

November 17, 2023

BOARD OF DIRECTORS' MEETING MINUTES-DRAFT

The Caldera Springs Owners' Association, Inc. (CSOA) Board of Directors' Meeting was held in the Fremont Room at the Sunriver Lodge and called to order by President, Carol Scherman at 11:03 AM. Owners were invited to attend in person and via teleconference.

Roll Call

DIRECTORS & OFFICERS PRESENT: President, Carol Scherman; Vice President, Tom Sidley; Alan Dinger, Caldera Cabins Owners President (Owner, Cabin 19) and Randy Smith, Treasurer, attended in person. Dan Taylor, Director attended via Zoom and Krista Miller, Golf Course Representative, was not in attendance.

OTHER STAFF PRESENT: Catherine Smith, Association Secretary and Caldera Springs Community Manager; and Sybil Amaral, HOA Administrator as Recording Secretary.

Quorum and Notice of Meeting

Catherine stated that Notice of the Meeting had been sent to the ownership on October 20th, 2023 & November 6th, 2023. A quorum was present with 4 Board Members in attendance.

Open Owner's forum

Question/Comment: Are there any plans to put in a berm between the existing area and the new development behind lots 218 to 225 as there is behind lots 135-140?

Answer: No, the berm behind lots 135-140 was agreed to by the Developer during the public process for the approval of the Expansion. There are not any plans that the Board is aware of to add any other berms near the existing area.

Question/Comment: Will the new lakes in the Expansion be available for paddle boards and/or kayaks?

Answer: No, because of the liability concerns and insurance coverages, only Obsidian and Trailmere lakes are available for small watercraft. It was also noted that for the same reason, none of the lakes are available for swimming.

Question/Comment: There are new large concrete blocks installed near the powerlines, is this an indication that the power lines may be buried in the future?

Answer: Burying or moving the power lines would be a decision of Mid-State Electric. Cathy Smith said she does not know which concrete boxes had been installed and she would research this and let the owners know.

Question/Comment: Alan Stout of Lot 33 wanted it to be on the record that he wrote a letter to the Board and Finance Committee concerning the Expansion and its effects on the Phase 1 owners. Alan stated his concerns are that the Expansion should have been a separate Association and not annexed into existing Caldera Springs; that owners in the original Phase of Caldera Springs are now paying for new costs; that the Developer should delay turning over any new common areas until all the Expansion lots have been platted and are paying assessments; and that all owners are going to have to pay additional access fees to use the new Forest House facilities and new pools.

Answer: The Expansion and Annexation were approved by Deschutes County with the appropriate public process for input and in compliance with the Association's CC&R's. The expansion lots are currently off-setting costs to the

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Phase 1 owners, not the other way around. The Amendments to the access fee agreement will be discussed by the Board, later in the meeting.

Question/Comment: The ladder fuel reduction work that was accomplished this year looks really good and the Board was thanked for making this a priority.

Question/Comment: The walking paths along South Century have a few holes in them, from the ground squirrels, that could potentially be dangerous to someone who does not see them.

Answer: The maintenance team can certainly do a temporary fix until the work can be completed by the asphalt contractor.

Question/Comment: Are there any plans to have mailboxes in the community as with the Expansion the Sunriver Post Office may soon be out of boxes.

Answer: There are not any plans to do so, and in prior requests to the US Postal Service, they are unwilling to provide new mail service to cluster boxes. Based on Cathy's prior experience, the cluster mailboxes in Crosswater have not worked well due to the high number of part-time owners.

Question/Comment: Is there any plan for signage on the road heading into the expansion where the bike path crosses Trailmere? It is a safety concern as it is difficult to see bikes and pedestrians coming from on the path. Harper Road and the bike path there, should also be considered for signage.

Answer: It will be looked at. Signs can for sure be put in along the pathways.

Question/Comment: How is the electric bike policy going to be enforced? There should be signage up for renters who are not aware of the policy.

