

Eagle Crest Master Association
Annual Meeting of Members
September 21, 2019

- DATE & TIME** Pursuant to Section 2, Article II of the Bylaws of the Eagle Crest Master Association, a regular annual meeting of members was held on Saturday, September 21, 2019, at 11:30 a.m., at 7555 Falcon Crest Drive in Redmond, Oregon.
- CALL TO ORDER** Bill Neumann, President, called the meeting to order at 11:30 a.m. Debbie Hahn recorded the minutes on behalf of the Secretary. Bill introduced directors, officers and management staff present at the meeting.
- QUORUM** Bill Neumann confirmed that a quorum was present in person and by proxy.
- MINUTES** Minutes from the annual meeting of members held on September 15, 2018 were available for member review and had also been posted on the owner website. Reading of minutes was waived; a motion was made, seconded and unanimously approved to accept the minutes as written.
- ELECTION OF DIRECTORS** Bill clarified that the ECMA Board consists of three types of directors: Vacation Resort (two Directors), Residential Projects (two Directors) and Commercial Projects (one Director). Bill advised that the term of the Commercial Director, Chris Earnest, and the Residential Project Directors, Hank Cavender and Mike Bessonette, expire this year.
- Karen Smith confirmed that only Residential Project members may vote for Residential Project directors, and that only Commercial Lot owners may vote for the Commercial Project director. Ballots were distributed to the residential project members in attendance who had not already cast a vote in a returned proxy.
- Karen reported that proxy votes along with ballots cast by members in attendance were counted for the Residential Project Directors, results verified, and Mike Bessonette and Hank Cavender were elected to serve two-year terms, expiring in 2021. Karen also advised that Commercial Director, Chris Earnest, was re-elected by proxy vote of Commercial Lots.
- IRS RESOLUTION** Following discussion, and after motion duly made and seconded, the following resolution was passed by a majority of the Association members present at the meeting in person and by proxy:
- RESOLVED, that any excess membership income over membership expenses for the year ended December 31, 2019, shall be applied against the subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604.**
- PRESIDENT'S REPORT** Bill provided a report on the activities of the Association Board during the past year, noting:
- ECMA is responsible for maintaining the roadways and open space common areas, the water and sewer utility systems, the Resort Sports Center, and the pool facility on Redtail Hawk Drive. ECMA owns the golf course but leases it to a golf course operator on a long-term lease, while still controlling the capital improvement decisions and providing input to course maintenance and improvement through its Golf Oversight Committee.
 - The Association Board of Directors meets for regular business on a quarterly basis. The Board has operated for about three years under the Standard Operating Procedures (SOPs) adopted in June 2016. While much of the SOPs confirm the historic way of operating, these policies help standardize Board actions, such as how

meeting agendas are prepared/approved, how authorized signers are reviewed/appointed, approval authority for unbudgeted expenses, and confirming how business is conducted.

- Established in June 2017, the Contracts Management Committee met throughout the year to evaluate the measurable deliverables of annual service contracts over \$10,000. Activity to date included soliciting proposals for landscaping services, which contract (3 yrs.) was awarded by the Board starting January 2017; soliciting proposals for guest/safety services, which contract (3 yrs.) was awarded by the Board starting January 2018; soliciting proposals for pools and spa services, which contract (1 yr.) was awarded by the board in June 2018. Current activity of the committee includes recommendation of vendor evaluation tools and contract renewals for landscaping and pools/spas.

The Joint Use Systems Evaluation Committee (“JUSE”) was established in December 2018 and is responsible to review and recommend policies for guest use and related fees, and to review the system of ownership, use and access to the Sports Centers. JUSE reports to all three parties of the joint use agreement (ECMA, Ridge at Eagle Crest Owners Association, and Eagle Crest Acquisition Group). Being a specific-purpose ad hoc committee, its assignments are expected to be completed in two years. Additional active committees of the Association include:

