



OWNERS' ASSOCIATION INC.

January 28, 2022 BOARD OF DIRECTORS' MEETING MINUTES

The Caldera Springs Owners' Association, Inc. (CSOA) Board of Directors' Meeting was called to order by the President, Tom Sidley at 9:03 A.M. at the Lake House in Caldera Springs. Owners were invited to attend in-person and by telephone.

ROLL CALL

Directors Present: Owners Carol Scherman, Vice-President; Tom Sidley, President; Dan Taylor, Director; and Krista Miller, Director and the Golf Course Representative all attended in person; Alan Dinger, Director and President of the Caldera Cabins Owners' Sub-Association; attended telephonically, but did not join until 9:17 A.M.

Other Association Representatives Present: Catherine Smith, CSOA Association Manager.

QUORUM AND PROOF OF NOTICE

Catherine noted that proper notice of the meeting had been sent electronically on January 4, 2022 and again on January 18, 2022. A quorum was present with all five directors present.

OPEN OWNER FORUM

Owners were invited to present their concerns to the Board of Directors in writing prior to the meeting or in-person at the meeting.

Owner, Ralph Anzellotti, brought up a concern with Lot 15, regarding an MLS listing, advertising the property as a timeshare. Per the CC&R's timeshares are not allowed in Caldera Springs. Catherine Smith stated she had brought this issue to the Board earlier this week, and the Board has asked the Association's attorney for a legal opinion, which had not yet been received. Catherine stated she had also spoken with the new owner, Pacaso, which is a business that creates deeded 1/8th fractional ownerships in homes, through an LLC. Pacaso stated that their product is not a timeshare, and that their LLC agreements restrict their 1/8th owners from renting out their ownership. They also noted they have not found a way to advertise these fractional sales on the MLS listing, except as "timeshares". Catherine stated she did not believe the property ownership qualifies as a timeshare, due to the deeded ownership through an LLC. Tom Sidley noted that there are many LLC's that own properties in Caldera Springs, and he had reviewed Pacaso's website and did not believe it was a timeshare either. Catherine stated she would update the Board and Ralph Anzellotti when she received the attorney's opinion on this issue.

There were additional questions about the maintenance of the asphalt pathways, due to the cracks and holes and ice in some areas. Catherine stated the pathways are maintained each year, and the cracks and holes are filled. Krista Miller stated that the holes are often created by the ground squirrels burrowing underneath the pathways, and tree roots often lift and crack the pathways. The pathways will eventually be overlaid with a fresh coat of asphalt in line with the current replacement reserve study. The Board approved removing the snow from the perimeter pathways in 2020 and this has been done in 2021 and will continue to be done in 2022 as well. The Board is considering removing snow from all asphalt pathways next year, but some will require walk behind snow blowers, and the Association will be getting bids for this work for consideration in the 2023 budget.

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There was further discussion about stocking the lake and the fishing guidelines. Dan Taylor stated that the Environmental and Landscape Committee was working on both issues.

CONSENT AGENDA APPROVAL:

Upon a motion duly made by Carol Scherman and seconded by Dan Taylor and unanimously approved, it was:

RESOLVED, to approve the minutes from November 16, 2021 Board of Director's Meeting as presented; to ratify the previous unanimous written consent approval of new Financial Provider contract; to approve the previously discussed Lake Cleaning Contract as presented; and to approve attorney, Kathleen Profitt's review of the governing documents for compliance with Oregon House Bill-HB2534.

ENTRY GATE SYSTEMS UPGRADE

Catherine noted that the three entry gate systems need to be upgraded from hard phone line systems to cellular lines. This will be the same system being installed by the Developer in the Expansion for the new gates. She also noted the software system needs to be upgraded to a Cloud based system, rather than the current system that is on the hard drive in the HOA office.

Upon a motion duly made by Carol Scherman and seconded by Krista Miller and unanimously approved, it was:

RESOLVED, to replace the current hard wired phone lines with cellular lines at each of the entry gates, as presented for \$3,000 from the Replacement Reserve Fund and that management may upgrade the data system to the Cloud based system, not to exceed more than \$1,000 more than the current annual fee.