Answer: Signage is definitely being considered. Enforcement is always the most difficult part of policies; this year Patrol Services started stopping people driving golf carts on asphalt pathways and motorized bikes on the soft trails. Patrol Services has also been informing people of the required leash law and lake rules.

Approval of Board Meeting Minutes from September 22, 2023 Meeting

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

RESOLVED, that the meeting minutes from September 22, 2023 are accepted as presented.

Approval of the Snow Removal Contracts with Rexius and Kevin Smalling Construction

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

RESOLVED, that the 2023-2024 snow removal contracts are approved as presented.

Approval of the Rules regarding Overnight Lodging Units

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

RESOLVED, that the final draft of the rules regarding overnight lodging units, is approved as presented.

Cathy Smith noted that the policy will be placed on the website and sent to each owner of an Overnight Lodging Unit.

Approval of the Revised Collection Policy; the Pathway and the Holiday Lighting/Flag Display Policies

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

RESOLVED, that the Revised Collection Policy; and the new Pathway and Holiday Lighting/Flag Policies are approved as presented.

Cathy Smith noted that each of the approved policies were sent to all owners, prior to this meeting.

Discussion and Approval of the amended terms to the Owner Access Agreement between Caldera Springs Real Estate and the Caldera Springs Owners Association regarding the new Forest House and other facilities

Vice President Tom Sidley presented a summary of the terms that were discussed in two separate meetings held in October with Tom Sidley, Randy Smith, Treasurer, and Krista Miller, representative for Caldera Springs Real Estate. In these meetings the parties outlined their objectives and terms under which Caldera Springs Owners and their Guests would have access to the new Forest House Facility. These terms were presented separately to the Board Members following and then discussed extensively at the November 3rd Board Working Session.

Summary of Principal Terms Discussed (Full Terms are attached as Exhibit A)

CSRE Owned Amenities Subject to Access Agreement

1. Lake House – comprised of a restaurant, bar, meeting space, and outdoor seating areas.
2. Lake House Recreation – comprised of canoes, paddleboards, kayaks, and bikes.
3. Caldera Links – comprised of a nine-hole short course golf facility, three golf practice holes and putting green.
4. Forest House – comprised of a fitness center, locker rooms, family game room, seasonal outdoor pools, spas and water slide, and seasonal café.

Annual Payment

The current access cost per lot from 2023 will rise 3% from \$802 per year today, to \$826 in January. In June 2024, or as soon as the new facilities are opened, the annual fee will increase by \$500 per lot, per year, prorated to the opening. The net increase for 2024 will be \$318 per lot.

The full \$500 increase starting in 2025 will include the annual \$500 increase for each lot, or \$1,300 per lot plus any additional 3%-6% increase. As in the current agreement there will be the same collar on the annual increase of the access fee with a floor of 3% and a ceiling of 6%.

The access fee will be on a per lot basis and will initially include the current 533 lots. As additional lots are platted and subject to Association assessments, they will be subject to the access fee. The access fee will only apply to platted lots. CSRE carries the risk on when additional lots may be added.

Facility Access

Association issued photo ID Owner cards are required for Association Members access and use of Caldera facilities. The Association will issue a maximum of eight (8) ID cards per lot per the Owner Card Policy adopted by the Board and effective February 24, 2023

Guest Passes

1. 20 Quarry Passes distributed by CSOA; additional Quarry Passes to be sold directly by the Association.
2. 20 Forest House Passes and 20 Golf Passes distributed by CSRE; additional Forest House Passes and additional Golf Passes sold directly by CSRE.
3. Owners do not need to accompany their guests to the Association owned facilities but will need to accompany their guests to the CSRE owned amenities.
4. The current rental ID card policy will continue to apply and all rental units, including all OLU's, will be required to purchase rental ID cards. The Association will manage the issuance of all rental ID cards

Following the presentation, several owners had questions and concerns that were addressed by the Board.

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

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RESOLVED, that the Amendments to the Owner Access Agreement as presented in the Term Sheet with Caldera Springs Real Estate is approved as presented.

