



ANNUAL BOARD OF DIRECTORS MEETING

DECEMBER 4, 2020 MINUTES

The Caldera Springs Owners' Association, Inc. (CSOA) Board of Directors Meeting was called to order by President Thomas Samwel from the Heritage Room at the Sunriver Resort's Great Hall at 10:05 AM.

In accordance with state and local guidelines due to COVID-19, the Board of Directors Meeting was held remotely using ZOOM meeting. All Owners joined via a video conference.

ROLL CALL

Thomas Samwel introduced the Board of Directors present.

Directors and Officers Present: Thomas Samwel, CSOA President and Director of Finance for Sunriver Resort LP; Dan Stockel, CSOA Treasurer and Secretary and Director of Construction and Development for Sunriver Resort LP; and Tom O'Shea CSOA Vice-President and Managing Director of the Sunriver Resort LP.

Others Present: David Madden, current CSOA Manager; Krista Miller, General Manager of Caldera Springs; and Cathy Smith incoming Association Manager.

Owners On Call: Alan Dinger, Alan Stout, Bart Brynestad, Betsy Farhat, Bob Oury, Carol Berg, Ron and Carol Scherman, Clay Johnson, Craig Lewelling, Dan and MaryKay Taylor, Darryl Horowitz, Don Larson, Eric Nelson, Grant Rosenberg, Ralph Anzellotti, Jack Folliard, Jeff Wilson, Jill Abere, Joel Witmer, John Berg, John McQuaig, Joseph Amos, Keith Holt, Kym Lavell, Lawrence Oglesby, Macy Lawrence, Mark Baldwin, Mike Dryden, Bill Roeser, Robert Selley, Scott Reese, Sean Dye, Sharon Hermann, Steve Charles, Steve Runner, Steve Kenney, Amy Gentzkow, Tom Sidley, Vineet Chawla, Wes Perrin, Peter Briner, Tom Carpenter, David and Michelle Fagan, David Richenstein.

QUORUM AND NOTICE OF MEETING

Thomas Samwel noted that proper notice of the meeting had been sent out on November 19, 2020 and there was a quorum with all three directors present.

APPROVAL OF MINUTES

The minutes of the December 30, 2019 CSOA Board of Directors Meeting were offered for consideration.

Upon a motion duly made, seconded and unanimously approved, it was:

RESOLVED, that the minutes from the December 30, 2019 Board of Directors Meeting are accepted as presented.

REPORTS

David Madden reviewed the 2020 financial forecast. Revenue is forecasted to come in at budget. Total operating expenses are forecasted to come in less than 0.5 % of budget.

The association manager noted that there were additional unplanned expenses for tree removal and debris cleanup from a wind/hail storm in the spring. Insurance will cover paint damage to structures, but not cover the trees and debris cleanup. The board would like to use Working Capital to cover the expense.

Upon a motion duly made, seconded and unanimously approved, it was:

RESOLVED, that the Board has authorized the use of Working Capital to cover the expenses from wind-storm cleanup in 2020 for the amount of \$29,875.50.

NEW BUSINESS

ASSESSMENT CALCULATION CHANGE

Krista Miller presented the following information to the Board. When the association created its first budget in 2008 the CC&R's were interpreted to indicate that the Caldera Cabin sub-association was to contribute 10% of expenses and the golf amenity owner was to contribute 5% of expenses to the master association. Historically, the formula to calculate assessments starts with total expenses, then 10% of those expenses are assigned to the sub-association, and 5% of those expenses are assigned to the Golf Amenity owner. The remaining balance minus other revenues then equals Owner Dues.

However, upon further scrutiny of the CC&R's and in consultation with the association's attorney, it has been determined that the CC&R's were originally misinterpreted. Section 2.9 of the CC&Rs state that the sub-association shall pay an amount equal to 10% of the assessment and the Golf Amenity owner shall pay an amount equal to 5% of the assessment. The sub-association and the golf amenity owner have been over funding the master association and the Caldera owners have been under funding the association.

The calculation was corrected for the 2021 budget. The formula to calculate assessments still starts with total expenses which are then reduced by the value of the other revenues to calculate net expenses. The net expenses are then divided 85%/10%/5%. The corrected calculation is reflected in the 2021 budget.

Upon a motion duly made, seconded and unanimously approved, it was:

RESOLVED, that A) The Board agreed to engage outside accounting firm to review assessment calculations from 2008 to 2020. B) The board appoints Krista Miller to be the Board liaison with Caldera Cabins Owners' Sub-Association (CCOA) to develop a reimbursement plan. C) And finally, the Board will utilize Working Capital to fund the reimbursement to CCOA.

2021 BUDGET AND CONTRACT APPROVAL

David Madden presented the 2021 operating budget. This budget incorporates the assessment calculation changes with the Caldera Cabins Sub-Association contributing 10%, Caldera Links contributing 5%, and Caldera Springs homeowners contributing 85% of the assessment. Net expenses will increase 1.9%. There are increases for snow removal to add clearing perimeter paths, and an increase in the cost of insurance.

