

CALDERA SPRINGS OWNERS' ASSOCIATION
RESOLUTION OF THE BOARD OF DIRECTORS
Establishing a Code of Conduct

At a regular meeting of the Board of Directors (“Board”) of the Caldera Springs Owners’ Association (“Association”), for which homeowners had notice and the opportunity to attend, held on April 9th, 2022, at the time of 11:54 AM, the Board resolved as follows

RECITALS

- A. “Association” is the Caldera Springs Owners’ Association, an Oregon nonprofit corporation established by Articles of Incorporation filed January 31, 2006, in the office of the Secretary of State.
- B. The Association is governed by the following documents, referred to herein as “Governing Documents”:
1. The *Declaration of Protective Covenants, Conditions and Restrictions for Caldera Springs* recorded as Document No. 2006-11383 in the records of Deschutes County Oregon on February 17, 2006.
 2. The *Declaration of Annexation of Real Property to Declaration of Protective Covenants, Conditions, and Restrictions for Caldera Springs*, recorded as Document No. 2006-27330 in the records of Deschutes County, Oregon on April 20, 2006.
 3. The *Declaration of Restrictive Covenant*, recorded as Document No. 2008-04666 in the records of Deschutes County, Oregon on January 31, 2013.
 4. The *Declaration of Annexation of Real Property to Declaration of Protective Covenants, Conditions, and Restrictions for Caldera Springs*, recorded as Document No. 2008-04667 in the records of Deschutes County, Oregon on January 31, 2013.
 5. The *Supplemental Declaration of Protective Covenants, Conditions, and Restrictions for Caldera Springs (Designation of Additional Common Areas)*, recorded as Document No. 2009-4123 in the records of Deschutes County, Oregon on September 25, 2009.
 6. The *Amendment to Declaration of Protective Covenants, Conditions, and Restrictions for Caldera Springs*, recorded as Document No. 2013-041852 in the records of Deschutes County, Oregon on October 4, 2013.
 7. The *Amendment to Declaration of Protective Covenants, Conditions, and Restrictions for Caldera Springs*, recorded as Document No. 2014-43757 in Deschutes County, Oregon on December 31, 2014.
 8. The *Supplemental Declaration of Protective Covenants, Conditions, and Restrictions for Caldera Springs (Caldera Springs Annexation Phase A)*, recorded as Document No. 2022-04870

in the records of Deschutes County, Oregon on February 3, 2022. (Items No. 1 through 7 collectively referred to as “CC&Rs”).

9. *Bylaws of Caldera Springs Owners’ Association*, recorded as Document No. 2006-11384 in the records of Deschutes County, Oregon on February 17, 2006.

10. The various Rules, Regulations, and Policies adopted by the Board.

C. The Association is also governed by the Oregon Planned Community Act (“Act”), ORS 94.550 *et seq.*

D. ORS 94.630(1)(r), Section 3.4 of the CC&RS, and Section 8.1 of the Bylaws vest the Board with all of the powers and duties necessary for the administration of the affairs of the Association.

E. ORS 94.630(1)(a), Section 3.3.4 of the CC&Rs, and Section 8.1(a) of the Bylaws empower the Board to adopt Rules and Regulations.

F. The Board seeks through the establishment of a code of conduct for the community to:

1. Ensure that the Association fosters efficient, productive, and professional Board and Association meetings;
2. Ensure that the Board, Officers, and committee members maintain a high standard of ethical conduct in the performance of Association business;
3. Ensure quiet use and enjoyment for all Owners and residents; and
4. Prescribe enforcement procedures that are applicable to all members.

G. A copy of this proposed resolution was provided to all owners, in advance of the Board meeting held on April 9th 2022 where this resolution was adopted, in accordance with Bylaws Article XVI.

RESOLUTION

NOW, THEREFORE, IT IS RESOLVED that in an effort to allow for more efficient and productive meetings, professionalism in carrying out the Association’s business, and to promote civility between all residents, the Board adopts the following rules for the conduct of Owners, residents, guests, and all persons using the Property in any manner. These rules are intended to facilitate the Board’s administration of meetings, set forth certain Director, Officer, committee member, Owner, and resident protocol, and advise persons who wish to attend meetings of acceptable meeting behavior, as well as the overall expected conduct of residents in the community.

I. BOARD OF DIRECTORS: RESPONSIBILITIES AND CONDUCT

A. BOARD RESPONSIBILITIES

Association Directors are generally responsible for enforcing the Association’s Governing Documents, collecting, and maintaining the Association’s financial resources, insuring the Association’s assets against loss, and keeping the Common Areas maintained and in a state of good repair. In carrying out these responsibilities, Directors must use their best efforts to:

1. Regularly attend Board meetings.
2. Review material provided in preparation for Board meetings.
3. Review the Association's financial reports.
4. Make reasonable inquiry on matters on the agenda before making decisions.

