

2008-013999

Klamath County, Oregon



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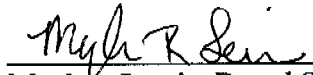
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KLAMATH FALLS FOREST ESTATES, UNIT 1
HOMEOWNERS ASSOCIATION, INC.
PO BOX 56
BONANZA, OREGON
97623

ByLAWs

The following seventeen pages of Amended Declarations approved by the Board of Directors on the
4th day of December, 2004 are accepted and approved for filing with the Klamath County Clerk on this
10th day of October, 2008.


Cynthia Pickett, Board President


Meghan Lewis, Board Secretary


Sharon Hazel, Board Treasurer

State of Oregon
County of Klamath

This instrument was acknowledged before me on October 10, 2008 by Cynthia Pickett as Board President of Klamath Falls Forest Estates, Unit 1 Homeowners Association, Inc., Meghan Lewis as Board Secretary of Klamath Falls Forest Estates, Unit 1 Homeowners Association, Inc., and Sharon Hazel as Board Treasurer of Klamath Falls Forest Estates, Unit 1 Homeowners Association, Inc.




Notary Public
My Commission Expires: Feb. 9, 2010

Returned @ Counter

AMENDED BY-LAWS OF
KLAMATH FALLS FOREST ESTATES HOMEOWNERS' ASSOCIATION, INC.

A Nonprofit Corporation

1. IDENTIFICATION AND STATUS

- 1.1 Name.** The name of this corporation is Klamath Falls Forest Estates Homeowners' Association, Inc., formerly known as Klamath Road Association, Inc., an Oregon nonprofit corporation ("Association").
- 1.2 Status.** The Association is formed and shall be operated to qualify as a "homeowners' association" under Section 528 of the Internal Revenue Code, or subsequent laws of similar effect.
- 1.3 Revocation of Prior Bylaws.** These Bylaws replace and supercede the unrecorded "By-Laws of Klamath Recreational Association", the amended Bylaws of Klamath Road Association, Inc., and are adopted on the date last signed below based upon action of the corporation taken on the 4th day of December 2004 at meeting of the General Membership.

2. MEMBERS

- 2.1 Owner (s).** The owner or owners (collectively) of each lot located in the subdivision known as Klamath Falls Forest Estates Highway 66 Unit, Plat No. 1, in the County of Klamath, State of Oregon, shall be automatically admitted to membership in the Association at the time of the acquisition of their lot. When two (2) or more persons jointly hold a membership, any ballot or communication which requires the signature of a member, may be by one or more such persons or their agent. All such persons may attend meetings of the membership and the Board of Directors. In the event joint holders of a membership cannot agree among themselves how their vote shall be cast, their vote shall be lost.
- 2.2 Voting.** Each membership carries the power to vote in the Association. Each lot carries one vote per issue. Except as otherwise provided by law, only members in whose names membership entitled to vote stand on the

records of the Association on the record date for voting purposes, as provided herein, shall be entitled to vote.

- 2.3 Membership Approval.** A requirement in the Articles, Bylaws, or Declaration of Establishment of Conditions, Covenants and Restrictions Affecting Real Property for approval of the members means the affirmative vote by a simple majority of the members voting by written ballot at a meeting of the membership.
- 2.4 Suspension of Right to Vote.** The right of each membership to vote shall be suspended during all times when assessments payable by that membership for the calendar year in which the voting is conducted are delinquent.
- 2.5 Proxies.** No membership shall be allowed to vote by proxy.
- 2.6 Written Ballot.** The Board of Directors may submit any issue to written vote of the membership. In addition, upon written request of not less than 50 members, the Board shall cause an issue to be submitted to a written vote of the membership at the first annual meeting occurring after receipt of the request. The members making the request shall submit the language to be used on the ballot. The written ballot shall (1) set forth each proposed action in clear and succinct language containing not more than 100 words per issue; (2) Provide an opportunity to vote for or against each proposed action; and (3) State that a simple majority of the votes cast in the election is needed to approve each issue.
- 2.7 Quorum.** The memberships voting at a meeting of the membership shall constitute a quorum.
- 2.8 Member Meetings.**
- 2.8 (a) place.** Any meeting of the members shall be held in Klamath County, Oregon at such particular place as is determined by the Board.
- 2.8 (b) Annual Meeting.** The annual meeting of the members for the election of Directors, and for the transaction of other such business as may properly come before the members, shall be held at 9:00 am on the third Saturday of each August.

