plans in mind to generate votes for those who are visiting Eagle Crest between now and the vote.

A: You can fax it. You can drop it off at our office. You can take a picture of it and email it to us. There are a lot of different ways to get that paper ballot to us. As far as marketing plans and strategies, we will be communicating often and sending reminders out often regarding the vote.

81. Will there be handouts about the vote during check-in?

A: That's something we can certainly look into. I think that's a little bit more coordination with the front desk and making sure that it. This is going to Riverview Vista fractional owners that are checking into their own unit. Versus, you know, a guest of theirs checking in. But we will certainly be getting this the ballot information out to everyone. The explanation of the ballot and the ballot information has been sent out.

82. So, a no vote eliminates our ability to exchange or rent?

A: The answer is yes. You can rent it yourself, but you accept all responsibility. It precludes you from putting it in the Eagle Crest rental pool. Exchanges will resume with yes vote and scheduling has been planned. With no vote, it will resume when decks are repaired/replaced comparable to S&P design.

83. Appreciate all the work that you guys have been doing. I know it's been a task, speaking a little bit from experience. Couple of little questions here. Let's say the vote comes in, but it's like a 60, 40 ratio. Has the board considered then taking the 40% that voted for. Yes, and proceeding with those. (Ernie Taylor)

A: Well, we've had discussion with Arron about individual projects rather than all 18 buildings or 47 units and while he hasn't definitively given us an answer, I interpret his thought process to say ECPM might be willing to do 18 separate projects. All of the units within the building have to agree.

Now, whether they happen sequentially or hit and miss over the course of the year, that's probably part of why his inability or unwillingness to definitively give us an answer. But at most ECPM might be willing to do 18 separate projects, not 47. All owners in building will have to say yes. If 1 of units in building says no, then each unit will have to go find their own contractor as well as hire another designer to deal with independent deck structures and party walls.

84. Next one is probably more for Marrison or ECM. Is there any reason why a non-vote could not mean yes, simply because of the liability of the HOA, the fact that the Board had voted and accepted the liability for the substructure. And now, speaking for fractional units if the decks aren't brought up to standard, they are not going to be able to exchange with RCI and interval international. So that's poses a lot of problems for particularly fractional owners. (Ernie Taylor)

A: Right, Ernie, and you know honestly, I don't know that I'm probably equipped to answer that question right now. I think when it comes to voting and you know, different scenarios surrounding the vote. We look to the CC&Rs, and it may be a question to legal counsel as far as the interpretation of the CC&Rs, and how we count votes. We asked Karen Smith, our consultant, who's very knowledgeable and she clearly said a non-vote is the same as a no vote. We can re-look at it, but I don't think it's very likely that. At this point the answer is, we need 236 yes votes period. Unless we change the CC&Rs, which we don't have time for between now and February. If we did change CC&Rs we would like to see require meeting a quorum with a majority in favor

85. Hi, so thank you for all you've done. We are also co-owners in another condo situation that's going through a very similar situation. So my question right now with the fractional units, is that we have units that are already in in exchange with RCI for like through the end of this year? And are those still able to be accepted through RCI, or is that going to be kicked out? Or how does that work. (Karen & Robert Hill)

A: It's my understanding, Karen, that if they have already been accepted with RCI, we'll make every attempt to house the incoming exchange guest and it really becomes a question for our owner reservations team, which I can certainly ask. I certainly don't want to give you wrong information, so I do not believe once they've been accepted by RCI or interval international. They do not get kicked back, is my understanding.

86. You know, we've been at it now for a couple of hours, and Buster and I both want to thank the Board for their work. And this information session. You know it's really very unfortunate that the decks were not recognized 30 years ago to be included in the reserves. I think that is the real, you know, crux of the problem. But that said, we now have decks that are at the end of their useful lifetime, and, more importantly, have been deemed unsafe by the engineers. So we need to address this problem, and we need to move forward. In the long run, it will be more economical to do them now with the S&P Design collectively, and the longer that this goes without resolution, the costs are going to increase, and it also doesn't address the uncertainty. This cloud of uncertainty that especially for fractional owners that we have to deal with. We just encourage everybody to really sit back, take a longer view on this, and again thank the Board for the work you've done. (Buster Davis)

A: Thank you for your comments.

87. I understand it's a total of 236 votes, no matter what building it comes out of it just once it's 200. And is that the number 236? Yes, votes.

A Yes.

88. Because previously unit 21, which is just neighboring building to where I am, I'm in 17, a middle unit, and I have 15 and 19 on either side and she asked a question about whether or not the other for her to be, I guess 23, and 25, voted no, but 21 voted yes, you know. Would she still be able to proceed with the project? And I think you guys said yes, and so that's the reason for my question is that you know, if 15 votes no and 19 votes no. But yet the people in 17 vote yes, we're still going to be able to have our deck replaced. Is that correct? (Joel Huffman)

A: If the loan is not approved, then the answer is no. If you still want to replace your deck, you're going to have to do it on your own.

