

Articles of Association of  
Klamath Country Estates Road Association

Article I

Section 1. Name

This Association shall be called Klamath Country Estates Road Association.

Section 2. Purpose

The purpose and object of the Association shall be to provide for the operation, repair, rebuilding or rehabilitation of roads, streets and public ways, Klamath Country Estates plat, Klamath County, Oregon, for the benefit of members for the Association who have purchased lots from BLM Services Inc. a California corporation.

Article II

Section 1. Membership

All owners of a parcel of property within the above described development, (Klamath Country Estates), shall automatically become members of this Association. Any person purchasing any parcel within said area under a agreement of sale and/ or land sale contract shall be deemed the owner for said parcel for the purposes hereunder. Joint owners of any lot shall be entitled to one membership.

Article III

Section 1. Dues

There shall be no dues to the membership of the Association.

Section 2. Fees

There shall be an assessment fee of \$50.00 per lot/ per year. The assessment fee will be due on or before November 15th of each year.

A annual meeting of the Association members will be held to determine any new assessment fees for maintenance of said roads, streets and public way in said subdivision. Said maintenance shall include the necessary amounts incurred by officers for insurance, bond premiums, equipment rental, materials and labor required for such operation and maintenance. All such cost shall be determined by three party competitive bidding. BLM Services Inc. or it's successors in interest shall pay a like assessment for each lot remaining unsold in said subdivision, it being the intention that all assessments shall be as uniform as is practicable. At such time as Klamath County, or any other political subdivision of the State of Oregon, shall assume the responsibility for such operation and maintenance, no further assessments shall be made against each lot.

A yearly financial statement will be sent to each member.

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**Section 3. Collection of Fees**

In the event any member including the developer, as to lots owned by it, shall fail to pay his assessments when due and payable, the amount thereof together with interest at the maximum amount permitted by law from such date, and the costs of collection, if any, shall become and constitute a lien against the parcel or parcels owned by said delinquent member. The lien shall attach upon filing a claim of lien in the Office of the County Clerk of Klamath County, Oregon, particularly describing said parcel or parcels and mailing to the delinquent member at his last known address a copy of said claim of lien. Said lien may be foreclosed and the property sold to satisfy said lien in the same manner as is provided for the foreclosure of mechanics liens under the laws of the State of Oregon. If no such claim of lien shall have been filed within said time, or if the claim of lien shall have been filed but no action to enforce such lien shall have been commenced within six (6) months after such filing, then such claim and/ or lien shall be null and void.

**Article IV****Section 1. Annual Meetings**

The annual membership meeting shall be held in June of each year.

**Section 2. Special Meetings**

Special membership meetings shall be called by the Secretary upon resolution of the officers or upon petition of five (5%) percent of the voting members. The petition shall state the purpose of the special meeting and may fix a period of two weeks during which the meeting may be held, provided, however, that the petition be delivered to the Secretary, not less than one week before the designated period.

**Section 3. Quorum**

At any regular or special meeting, other than the organizational meeting, a quorum shall consist of fifty (50%) percent of the membership except that any membership meeting at which a quorum is not present may be adjourned for from seven (7) to fourteen (14) days, and the Secretary of the board will, within three (3) days, give notice to all voting members of the adjourned meeting. At the reconvened meeting, a quorum shall consist of twenty-five (25%) percent of the membership.

**Section 4. Powers of Meetings**

At a membership meeting, declarative resolutions may be adopted and instructions may be issued provided they do not abridge powers, specifically granted by these Articles. At a special membership meeting no business may be transacted other than that stated as the purpose of the meeting without the unanimous consent of the members present.

**Section 5. Voting Rights**

Each member shall be entitled to one vote for each lot owned in person, by mail or by proxy. In instances of joint ownership by individuals, or owned in the name of a partnership or corporation, such entity shall advise the Secretary in writing of the name of the person entitled to vote the membership.

**Section 6. Notice of Meeting**

There shall be not less than ten days written notice given of any meetings of the membership, mailed by regular mail, postage prepaid, to the last known address of each member of the Association, stating the date, time, place and purpose of such meeting.

**Section 7. Organization Meeting**

The initial officers shall duly call an organization meeting of membership. At such meeting, the membership, in person or by proxy, shall elect a new officer by a simple majority and conduct such other and further business as the membership attending may elect. The quorum for such organization meeting shall be not less the twenty-five (25%) percent of the membership.

**Article V****Officers****Section 1. Officers**

The management of the Association shall be vested to the officers who shall be elected by the membership, shall serve until their successors are duly elected and qualified under section 7 of Article IV hereof. Officers shall hold office until their successors have been elected and shall have entered upon the discharge of their duties.

**Section 2. Vacancies**

Any officer of this Association who, having been duly notified, fails to attend four regular consecutive meetings without excuse shall thereby forfeit his membership thereon, and the position shall thereupon be deemed vacant. Such vacancy shall be by a vote of the membership.

**Section 3. Officers**

The officers shall be: President, Vice-President, Secretary, Treasurer. The President, Vice-President and Secretary shall be voted in by the membership at the annual election.

**Section 4. Duties of Officers**

The officers shall perform the duties usually appertaining to such offices and such other duties as may be delegated to them by these Articles of Association.

**Section 4. Bonds**

All officers and employees of the Association handling funds of the Association shall be bonded in the amount of ten thousand dollars (\$10,000.00).

## Article VI

## Mail Vote

## Section 1.

Whenever in the judgment of the officers any question shall arise which it considers should be put to a vote of the membership, and when it deems it inexpedient to call a special meeting for that purpose, it may submit this matter to the membership in writing by mail for vote and decision and the question thus presented shall be determined according to a majority of the votes received by mail within two weeks after such submission to the membership; provided that in each case, votes of at least the majority of the members shall be received. Action taken in this manner shall be as effective as action taken at a duly called meeting.

## Article VII

## Liabilities

Nothing herein shall constitute members of the Association as partners for any purpose. No member, officer, agent or employee shall be liable for the act or failure to act of any other member, officer, agent or employee be liable for his acts of failure to act under these Articles except only acts of omissions arising out of his willful malfeasance.

## Article VIII

## Amendments

These Articles of Association may be amended, repealed or altered in the whole or in part by a majority of the voting power at any duly organized meeting of the Association.

Dated this 14<sup>th</sup> day of October 1997

By

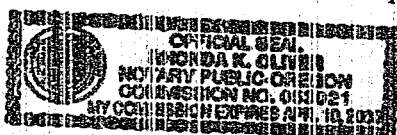
Joseph S. Baker  
President

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STATE OF OREGON,

County of Klamath } ss.FORM NO. 23 — ACKNOWLEDGMENT  
STEVENS-HESS LAW P.L.B. CO., PORTLAND, ORE.

BE IT REMEMBERED, That on this 14th day of October, 1997, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named John Schlee AS President of Klamath Country Estates Road Association known to me to be the identical individual described in and who executed the within instrument and acknowledged to me that he executed the same freely and voluntarily.



IN TESTIMONY WHEREOF I have hereunto set my hand and affixed my official seal the day and year last above written.

[Signature]  
Notary Public for Oregon.  
My Commission expires April 10, 2000

STATE OF OREGON: COUNTY OF KLAMATH ss.

Filed for record at request of John Schlee the 14th day of October A.D., 19 97 at 9:43 o'clock A. M., and duly recorded in Vol. MS 7 of Deeds on Page 33706.

FEE \$30.00 Return: John Schlee  
3.00 c.c. Klamath Country Est.  
Road Assoc.  
P.O. Box 1105 Chiloquin, Or. 97624

By [Signature] Fernetha G. Letsch, County Clerk