DISCUSSION OF THE MASTER ASSOCIATION VOTING PERCENTAGES

Tom explained again the issue that existed with the Cabin Sub-Association and Golf Course percentages of the assessments and voting, as was discussed at length at the November 16, 2021 Board meeting (please see approved minutes.) Tom noted that the assessment issue has been resolved through the filing of the Declaration of Annexation, but the voting percentage issue remains unresolved. The assessment payment percentages for the Cabin Sub-Association and Golf Course will decrease as more lots are brought into the Association through the Expansion, but the voting percentages will remain the same, providing more voting percentages than are paid in assessments. The Declarant and association's legal counsels have concurred that there is no way to modify the voting requirements in the Master Association CC&R's without a unanimous vote of the Master Association Membership.

The Board had discussed this issue at the Working Session on January 14, 2022 with their legal counsel who had stated that trying to get 100% of the Association to vote in favor of a change would be an arduous task. There was further discussion by the Board. Krista noted that attempting to make this change was the right thing to do, and she would vote in favor of this change, on behalf of the Golf Course if it were put to a vote. Alan Dinger stated he would vote in favor of this change as well, if it were put to a vote, on behalf of the Cabin Sub-Association.

The Association's attorney had suggested the Board survey the ownership to see if the owners would support this type of change, and be willing to vote, prior to investing thousands of dollars in the legal fees that would be necessary to amend the CC&R's. Even though 100% of the Association must vote in favor, there was strong interest in moving forward with the survey. It was also noted that a grass roots effort (possibly an Ad-HOC Committee) would likely have to be put in place, to reach out to every owner in Caldera Springs. There were further questions raised and addressed by the ownership and the issue of properties changing hands during the voting time and the new owners being annexed in needing to approve as well.

Upon a motion duly made by Tom Sidley and seconded by Carol Scherman and unanimously approved, it was:

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RESOLVED, that management would work with the Association's attorney to create a survey questionnaire that would explain the voting issue to the owners and ascertain if 100% of the Association would support this type of amendment to the CC&R's. The attorney fees for the creation of the survey are not to exceed \$1,000.

2022 REVISED LATE ASSESSMENT POLICY

Upon a motion duly made by Krista Miller and seconded by Carol Scherman and unanimously approved, it was:

RESOLVED, that the Revised Late Assessment Policy is approved as presented. (Attached to these minutes as Exhibit A.)

ENVIRONMENTAL AND LANDSCAPING COMMITTEE LETTER TO VACANT LOT OWNERS

Upon a motion duly made by Dan Taylor and seconded by Krista Miller and unanimously approved, it was:

RESOLVED, to approve the recommended Environmental Committee letter to be emailed to vacant lot owners regarding their responsibly to have dead and downed trees and limbs removed from their lots. (Attached to these minutes as Exhibit B.)

FINANCE COMMITTEE RECOMMENDED INVESTMENT POLICY AND STRATEGY AND BANK ACCOUNT STRUCTURE

Treasurer, Randy Smith, then presented to the Board the Finance Committee's recommended investment policy and strategy. Randy noted that the recommendations were based on reviewing the requirements in Oregon State statues and Association's governing documents regarding investments for the Association. Their goal was to recommend a policy that would keep all funds FDIC insured, while increasing the interest rates currently being received through First Interstate Bank.

Randy also presented schematic of a cash account management that recommended segregating refundable construction deposit cash from the operating and working capital checking funds, by opening a separate checking account at First Interstate Bank for this purpose.

The Committee also recommended opening two on-line savings accounts to allow the sweeping of any funds in the operating/working capital checking account into one separate interest-bearing savings account and a second, separate interest-bearing saving account to sweep any construction deposit checking account that exceed the FDIC insurance limit of \$250,000.

It was also recommended that the Board approve and open an investment account with Charles Schwab, for the funds in the Replacement Reserve fund.

Upon a motion duly made by Carol Scherman and seconded by Alan Dinger and unanimously approved, it was:

RESOLVED, to approve the Investment Policy and Strategy and Cash Account Management Plan, recommended by the Finance Committee; to open a second checking account with First Interstate Bank to hold the Association's Construction deposits; and to open two on-line checking accounts to allow the sweeping of any funds back and forth from the Operating/Working Capital Checking account and the Construction Deposit checking account that exceed current FDIC Insurance requirements; and to open an Investment account with Charles Schwab for the Replacement Reserve Funds or Operating Funds that exceed current FDIC Insurance requirements. (Attached to these minutes as Exhibit C.)