The 2021 budget reflects a 6.5% dues increase, changing monthly assessments from \$261 per month to an increase of \$278 per month. The budget includes an increase to rental ID cards and design review fee. The rental ID cards fee for

Caldera Springs Owners' Association Board of Directors Meeting December 4, 2020

Page 3 of 4

2021 will be \$225 per card and design review fee will be \$5,500. The Address signs will be \$775. Working capital transfer fee will be \$834.

Upon motion made, duly seconded and unanimously approved, it was:

RESOLVED, that the Board approve the 2021 CSOA Budget as presented with a monthly assessment of \$278.

The Board President was presented with the 2021 contracts for signature. The contracts are aligned with the expenses in the 2021 budget. Of note, there is a new contract for association management and design review committee management with Cathy Smith Consulting, LLC.

Upon a motion duly made, seconded and unanimously approved, it was:

RESOLVED, that the President is authorized to approve all 2021 contracts as long as they are negotiated and in compliance with the approved 2021 Budget as presented.

PROPOSED BYLAWS AMENDMENT

Krista Miller presented the Board with a proposed amendment to Sections 5.1 and 5.3 of the CSOA Bylaws. There was an inconsistency found between the CC&R's and the Bylaws that needs to be corrected. The proposal amends the Bylaws to conform with the CC&Rs.

CSOA Proposed Bylaws Amendment, Section 5

5.1 Number. The affairs of the Association shall be managed by a Board of three (3) Directors prior to the Turnover Meeting and five (5) Directors after the Turnover Meeting. Other than Directors appointed by the Golf Course Class A Member and the Sub-Association Class A Member, the Directors need not be Members of the Association prior to the Turnover Meeting but shall be Members of the Association after the Turnover Meeting.

5.3 Election of Directors. At the Turnover Meeting, the Members shall elect two (2) Directors for a term of two (2) years, and one (1) Director for a term of one (1) year, with each Owner entitled to the votes specified in Article III above. At the Turnover Meeting the Golf Course Class A Member and the Sub-Association Class A Member shall each appoint one (1) Director for terms of two (2) years. Thereafter, at each subsequent annual meeting of the Association, the Golf Course Class A Member and the Sub-Association Class A Member shall each appoint a number of Directors equal to the number whose terms are then expiring, each to serve a term of two (2) years and Members shall elect a number of Directors equal to the number whose terms are then expiring, each to serve a term of two (2) years. Any Director may serve more than one term.

Upon a motion duly made, seconded and unanimously approved, it was:

RESOLVED, to have a vote of the membership, via mail in ballot, to amend the Bylaws to conform to the CC&R's.

BUSINESS CONCLUDES

OPEN DISCUSSION

1. Question: There were a number of questions about the amenities in the phase 2 development of Caldera Springs.
 - o Answer: Owners are encouraged to visit the Expansion Information link on the Caldera Springs website, under About > Owners Association. That link has a map of the conceptual master plan that was approved by Deschutes County and also answer many of the frequently asked questions.
2. Question: What was the process used to select the new management company?

Caldera Springs Owners' Association Board of Directors Meeting December 4, 2020

Page 4 of 4

- Answer: Three local management companies were interviewed for the role. The Board ultimately selected Catherine Smith Consulting, LLC. The Board felt that Cathy was uniquely suited for the position due to her prior involvement with CSOA, her experience in working with Board transitions and her strength in DRC administration. CSOA and CCOA will be Cathy's only clients. All other companies that were interviewed managed a portfolio of accounts in Sunriver and Bend.
- 3. Question: Does the change in management companies impact the budget?
 - Answer: No, there is no significant change in cost to the association.
- 4. Question: What is the role of individual staff next year?
 - Answer: RAMS will continue to provide a variety of services to CSOA. Jessica, Krista, Kelly, John and Chris will remain in their current roles. David has accepted a position at Sunriver Resort and will be transitioning into that new role in mid-January.
- 5. Question: Is there a plan to plow the community walking and biking paths this winter?
 - Answer: Yes, the 2021 budget reflects the cost of adding the paved perimeter path to the snow removal contract and will begin with the next snowfall.
- 6. Question: How much money does CSOA have in the Working Capital fund and the Reserve account?
 - Answer: As of 12/1/20 the Working Capital fund balance is \$192,718 and the Reserve fund balance is \$1,410,704.

ADJOURNMENT

There being no further business to come before the meeting.

Upon motion duly made, seconded and unanimously approved, it was:

RESOLVED, this meeting of the Caldera Springs Owners' Association Board of Directors be and hereby is, adjourned at 10:56 AM.

Respectfully submitted on behalf of Dan Stockel, Secretary

David Madden, Owners' Association Manager