Approval of the Sale of Vehicles and Large Equipment to Sunriver Resort, L.P.

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

RESOLVED, that the sale of the Toyota Tacoma Truck with the small plow, the Kubota with the Buffalo Blower, and the pressure washer and walk behind snow blower for \$48,770 to Sunriver Resort L.P. is approved and the funds will be used to offset the 2024 Reserve funding requirements.

Approval of the 2024 standing Association contracts

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

RESOLVED, that each of the 2024 standing outside contracts are approved as presented.

Approval to move 50% of the Additional 2023 Ladder Fuel Reduction Contract Expenses to the Operating Account from the Working Capital Fund

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

RESOLVED, to move \$34,000 from the funds previously approved from the Working Capital Fund to the Operating fund for the additional 2023 Ladder Fuel Reduction work.

APPROVAL OF THE 2024 RESERVE BUDGET

The final Reserve Budget and Operating Budget were presented to the Board by Treasurer, Randy Smith. Randy went through the major changes for 2024, compared to 2023 noting most of the \$20 per month, per lot increase this year was based on the additional Access fees.

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

RESOLVED, that the 2024 Reserve Budget is approved as presented.

Approval of the 2024 Operating Budget

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

RESOLVED, that the 2024 Operating Budget is approved as presented with assessments of \$350 per month, or \$1,050 per quarter, per lot.

Adjournment

There being no further business to come before the meeting, President Carol Scherman adjourned the meeting at 12:55 PM.

Respectfully Submitted by Catherine Smith, Association Secretary

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Proposed Changes to the Access Agreement to Incorporate the Forest House and Other Resort Owned (“CSRE”) Amenities

CSRE Owned Amenities Subject to Access Agreement

1. Lake House – comprised of a restaurant, bar, meeting space, and outdoor seating areas.
2. Lake House Recreation – comprised of canoes, paddleboards, kayaks, and bikes.
3. Caldera Links – comprised of a nine-hole short course golf facility, three golf practice holes and putting green.
4. Forest House – comprised of a fitness center, locker rooms, family game room, seasonal outdoor pools, spas and water slide, and seasonal café.

CSRE Objectives

1. To provide fair value and a compelling benefit to owners.
2. To provide amenities that increase long-term real estate value and are consistent with Destination Resort requirements and in line with the attractive amenities that Caldera Springs currently provides.
3. To maintain the existing structure for owner access to resort owned amenities.

Annual Payment

In exchange for the use rights and privileges granted under this Agreement, effective as of the date of the Agreement, the Caldera Springs Owners’ Association (“Association”) shall pay to CSRE an annual sum per lot and per OLU lot in Caldera Springs, payable in equal quarterly installments. Thereafter, the annual per lot fee shall increase by an amount set by CSRE, which amount shall not be less than three percent (3%) nor more than six percent (6%) of the prior year’s per lot payment.

The current access cost per lot from 2023 will rise 3% from \$802 per year today, to \$826 in January. In June 2024, or as soon as the new facilities are opened, the annual fee will increase by \$500 per lot, per year, prorated to the opening. The net increase for 2024 will be \$318 per lot.

The full \$500 increase starting in 2025 will include the annual \$500 increase for each lot, or \$1,300 per lot plus any additional 3%-6% increase. As in the current agreement there will be the same collar on the annual increase of the access fee with a floor of 3% and a ceiling of 6%.

The access fee will be on a per lot basis and will initially include the current 533 lots. As additional lots are platted and subject to Association assessments, they will be subject to the access fee. The access fee will only apply to platted lots. CSRE carries the risk on when additional lots may be added.