Upon a motion duly made by Dan Taylor and seconded by Carol Scherman, and unanimously approved, it was:

RESOLVED, to approve the signatories for the Investment account with Charles Schwab to be President, Tom Sidley; Vice President, Carol Scherman; and Director, Dan Taylor. Further the signatories for the new checking account with First Interstate Bank, President, Tom Sidley; Vice President, Carol Scherman; and Secretary,

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Catherine Smith. Further the signatories for the two new on-line sweep accounts be President, Tom Sidley; Vice President, Carol Scherman; Secretary, Catherine Smith and bookkeeper, Jeri Garner.

2021 SURVEY RESULTS AND 2022 STRATEGIC PLANS

Carol presented the Board's agreed to strategic plans for 2022 to address the responses and recommendations from the owners for the 2021 owner survey. *(Attached to these minutes as Exhibit D.)* These was discussion on the need to remind all owners that all dogs must be on a leash at all times. The requirements from Deschutes County regarding the protection of the wildlife in Caldera Springs must be adhered to by everyone, at all times. The Developer is working on signage throughout the Wildlife Preserve and the Board will add additional signage in the current community to continue to educate the owners. The Board agreed to discuss this at the Annual Meeting. It was agreed that all owners should be ambassadors to protect the wildlife in Caldera Springs.

The Board then reviewed the 2022 meeting calendar and action item lists for the Committee's and Management for 2022. The Annual Meeting date was announced as April 9, 2022 at 9:00 A.M.

There being no further discussion, the meeting was adjourned by President Tom Sidley at 11:15A.M.

Respectfully submitted by Catherine Smith, Secretary

EXHIBIT A to the January 28, 2022 Board Meeting Minutes- Revised Late Assessment Policy



OWNERS' ASSOCIATION INC

CALDERA SPRINGS OWNERS' ASSOCIATION, INC.

LATE ASSESSMENT POLICY

REVISED AS OF JANUARY, 2022

Owners Assessments will be invoiced at the beginning of each quarter for their Quarterly Assessments. The Assessments are due and payable within 30 days of when it was mailed.

If an invoice has not been paid within 30 days a "past due" reminder will be mailed.

If the invoice still has not been paid after 60 days from when the original invoice was mailed, a 1% finance charge will be added to the invoice and an additional "past due" reminder will be mailed stating that "the Association has the right to lien the property if the invoice is not paid immediately".

A 1% finance charge will be added for each additional 30 day period that the invoice has not been paid. Finance charges will only be charged against the Assessment amount on the original invoice.

If the invoice still has not been paid after 90 days from when the original invoice was mailed, a certified registered letter will be mailed. If the invoice has not been paid within 10 days from the date the certified registered letter was mailed, a copy of the correspondences and the current amount that is past due will be sent to an attorney to start the process of filing a lien.

The delinquent Owner will be responsible for all fees associated with filing the lien and any other costs that were incurred by the Association after the certified letter was sent including but not limited to: all attorney fees, filing fees, postage, supplies, HOA administration time or any other person or entity used to assist with

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the collection process. Any time billed to the Association from the manager, attorneys etc. related to filing of the lien or collection of the debt will be charged directly to the delinquent Owner.

In compliance with section 8.2.2 of the CC&R's any property that has a lien imposed shall also cause the Owner to lose their right to use any of the Common Areas and their voting rights shall be suspended until the lien is satisfied and released.

BE IT RESOLVED, this 28th day of January 2022 that the Board of Directors has approved the aforementioned "Late Assessment Policy" and that it will be effective as of this date.

By: _____ Date: _____
Tom Sidley, President

EXHIBIT B to the January 28, 2022 Board Meeting Minutes- Environmental Committee Letter



OWNERS' ASSOCIATION INC

Dear _____

The recently elected Board of Directors for the Caldera Springs Owner's Association has determined that one of the most critical issues for our community to address is the potential fire hazards on **existing** vacant lots. The problematic elements are (but not limited to) dead trees and branches, flammable vegetation (dry grasses and brush), and all forms of Bitterbrush and Manzanita.

The newly created Environmental and Landscape Committee has been tasked to oversee the compliance of this issue of ladder fuel reduction. To that end, the committee members surveyed all the vacant lots and made note of where you, as an owner, are required, under the rules and regulations of the Caldera Owners' Association, to bring your property up to code with regards to wildfire prevention.

All work must be completed before May 1, 2022 (snowfall dependent) to ensure that our community is better prepared come next fire season. Please note that contractors are extremely busy these days, and it would behoove owners to contact them as soon as possible to get on their calendar for spring.