B. BOARD MEMBER CONDUCT

Each Director must conduct himself or herself in dealings with third parties, in good faith, and in the best interests of the Association. Directors must safeguard and keep confidential information they receive in executive session, and other proprietary or confidential information that belongs to the Association and that they receive through their role as Association Directors.

1. **Fiduciary.** Directors shall recognize their fiduciary obligation to act on behalf of all members of the Association. They shall act only in the best interests of the Association. They shall use sound business judgment in all decision making and shall comply with the Association's governing documents and applicable law. Directors will not make any contributions to any political parties or political candidates by the Association.

2. **Private Gain; Self-dealing.** Directors shall not self-deal or act for their own private gain in serving on the Board. Private gain and self-dealing occurs when Directors make decisions that materially benefit themselves, spouses, friends, relations, or anyone who shares a personal or financial interest with the Director, at the expense of the Association. Such benefits may include money, privileges, special benefits, overlooking delinquency or violations of the Governing Documents, gifts, or any other item of value. Accordingly, no Director shall:

- a. Solicit or receive any compensation for serving on the Board or any committee.
- b. Negotiate or provide instructions to, or contract with vendors without prior Board approval.
- c. Solicit or receive, directly or indirectly, any material gift, gratuity, favor, entertainment, loan, or any other thing of value for themselves or their friends or relations: (1) with the intent of influencing a decision or action on any official matter; or (2) from a person or company who is seeking a business or financial relationship with the Association.
- d. Promise anything not approved by the Board to any subcontractor, supplier, or contractor during negotiations.
- e. Seek or obtain preferential treatment for themselves or their relatives, use the Association property, services, equipment, or business for their own benefit in any material respect except as is provided to all Owners of the Association.

3. **Confidential Information.** Directors are responsible for protecting the Association's confidential information. As such, they may not use confidential information for their personal benefit or that of their friends or relatives. Directors shall not share any confidential information obtained as a Board

member with any non-Board members or third parties (other than agents, representatives, or employees of the Association who also are bound to maintain the confidentiality of the information received).

Confidential information includes, without limitation:

- a. Private or personal information about any Association Owner or resident.
- b. Private or personal information about any of the Association employees.
- c. Disciplinary actions against Association Owners, except only such generalized summaries of information reported in open Board meetings that do not reveal the specific identities and facts in dispute.
- d. Information about any Owner's delinquent assessment account, except only such generalized summaries of information reported in open Board meetings that do not reveal the specific identities and facts in dispute.
- e. Legal matters in which the Association is or may be involved. Directors may not discuss the merits of pending legal matters in which the Association is involved, with persons not on the Board. Failure to follow these requirements may constitute a breach of the attorney-client privilege and may result in the loss of confidentiality in the information released.

4. **Accuracy of Information.** All Association data, records, and reports conveyed must be accurate and truthful, in all material respects, and prepared in a proper manner. No Director shall knowingly misrepresent facts when acting as an agent of the Association or the Board, including to Owners, residents, vendors, contractors, suppliers, other agents of the Association, or members of the public.

5. **Interaction with Vendors and Management.** To ensure efficient management operations, avoid conflicting instructions from the Board to management and avoid potential liability, Directors shall observe the following guidelines:

- a. The Board president shall serve as liaison between the Board and management and provide direction on day-to-day matters including but not limited to determining items to be on the agenda for upcoming meetings. The Board president may delegate certain areas of responsibility to certain Directors who then become the liaison with management in those delegated areas of responsibility.
- b. Directors may not give direction to management, employees, or vendors unless acting as an authorized Officer of the Board within the scope such Officer's authority and duty, or unless otherwise expressly authorized by the Board or these rules to do so.
- c. No Director may interfere with the conduct of the Board during meetings or at any time management or a designated Board member is carrying out the decisions of the Board.
- d. Directors are prohibited from harassing, threatening or intimidating managing agents, employees, vendors, Directors, Officers, committee members, Owners, and residents whether orally, in writing, physically, or otherwise.

- e. No Director shall interfere with a contractor engaged by the Association while a contract is in progress or being negotiated by another Board member or duly authorized agent of the Association. All communications with Association contractors shall be in accordance with Association policies and practices.