Facility Access

Association issued photo ID Owner cards are required for Association Members access and use of Caldera facilities. The Association will issue a maximum of eight (8) ID cards per lot per the Owner Card Policy adopted by the Board and effective February 24, 2023 as shown below:

The purpose of Owner Cards is to identify Owners and other individuals at Caldera Springs who are eligible to make use of Caldera Springs Owners Association (CSOA) facilities and privileges

- a) *The Deeded Owner is defined as the Owner of record as described on the deed of record for a property in Caldera Springs.*

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- b) *Household is defined as one or more individuals living together, sharing household responsibilities and activities which may include sharing expenses, etc.*
- c) *A maximum of (8) eight photo ID Owner Cards may be issued per lot for deeded Owners and their Household members.*
- d) *Properties with multiple deeded Owners that would exceed the eight-card limit, may purchase rental home cards, but such rental home card users will only have privileges allowed for rental guests and will not have privileges allowed for rental guests and will not have full Owner privileges.*
- e) *Card holders must have an active card and must present that card to use CSOA facilities.*
- f) *Abuse of the facilities, neglect of the community rules and/or unpaid assessments carry the possibility of having use privileges revoked by the Association.*

2024 Guest Pass Policy

1. 20 Quarry Passes distributed by CSOA; additional Quarry Passes to be sold directly by the Association.
2. 20 Forest House Passes and 20 Golf Passes distributed by CSRE; additional Forest House Passes and additional Golf Passes sold directly by CSRE.
3. Owners do not need to accompany their guests to the Association owned facilities but will need to accompany their guests to the CSRE owned amenities.
4. The current rental ID card policy will continue to apply and all rental units, including all OLUs, will be required to purchase rental ID cards. The Association will manage the issuance of all rental ID cards. CSRE has requested that homes on the Sunriver Resort Rental Property management program be issued a rental ID card with a different background so that those renters can be identified for access to both Association and CSRE owned amenities. CSRE will provide this card stock.

Additional Terms

1. CSRE hereby grants an easement to the Association to permit Association Members in good standing to access the Forest House Facilities in accordance with this Agreement. The easement may not be used by any Association Member whose rights to use the Forest House facilities hereunder have been suspended or terminated.
2. Current and future members of the Association shall have the following non-exclusive rights to use the Forest House Facilities: The right to use the fitness center, locker rooms, family game room, seasonal outdoor pools, spas and water slide, and seasonal café, subjects to such rules and regulations as CSRE may establish from time to time. Such use shall be without obligation to pay membership dues or facility access fees. CSRE shall have the right to reserve the Forest House facilities for the exclusive use of CSRE provided that such use shall be limited to a maximum of eight (8) events per year.
3. The Association will be provided the ability to host up to 8 events at the Lake House per year.

Economic, Structural and Market Comparison

CSRE has established access fees that are set to provide very attractive value to the Association's owners and only represent a small portion of the actual operating costs of the CSRE facilities. Forest House is estimated to have annual operating costs at opening of between \$1.3MM and \$1.5MM. The increase in access fees of \$318 per lot in

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2024 (\$169,494 in total) covers between 18%-20% of anticipated operating costs. All of the capital costs associated with Forest House, which total approximately \$23,000,000, are funded by CSRE.

The access agreement is between CSRE and the Association and covers all platted lots within the community. There is no optionality to participate or not. Destination Resorts are required by law to provide certain amenities. Destination Resort communities can structure amenity ownership and access in a variety of ways. The Caldera Springs amenity model is a combination of Owners' Association owned amenities and CSRE owned amenities with an access agreement for use. In some communities, the Owners' Association owns all the amenities and is responsible for the full financial burden of maintenance and operation. Another common model is for the Resort to own all the amenities and the governing documents of the community to require membership with the purchase of a lot or home. This is typically structured to include a large initiation fee and then recurring membership dues.

	Brasada	Broken Top	Pronghorn	Tetherow
Initiation Fees	\$40,000 Non-refundable golf/athletic initiation fee	\$40,000 Non-refundable golf fee \$2,000 Sports Complimentary Social Membership	\$115,000 Premier Golf \$115,000 Premier Sports	Golf - \$40,000 Social - \$9,000
Monthly Dues	Golf - \$780 Athletic - \$265	\$690 Premier Golf \$220 Sports	\$1016 Premier Golf \$532 Premier Sports	Golf - \$624 Social - \$249