You may perform this work yourself, or utilize one of the owner recommended contractors listed below, noting the Association utilizes Spring River Tree Service to perform work in the Association's common areas. Please ensure anyone doing work on your property provides you a copy of their current liability insurance certificate.

Spring River Tree Service- Phone: (541) 593-8360

Central Oregon Tree Experts- Phone: (541) 480-9488

Focused Service Industries- Phone: (541) 233-4244

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For your edification, attached please find a copy of the Wildfire Management requirements previously established by the Owner's Association.

Thank you for helping us keep Caldera Springs a beautiful, safe and Firewise community.

Sincerely,

The Caldera Springs Environmental and Landscape Committee

WILDFIRE MANAGEMENT

The potential for wildfire is a concern of every Owner and to address this concern Caldera Springs is committed to retaining its status as a Firewise Community (see www.firewise.org). As part of this commitment, all Owners are required to adhere to the following guidelines, as well as other design guidelines found elsewhere in this document that reference Firewise criteria. In addition, Owners must adhere to all applicable laws and regulations related to wildfire management.

Each Owner must establish a fire break on their lot. At a minimum, the perimeter of the fire break shall be at least 30 feet from any structure. If a structure is located within 30 feet of a property line, then that edge of the fire break will end at the property line. The following are guidelines governing fire breaks:

- Trees overhanging structures shall be maintained so they are essentially free of dead material.
- Branches that are located below 6 feet and up to 8 feet above the ground on large existing pines and other highly flammable trees shall be removed.
- Only the branches from the lower one-third of the tree are required to be removed on smaller pines and other highly flammable trees that are less than 20 feet in height.
- All trees shall be maintained so they are substantially free of deadwood. Dead branches shall be removed to a minimum height of 10 feet.
- No trees or vegetation are allowed within 10 feet of chimney or stove outlets.
- Flammable vegetation (dry grasses and brush) should be completely removed within 3 feet of tree drip lines.
- Roofs, gutters and decks must be maintained so they are essentially free of accumulations of pine needles and other debris from June 1st to October 1st.
- Flammable mulches (bark mulch, wood chips, pine needles, etc.), dry grasses or ground cover are not permitted near structures, unless they are placed adjacent to areas of the structure with non-flammable siding.
- Bitterbrush and Manzanita must be removed completely from within the firebreak and from within the drip lines of all evergreen trees on the lot that are outside the firebreak.

The following are guidelines governing wildfire management throughout the lot:

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- Native grasses should not be mowed during the growing season. In order to ensure native grasses do not exceed 4 inches in height between June 1st and October 1st, the native grasses should be mowed in the late spring and they may be mowed again in the fall. Scattered bunchgrasses are exempt from this requirement.
- Chimneys must be equipped with UL or ICBO-approved spark arresters.
- No outdoor wood-burning fire pits will be allowed.
- All exterior vent openings in structures and open spaces under combustible decks (if less than 12 inches clear above the ground) must be shielded with non-combustible, corrosion resistant screening with 1/4 inch maximum clear openings. The underside of decks constructed of wood and greater than 12 inches above the ground must be kept clear of dead vegetative materials and other highly combustible materials.
- Vegetation on the lot shall be developed and maintained by the Owner in accordance with the requirements of other rules established by the Association for compliance with Firewise standards.
- Firewood must be stored in a fully enclosed structure that may be incorporated into a service yard. No firewood or combustible materials may be stored outside of a fully enclosed six-sided structure.

As wildfires can occur at any time, the Developer, the Caldera Springs Owners' Association and its hired consultants shall accept no liability incurred by the incorporation of these elements and requirements into the Owner's design.

EXHIBIT C to the January 28, 2022 Board Meeting Minutes- Investment and Banking policies



OWNERS' ASSOCIATION INC

Board of Director Approved Investment Policy

1. All investments will conform to the requirements of Oregon State law for home owners association's investment of funds. All investments must be fully insured by the FDIC or be obligations of the United States government.
2. Investment expenses should be minimized.
3. Maximizing return is important balanced by managing the interest rate risk and potential principal risk of longer-term investments. Generally, the maximum remaining term on any investment should be five years.
4. Sufficient liquidity (defined as any account or investment with a 13-week maturity or less) must be held by the association to meet current year reserve expenses, taking into account the current cash position plus additional cash to be received during the following 12 months.
5. All bonds must be purchased at par.
6. Investment Policy to be reviewed as necessary.