6. **Professional Behavior.** Directors are obligated to act with proper decorum during Board meetings or at any time they are carrying out the business of the Association, and shall observe the following guidelines:

- a. Although a Director may disagree with the opinions of others on the Board, or with the vote of the majority, they must treat all Board members with respect, be sensitive to individual differences, respectful of dissenting opinions, and carry out the decision of the Board as voted by the majority. Directors shall act in accordance with Board decisions and shall not act unilaterally or contrary to the Board's decisions.
- b. Directors are expected to conduct themselves with courtesy toward each other, and toward managing agents, vendors, and Association Owners and residents.
- c. Language and decorum in communications when acting as a Board member or as an agent of the Association shall be kept professional and respectful. Personal attacks, threats, harassment, or defaming comments against Owners, residents, managers, service providers, contractors, subcontractors, Officers, and Directors, or anyone else when a Director is communicating in his/her role as an agent of the Association are prohibited and are not consistent with the best interests of the community.
- d. Each Director shall promptly disclose to the Board any conflict of interest or perceived conflict as soon as one arises and shall refrain or abstain from voting on any issues that will result in a personal economic benefit beyond any benefit that would generally accrue to all Owners and residents of the Association.

II. NON-BOARD MEMBER OFFICERS AND COMMITTEE MEMBER CONDUCT

A. OFFICER AND COMMITTEE MEMBER RESPONSIBILITIES

Committee members, except the Design Review Committee ("DRC"), and non-Board member Officers serve at the pleasure of the Board. Officers and committee members shall limit their actions to those expressly authorized by the president and the Board, and as identified in the authorizing resolution or charter establishing the committee and the Association's Governing Documents. In carrying out their responsibilities, Officers and committee members must use their best efforts to:

- 1. Read and seek to apply the Declaration and Bylaws.
- 2. Conform their actions to those authorized by the president, Board, and the Association's Governing Documents.
- 3. Fulfill duties as assigned.

B. OFFICER AND COMMITTEE MEMBER CONDUCT

1. **Private Gain; Self-dealing.** Officers and Committee members shall not self-deal or act for their own private gain in serving the Board. Accordingly, no Officer or committee member shall:

- a. Solicit or receive any compensation for serving on any committee.
- b. Seek to negotiate, provide instructions to, or contract with vendors without prior Board approval.
- c. Solicit or receive, directly or indirectly, any material gift, gratuity, favor, entertainment, loan, or any other thing of value for themselves or their friends or relations: (1) with the intent of influencing a decision or action on any official matter; or (2) from a person or company who is seeking a business or financial relationship with the Association.
- d. Seek or obtain preferential treatment for themselves or their relatives, use the Association property, services, equipment, or business for their own benefit in any material respect except as is provided to all Owners of the Association.

2. **Confidential Information.** To the extent Officers and committee members have access to confidential information while acting in the course and scope of their duties, Officers and committee members are responsible for protecting the Association's confidential information, particularly regarding individual Owners. As such, they may not use confidential information for their personal benefit or that of their friends or relatives. Officers and committee members shall not share any confidential information obtained as Officers or committee members with any non-Board and non-committee members or third parties (other than agents, representatives, or employees of the Association who also are bound to maintain the confidentiality of the information received).

3. **Accuracy of Information.** All Association data, records, and reports conveyed must be accurate and truthful, in all material respects, and prepared in a proper manner. No Officer or committee member shall knowingly misrepresent facts when acting as an agent of the Association or the Board, including to Owners, residents, vendors, contractors, suppliers, other agents of the Association, or members of the public.

4. **Interaction with Vendors and Management.** To ensure efficient management operations, avoid conflicting instructions to management and avoid potential liability, Officers and committee members shall observe the following guidelines:

- a. Officers and committee members may not give direction to management, employees, or vendors unless acting as expressly authorized by the Board or Chairperson and specifically within their delegated authority and duty.
- b. No Officer or committee member may interfere with the conduct of the Board during meetings or at any time management or a designated Board member is carrying out the decisions of the Board.
- c. Officers and committee members are prohibited from harassing, threatening, or intimidating management, employees, vendors, Directors, Officers, fellow

committee members, and/or Owners, whether orally, in writing, physically, at a close range or distance, or otherwise.

7. Professional Behavior. Officers and committee members are obligated to act with proper decorum during Board meetings or at any time they are carrying out the business of the Association. Although an Officer or committee member may disagree with the opinions of others on the committee or Board, or with the vote of the majority, they must treat all Board and committee members with respect and carry out the decision of the Board as voted by the majority. Officers and committee members shall act in accordance with Board decisions and DRC decisions and shall not act unilaterally or contrary to the Board's decisions or DRC decisions. Further, Officers and committee members are expected to conduct themselves with courtesy toward each other, and toward the Board, Officers, managing agents, vendors, Owners, and residents.

III. OWNERS AND RESIDENTS: RESPONSIBILITIES AND RULES OF CONDUCT

A. OWNER AND RESIDENT RESPONSIBILITIES

Association Owners, residents, and persons using the Property in any manner are responsible generally for abiding by and complying with the Association's Declaration, Bylaws, and rules and regulations.

B. OWNER AND RESIDENT CONDUCT – GENERALLY

1. **Interaction with Each Other.** All Owners and residents are prohibited from harassing, threatening, targeting, or intimidating other Owners, residents, lessees, and tenants, management, employees, vendors, Directors, Officers, and committee members, whether orally, in writing, or physically, at close range or at a distance, including through the transmission of excessive noise or other conduct which unreasonably disturbs residents.