2.8 (c) Special Meetings. Special meetings of the members for any lawful purpose and at any time, shall be scheduled in response to a call by the President, by the Board, or upon receipt of a written request signed by five percent (5%) of the members. Such meetings must be duly noticed. The Secretary must give notice to the members within 20 days of all properly requested meetings.

2.8 (d) Notice. Except for the annual meeting, written notice of each meeting of the members shall be given to each member either by personal delivery, or by mail, charges prepaid addressed to such member at the record address of the Association. All such notices shall be sent to each member entitled thereto no less than ten (10) days and not more than sixty (60) days before the subject meeting, and shall specify the place, the date, and the time of such meeting, and shall state the general nature of each item of business to be considered at such meeting, and shall contain a ballot if an issue is to be acted on at the meeting. The name and address of each lot owner or contract purchaser shown in the records of the Assessor of Klamath County, Oregon as of the day which is fifteen (15) days prior to the date notice is given (the "record date") shall be deemed to be the record address of the Association unless the member has provided written notice to the Association of another address for giving notices.

2.9 Limitation of Use of Roads. Klamath Falls Forest Estates, Plat No. 1 was developed as recreational, but is now zoned for rural residential uses, there is no commercially zoned property within Klamath Falls Forest Estates, Plat No. 1, although some commercial uses predated the platting and current zoning of the subdivision and are allowed by law. Therefore use of the roads within Klamath Falls Forest Estates, Plat No. 1, shall be limited to that use normally associated with the residential use of the property, except for preexisting commercial uses permitted by Klamath County. Uses normally associated with residential use of the property include personal automobiles, motor homes, and recreational vehicles, unloaded business vehicles, including commercial vehicles not loaded for commercial use owned by the lot owner, commercial vehicles which service the residences located in the subdivision such as fire trucks, garbage trucks, and propane trucks, and vehicles reasonably necessary for the construction of residences

and roads. Use of the roads by loaded commercial trucks and heavy equipment, shall not be permitted except with a prior written agreement signed by the Board of Directors of the Association. Said agreement shall be subject to such conditions and restrictions as the Board may deem appropriate, which may include the posting of a bond or the payment of a fee to reimburse the Association for the wear, tear and damage caused to the roads by such equipment. A member shall be personally responsible and liable for any damage caused by a vehicle being operated by the member, an agent, or contractor of the member in violation of this section. The Board may take such action as it deems appropriate to enforce the terms of this section or to prevent the violation of this section, including applying for and obtaining a Restraining Order prohibiting the violation of this section, bringing suit for damages caused by the violation of this section, and for such other and further relief as the Board deems appropriate. In addition to such equitable and monetary relief as the court may adjudge, the Association shall be entitled to a judgement against the party violating this provision for the Association's costs, disbursements, and reasonable attorney's fees incurred in such action and on any appeal from such action or suit.

3. BOARD OF DIRECTORS.

3.1 Powers and Duties. Subject to the provisions of the Articles, the Declarations of Establishment of Conditions, Covenants and Restrictions Affecting Real Property, the Bylaws, and the laws of Oregon, all corporate powers of the Association shall be exercised by or under the authority of, and the business affairs of the Association shall be controlled by, the Board of Directors.

3.1 (a) Responsibilities. Without prejudice to its general powers, but subject to the same limitations, the Board of Directors shall have the power and/or responsibility to perform the following duties.