Board of Director Approved Investment Strategy

1. When "bond" is referenced it will include FDIC insured CDs and US government obligations.
2. A five-year bond ladder strategy with one-year increments will generally be followed to provide interest rate diversity while maximizing returns. The dollar amount on each increment will be driven by the cash needs per the Reserve Study.
3. As bonds mature re-investment will be in five-year bonds subject to the need to fund reserve expenses per the reserve study.
4. Quarterly HOA reserve assessments and investment income will be in short term accounts until the next assessment of the bond ladder.
5. It is recommended that the association use a major investment company to assist in the creation and monitoring of the bond ladder as well as acquiring the bonds that will be in the ladder. Direct Fees to the association should be minimal.



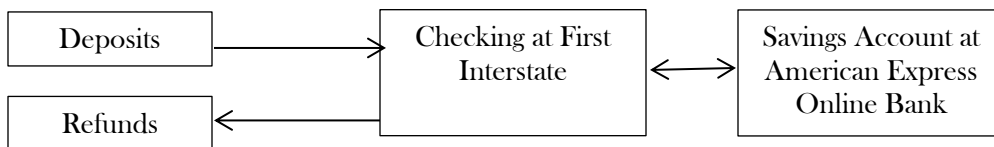
OWNERS' ASSOCIATION INC

Caldera Springs Owners' Association

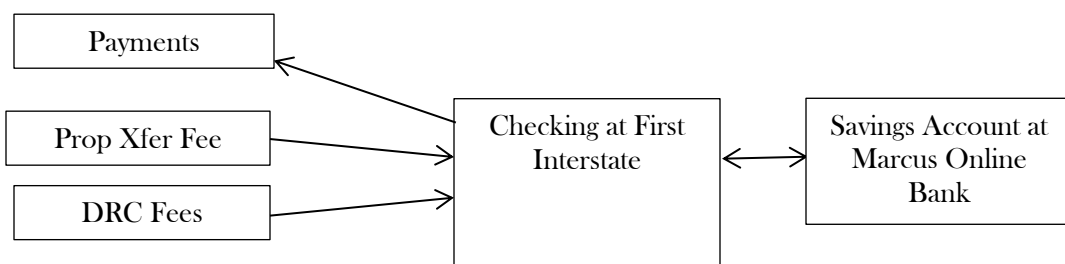
January 28, 2022 Board of Director Approved