2. **Interaction with Vendors and Management.** To ensure efficient management operations, and to avoid conflicting instructions, Owners and residents shall avoid interfering, delaying, or altering the work being performed by vendors or contractors on behalf of the Association. As such, Owners and residents shall observe the following guidelines:

- a. The Board President shall serve as liaison between the Board and management and provide direction on day-to-day matters including but not limited to determining items to be on the agenda for upcoming meetings.
- b. Owners and residents may not give direction to Association's management, employees, or vendors.
- c. No Owner or resident may interfere with the conduct of management, vendors, or contractors when they are carrying out the decisions of the Board.

3. **Interaction Between Members and Board.** Residents shall voice concerns first to management and then at Board meetings. Direct contact with Board members by phone, text, or email is

discouraged. Members may request communications with management be shared with Board members and get verification of transmission of communication.

C. OWNER AND RESIDENT CONDUCT – BOARD MEETINGS

1. General Board Meetings are open to the Owners and residents to attend, unless the Board is meeting in Executive Session.

2. Owners and residents in attendance are permitted to address the Board only at the designated comment portion of the meeting (“Open Forum”), or unless otherwise permitted by the Chair of the Board meeting, and at no other time. The Board may establish sign-in procedures or other methods for identifying those Owners and residents who wish to be heard. Comments made during Open Forum may be noted in the minutes at the discretion of the Secretary of the Board; however, the minutes will not contain the specific comments.

3. To allow the Board sufficient time to cover the Board meeting agenda items, Owners and residents will be permitted to speak for up to three (3) minutes, unless the Board grants an Owner or resident’s request to speak for a longer period of time, or if extenuating circumstances require a longer period.

4. With limited exception, the Board is generally not permitted to deliberate or take action on any item that is not on the Board meeting agenda. Therefore, the Board will generally not comment upon Open Forum comments or respond to questions raised during the Open Forum, unless deemed reasonable and appropriate under the circumstances and in Board’s sole discretion.

5. Directors, Owners, residents, and any other individuals permitted to attend a Board meeting shall conduct themselves in a respectful, professional manner. Any Owner or resident not in compliance with these rules will be asked to leave the Board meeting and will be escorted out if necessary. The following conduct will not be permitted:

- a. Rude or profane language or personal attacks.
- b. Racial, ethnic, gender, religious, or age-based comment.
- c. Shouting, yelling, screaming, fist pounding, or similar conduct.
- d. Physical threats, including non-verbal communications such as gestures or using body language in such a way as to intimidate.
- e. Interrupting others recognized by the Chair or otherwise permitted to speak.
- f. Any behavior that is intended to or has the effect of interfering with the orderly business of Board meeting.

IV. POLICY AGAINST TAPE RECORDING OR VIDEO TAPING MEETINGS. Board meetings are open to Association Owners and residents. Directors, Officers, Owners, and residents in attendance have the right to speak freely without the fear or intimidation of being recorded without their consent. Further, the Board has the authority to adopt rules regulating conduct of attendees at Board meetings. As

such, it is the policy of this Board that taping or recording of Board or Association meetings by attendees and Directors is prohibited.

V. VIOLATIONS OF CONDUCT RULES

1. Any Director, Officer, committee member, or Owner who violates these rules is subject to discipline including, but not limited to:

- a. Violation by Owner:
 - i. Exclusion or removal from the Board meeting.
 - ii. Fines.
 - iii. Requirement to participate in mediation with involved parties, the cost for which will be split among the participants.
 - iv. Legal action.
 - v. Other appropriate discipline authorized by law or the Governing Documents.

- a. Violation by Officer or committee member:
 - i. Fines.
 - ii. Removal from position.
 - iii. Legal action.

- b. Violation by a Director:
 - i. Censure.
 - ii. Removal as an Officer of the Board.
 - iii. Recall by the membership.
 - iv. Legal action.
 - v. Other appropriate discipline authorized by law or the Governing Documents.

2. Be advised that any action taken by a Board member in violation of these rules may result in a loss of Directors and Officers liability coverage or indemnity for that Director in the event of a claim.

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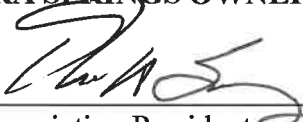
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BE IT FURTHER RESOLVED that the Board directs management to deliver a copy of this executed resolution to all owners in accordance with Bylaws Article XVI. This Resolution will be effective from the date of deliver of the notice, and such notice shall be delivered no later than August 31st.

Dated this 9th day of April, 2022.

CALDERA SPRINGS OWNERS' ASSOCIATION

By: 
Association President

ATTEST: the above Resolution was properly adopted.

By: 
Association Secretary