89. If it's 236 yes votes no matter where it comes from, then the project proceeds? Right? (Joel Huffman)

A: For the Board project to proceed, we need 236 yes votes. All votes are equal, so it doesn't matter what unit they're coming from.

90. I'm happy with what you guys are doing. Thank you. (Joel Huffman)

A Thank you. We appreciate that.

91. I just was trying to respond to the guy in 17, because we are 15 and our friends are in 19. I tried. I did reach out to Tori Swearinger to try and get information on all owners of our 3 units, and she could only give me the information for our unit, which I understand for privacy. So I did try that, thinking that if we could all get on board for all 3 units that would be helpful. But there no way on my end to do it. I did send out a letter to all of our owners, and they all responded very favorably. So I think we've got our owners. And I know we have a couple of owners in 19 because we're friends with them. But so anyway, I just wanted him to know that we did try to reach across the 3 units, and we just couldn't do it. (Karen & Robert Hill)

A: Here's a suggestion for you, since you know some of the owners in the other units, then you can offer up, with a permission of the other owners in your unit. The contact information with the proviso that you want to work together all 3 units, and you want to share information amongst all the owners and see if they will provide you the contact information, because Tori, right now is not able to.

92. I'm wondering if there's a way, and this is a question that we can't answer tonight. But we can look into. I understand about the privacy as well, and I don't want everything out in the world but if it's just a name and an email or some kind of dropbox, something where we can just have. (Denene Holbrook)

A: Well, certainly it's on the list to look into, and I know how important it is to get information amongst the building owners.

93. I just want to clarify, if it's a yes vote, it won't be as critical, because it's going to be coordinated by the project and you won't need to coordinate with your neighbors. If it's a no vote, then it's a nightmare to even think about it. But if it is a no vote, we were going to have to let the owners know who their neighbors are. I don't know how, if it's legal, but I mean we're going to have to fix that. (Brett Moshofsky)

A: We need to come up with a plan or procedure by which there's permission granted from at least one of the owners in all of the units to be the contact point so that the unit owners within a building can start communicating with each other.

94. Following up on the exchange issue. It's currently suspended. If there's a yes vote, how soon will it be resumed? (James Golden)

A: The main concern with exchanges is scheduling and being able to schedule incoming exchanges. So that's something we need to work with RCI on getting a once, and if this gets goes through and is approved, and we've got more of a while. We understand the schedule may change more of a concrete schedule. Understanding we don't have. We don't have places to put people for or for those fractional units. So I don't know.

95. That won't be resumed for your unit until your deck is replaced? (James Golden)

A: It may not be. We certainly would love to work with RCI and interval international to make every accommodation to our fractional owners to get that completed, or get that over the line so you can exchange before as long as we know the schedule. But that'll be up to RCI. And interval international.

96. I guess I'm feeling a little bit trapped, because when we bought in, of course, we didn't realize the difference between the decks and the rest of the things maintenance wise. But that is the situation. And so I'm not interested in nitpicking over legalities. Eagle Crest is offering us a great deal given how things are, and you can't change how things are so given that they're offering us a great deal, and the only rational response is, Yes, thank you. (Kenneth Snyder)

A Thank you Kenneth.

Email from Buster and Susan Davis received after the Townhall meeting:

On Jan 8, 2025, at 6:05 PM, Buster wrote:

We attended the entire webinar last night and participated in the discussion. We want to thank you, the Board, for the information and for your patience with everyone's questions. You clearly did your homework and came prepared! You are all to be commended for your time and effort on this complicated issue.

One issue that was not discussed on last night's webinar was the inability to sell one's share or unit, while this deck situation remains unresolved. Several expressed concern about not being able to exchange their unit with RCI and Interval International.

While this may be inconvenient, there is a much larger and pressing problem that we want to point out. If you want to sell your investment, the unresolved deck issue is a major problem for any potential buyers.

During the webinar, many reported that "their decks were fine and did not need to be replaced." However, we now have a report by a reputable engineering and construction firm that states explicitly and unequivocally that "the decks are at the end of their useful life and need to be replaced as soon as possible." Consequently, this information would need to be disclosed to any potential buyers by the seller. And if the seller chose NOT to disclose, the realtor may disclose for them and/or the seller could become legally liable for non-disclosure of relevant information.

Our lives can change through events beyond our control which means there may come a time, you need to sell your investment. If you are unable to sell, you are still responsible for the quarterly dues even if you can't personally use your unit. If owners do not believe that these unresolved issues have limited the sale of these properties then they should contact Tim Fields at Eagle Crest Properties and ask him for his experience in attempting to sell the units that are currently on the market.

Nobody wanted to be in this current situation but the reality is that we are. Delaying this project by voting NO will only result in more uncertainty and more expense. A NO vote doesn't eliminate the problem, it only eliminates a viable solution to address the problem.

Please feel free to share our thoughts in any way that you deem appropriate and helpful.

Respectfully,
Buster and Susan Davis