Banking Accounts and Management of Cash

Construction Deposit Account



Operating and Working Capital Accounts



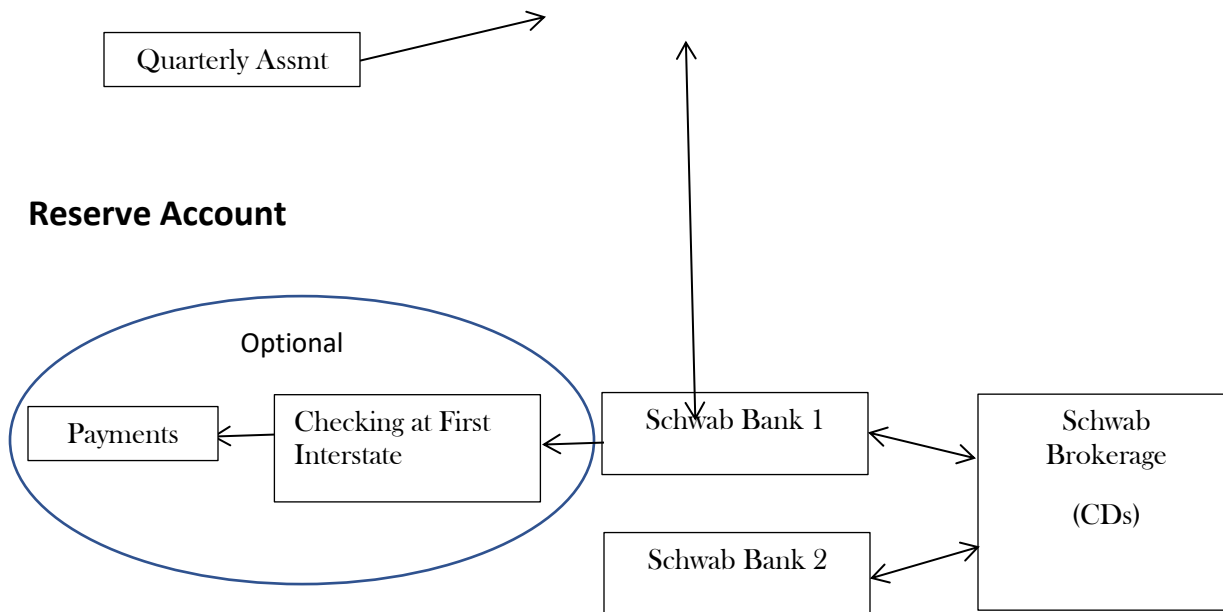


EXHIBIT D to the January 28, 2022 Board Meeting Minutes

2021 Owner Survey Responses

Board Recommended strategies based on the survey for 2022

Many responses from the owners will be addressed with the Expansion. We want to ensure all owners are aware that the Expansion will include:

A new pool and a fitness facility (approximately twice the size of what is available at the Quarry today). These new facilities will be owned by Sunriver Resort, but will be available to all Caldera Springs owners, through the usage agreement that currently allows all owners access to the Golf Course/cruiser bikes and boats for the lakes.

The HOA will eventually own: **Miles of additional soft and hard paths, new tennis courts, dedicated pickle ball courts, a new park, and enclosed dog parks (one for large dogs and one for small dogs.)**

Amenities:

An owner only or adult owner only pool: This was the top priority shared by owners, regarding amenities

For 2022 the board agreed to look into a possible location and costs for this type of facility.

Additional Fitness Facilities: As noted, this will be addressed with the Expansion

A Disc Golf Course: The board agreed to table this for 2022 as the survey results did not result in enough support to pursue this. It may be considered in the future.

Additional Soft and/or hard path surfaces: As noted, this will be addressed with the Expansion

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RV Parking and Storage: The board agreed this was a low priority for the ownership but did instruct management see if there is space available at any of the storage areas at the Business Park that could be utilized for overnight storage (and paid for by the users) for RVs, boats and trailers.

Current Usage Policies:

Special pool hours for owners: The board agreed until the new pool is completed in 2024 that they would open the pool 30 minutes early each day, to allow owners only, to check-in time at the pool, at 9:30AM. This would allow owners to arrive before any other guests to ensure they had seats. "Saving seats" or "reserving seats" for a later arrival would not be allowed.

The Expansion pool will very likely have a quiet deck area; however, the Board did agree in 2022 to look into creating an adult only spa of the upper spa at the Quarry.

Special Court and fitness center hours for owners/ the ability to reserve the tennis courts or pickle ball courts: As noted, this issue should be addressed with the Expansion.

However, in the meantime the board agreed to post signage that the courts are restricted to 2 hours of play, per party. The board is also considering blocking 2 hours each day, for owners only, as there is a group of owners who may want to create a Caldera Owners Pickle ball group. There is more research taking place on this.

Fishing in the Lakes: There have been questions regarding the current rules for fishing in the Lake. The board agreed to task the Environmental and Landscape Committee with reviewing the current rules and current requests and make recommended changes to the board.

Compliance:

The Board discussed that an overwhelming majority of the owners are satisfied with the current compliance in the community. However, the Board is reviewing all policies and working on a fine resolution to address a number of the compliance concerns.

It was discussed that at this time compliance is complaint driven, however, as additional staff is brought on this year additional "pre-emptive" compliance should be better addressed.

The Board agreed they will continue to keep telling the story as to why all dogs are required to be on a leash, which is to protect the wildlife. Caldera Springs is in the middle of a deer and elk migration area. For 2022 the board agreed to install better signage at each point of entry to the pathways. And additional signage will be considered throughout the community to address why wildfire is such a concern for the community. The Developer is currently working on this type of signage in the new Wildlife Forest Preserve.

Security:

It was noted that a majority of the owners are comfortable with the current level of security and the current closed gate schedule. However, with the Expansion, there will be a new contractor and owner only gate at Vandevent Road that will offer an additional layer of secured access. The Board has also agreed to upgrade the gate software at each of the current gates. The Board also discussed placing security cameras at each entrance point. It may be considered in the future.

Owner Social Events:

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The board agreed that social events would be brought back in 2022 as long as state and local mandates regarding COVID-19 requirements are met. It was agreed that large outdoor summer and fall events would be considered, and paid for by the Association, through assessments. Smaller classes where supplies are brought in, would be scheduled, but owners who attend would have to cover the actual costs (as an example- a painting class or a holiday wreath making party might cost \$25 per participant.)