- Environmental Control Committee
 - Covenants Control Committee
 - Golf Oversight Committee
- ECMA continues to operate the Resort Sports Center in accordance with its lease with the facility owner, the Vacation Resort Owners Association (VROA). All Resort and Ridge owners have access to the Resort Sports Center as well as Ridge and Lakeside Sports Centers per a joint use agreement.
 - The owner of the Resort Sports Center (VROA) has recently completed a remodel of the sports center lobby, an expansion of the bathroom off the lobby, and creation of a family restroom on the lower level. The project was funded by the facility owner’s reserve fund. ECMA pays into that fund on an annual basis. Parking lot enhancements required by Deschutes County as part of the remodel are underway and expected to be complete by the end of September. Winter pickleball play on the indoor tennis courts will begin November 1st, with time allotted on Tuesdays and Saturdays.
 - Besides the golf course, the utility systems are the primary Association asset. Reserve funds are collected for the water system source assets (wells, pumps, control panels) and sewage treatment systems (tanks, pumps, drain field beds). The Association has established a fund to plan for water system infrastructure replacement, e.g. hydrants, valves, distribution lines, and these funds are used to repair water line breaks when they occur.
 - The pump motor for well #2b recently failed and is being replaced under warranty. During the period well #2b is offline, water is supplied from well #4 and if necessary, supplemented with water from the Oregon Water Utilities-Cline Butte system. Capital projects for the Utility included adding remote monitoring for the dosing station (“SCADA”), which was recently completed.
 - ECMA budgets for routine and ongoing ladder fuel reduction work on its common areas and understands the sub-association also have policies for their common areas, or requirements for private properties.

- The common area at the end of Redtail Hawk Drive near the emergency access gate recently was enhanced with more defined trails, and boulders placed to deter cars cutting through the common area. This project was funded from ECMA's operating budget.
- Golf course reserve funded projects included irrigation upgrades, various cart path overlays, and parking lot asphalt seal coat. The river irrigation pump failed this year and was replaced; this was an unplanned expense.
- Reserve funded projects for the Utility included pump column and panel work at well #4, valve and pipe maintenance at the drain field beds, and a flow meter replacement on well #2b.
- Other reserve funded projects included seal coating of Mountain Quail Drive, an overlay of a portion of Falcon Crest Drive, sign replacements throughout the property, and river trail improvements.
- The Board has discussed general parameters and assumptions for the 2020 budget and will adopt a 2020 budget at the quarterly meeting in November.
- The 2018 audited financial reports are available on the owner website at www.eaglecrestowners.com.

RESORT OPERATIONS REPORT

Hannah Henson, HOA Manager with Eagle Crest Management, reported on the following resort operations activities:

- Closure of the outdoor pools during the winter months is planned to continue. The indoor pool at the Ridge Sports Center is available during these winter months.
- The third season of paddleboard rentals and classes were again very popular. Electric scooters have been added as a new item available for rent from the Resort Sports Center.
- The owner of Eagle Crest (KDG) restriped the outdoor tennis courts near the Lakeside Sports Center for pickleball – they are now pickleball only. This has been well received by the very active Eagle Crest pickleball community. Winter season play at the indoor tennis courts at the Resort Sports center is set to occur from November 1st – April 15th, with blocks of time available on Saturdays and Tuesdays.
- The Eagle Crest Golf Course operator has completed these projects this year, or they are currently underway:
 - A new fleet of club car golf carts have been put into service. Each cart is equipped with a USB port as to allow for personal electronic devices and GPS yardage apps.
 - The work on the 18th hole water feature on the Ridge is near completion.
 - Nearly 1/3 of the cart paths on the Ridge have been resurfaced and another 3-4 holes of cart path will be resurfaced this spring. Resort Course paths have sections resurfaced each year.
 - A new piece of turf equipment has been purchased that allows us to avoid the large core removal aerification on any of the Eagle Crest Courses.
 - Four new machines for mowing the greens have been purchased; this will help with the quality of cut and enhance the putting surfaces as well.
 - Fountains have been added to most of the Ridge and Challenge Course water features.

- The Greenside Café will undergo a full renovation of both the inside space and outside patio area. This work is planned to begin in late-October.
- Remember to visit the website for updates and information about what’s happening on the Resort – www.eaglecrestowners.com.

QUESTIONS & COMMENTS

Bill Neumann opened the floor for questions and comments.

- Karla Beesley, EHOA owner, expressed her dissatisfaction of the \$10 billing fee charged for ECMA invoices to home owners. Cliff George and Bob & Char Brzynski noted they agreed with Karla’s concern. Bill stated this is an annual billing delegation and the concern will be noted.
- Cliff George, EHOA owner, asked if anything could be done about the clouds of dust created by work done at the rock quarry on Cline Falls Road (not part of Eagle Crest). Management will check if there are any County or BLM regulations and report to the Board at an upcoming meeting.
- Al Baker, VROA owner, asked for an update of JUSE committee activities. Mike Bessonette, JUSE member, provided a brief report of current activities.
- In regard to concern about feeding the deer, VROA Director Linda Smith stated VROA felt it would be more appropriate for ECMA to consider implementing a policy regarding feeding the deer, suggesting it could be similar to the policy recently adopted by RECOA. Management will work with ECMA on an educational campaign regarding interacting with local wildlife.

There were no further questions related to Association business that had not previously been addressed.

ADJOURNMENT

There being no further business, the meeting was adjourned.

Secretary to the Association