(i) Officers and Agents. To select all officers, agents, and employees of the Association and prescribe powers and duties for them;

- (ii) **Management.** To conduct, manage, and control the affairs and business of the Association, including contracting for such insurance, goods, services, legal, and accounting services as is required by said Declarations, Articles, or these Bylaws, provided that any management agreement shall not exceed a term of one (1) year and shall be terminable by the Association for cause at a meeting of the members or upon thirty (30) days' written notice;
 - (iii) **Rules for Use of Association Property.** To adopt written rules, fees and procedures subject to membership approval for access to and use of Association Property;
 - (iv) **Places.** To prescribe the location of the principal office for the transaction of the business of the Association and to designate the place for the holding of any members' meeting;
 - (v) **Rules of Order.** At all meetings of the Association members and its Board of Directors, Robert's Rules of Order shall be followed and enforced by the President of the meeting or other officer in charge of the meeting. A copy of Robert's Rules shall be available at every meeting.
 - (vi) **Enforcement.** To enforce the Articles, said Declarations, Bylaws, Rules, and other instruments affecting the use and enjoyment of Association Property.; and to initiate and execute legal proceedings against members who violate the Articles, said Declarations, Bylaws, or Rules, and;
 - (vii) **Payments and Reports.** To pay any taxes, assessments, or other charges incurred by the Association and to prepare and file any and all reports required by law.
- 3.1 (b) Discretionary Powers.** In addition to the foregoing mandatory duties, the Board shall have the power to;
- (i) Remove agents or employees of the Association with or without cause.
 - (ii) Change the location of the principal office of the Association within the county, and;

- (iii) **Appoint committees** composed of members to assist it in its duties.

3.1 (c) Limitation of Powers. The Board must obtain the approval of the members before entering into a contract with a third person for goods or services for a term greater than one (1) year, except a contract for a public utility or governmental agency.

3.2 Number and Qualifications. There shall be five (5) Directors of the Association. All Directors of the Association must reside in Klamath Falls Forest Estates, Unit 1 and must be a registered elector from within the unit.

3.3 Election and Removal. Directors shall be chosen, hold office, and be removed as follows:

3.3 (a) Election. Directors shall be elected by written ballot at the annual meetings of the members. If for any reason such annual meeting is not held, or not all the authorized number of Directors are elected thereat, or if it is necessary for the members to fill a vacancy on the Board, Directors may be elected by written ballot at any special meeting of members held for that purpose. No cumulative voting shall be allowed.

3.3 (b) Nomination. All members in good standing are eligible for nomination. The Board shall prescribe reasonable procedures and opportunities for nomination of Directors, communication by nominees with the members as to qualifications and reasons for candidacy and solicitation of votes, and for elections.

3.3 (c) Terms of Office. Each Director shall serve a term of two (2) years, commencing at the conclusion of the meeting of which the Director is elected and concluding at the end of the meeting at which the Director's successor is elected. Notwithstanding the foregoing provision, the Directors elected at the annual meeting of the members to be held in August 2005 shall be staggered so that, thereafter, no more than three (3) Directors terms shall expire during each calendar year. The two (2) people who receive the most votes at the 2005 meeting shall serve terms of two (2) years each.

The next three (3) people receiving the most votes shall serve terms of one (1) year each.

3.3 (d) Vacancies

- (i) Causes.** A vacancy or vacancies on the Board shall be deemed to exist in the case of death, resignation, or removal of any Director, or if the authorized number of Directors be increased, or if at any annual or special meeting of members at which any Director or Directors are to be elected, the members fail to elect the full authorized number of Directors to be elected at that meeting.
- (ii) Filling.** Vacancies in the Board may be filled by a vote of the majority of the remaining Directors, though less than a quorum or by a sole remaining Director, or by the members; provided, however, that a vacancy on the Board created by the removal of a Director can only be filled by the members. If the Board accepts the resignation of a Director tendered to take place at a future time, the Board or the members shall have the power to elect a successor, pursuant to the provision hereof, to take office when the resignation is to become effective. Each Director so elected shall hold office for the remainder of the term of the position to which he was elected.

- 3.3 (e) Removal.** The Board may remove a Director, who has been declared of unsound mind by a final court order, be a convicted felon, or miss three (3) consecutive regular meetings of the Board of Directors. Removal for any other reason must be approved by the membership. No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of this term of office.

3.4 Board Meetings.

- 3.4 (a) Regular Meetings.** Immediately following each annual meeting of members, the Board shall hold an annual regular meeting for the purpose of organization, election of officers, and the transaction of other business.

- 3.4 (b) Special Meetings.** Special meetings of the Board may be held at any time, at a place designated by the Board, in accordance with these Bylaws, upon call by the President, the Vice President, by the Secretary, or by any two (2) Directors.
- 3.4 (c) Notice.** Notice of the time and place of Board meetings including notice of any special business to be considered, shall be given to each Director at least ninety-six (96) hours prior to the meeting by personal delivery, telephone, or by mail or other form of written communication, first class postage or charges prepaid addressed to him at his address shown upon the records of the Association.
- 3.4 (d) Attendance.** All regular meetings of the Board shall be open to members. Directors may participate in any meeting, and shall be deemed present, through the use of conference or speaker telephone equipment, so long as all participants in the meeting can hear one another.
- 3.4 (e) Consent of Absentees.** Any defects in the call, notice, time or location of a meeting shall not affect the validity of transactions at the meeting which are otherwise valid, if a quorum is present and each of the Directors not present signs a written approval of the minutes thereof. All such approvals shall be made part of the minutes of the meeting. Nothing in this subsection shall be construed as requiring the consent of absentees to transactions at a properly called, noticed, and held meeting at which a quorum is present.
- 3.4 (f) Quorum.** A majority of the authorized Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board unless a greater number is required by law or by the Articles of Declaration.
- 3.4 (g) Adjournment.** A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place; provided however, that in the absence of a quorum a majority of the Directors present at any

Directors meeting either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board. A reasonable attempt shall be made to give notice of the time and place of holding an adjourned meeting to absent Directors.

- 3.5 Action without Meeting.** Any action that affects the membership cannot be taken without a meeting of the membership for approval. Any action required or permitted by the Board may be taken without meeting if all the Directors shall individually or collectively consent, in writing, to such action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board. Such written consent shall be filed with the minutes of the proceedings of the Board.

4. Officers.

- 4.1 Election/Term.** Each officer shall be elected by the Board, and shall hold his office until he resigns, shall be removed, or otherwise disqualified to serve, or his successor shall be elected and take office, provided however, that no officer should serve more than two (2) years without being reelected.
- 4.2 Qualifications.** Officers shall be members of the Association but, except for the President and the Vice President, need not be Directors. All officers must be deemed current in payment of assessments for the calendar year in which he is serving. One person may hold two (2) or more offices, except those of President and Secretary.
- 4.3 Removal/Resignation.** No officer may be removed without good cause. Any officer may resign at any time by giving written notice to the Board. Any such resignation shall take effect at the date of the receipt of such notice, or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Removal or resignation shall not prejudice the rights of the Association or the officer under any contract of employment or the position on the Board of an officer who is also a Director.
- 4.4 Offices.** The Association shall have the following officers, and such other officers, including one (1) or more Assistant Secretaries, as may be

appointed by the Board. The duties of officers shall be as prescribed in the Articles, Declaration, or Bylaws, or as assigned from time to time by the Board and, as to other officers, the President:

- 4.4 (a) President.** The President, who shall be chosen from the Board, shall be the chief executive officer of the Association and shall, subject to the control of the Board, have general supervision, direction, and control of the business and officers of the Association. He shall preside at all meetings of the members and of the Board of Directors.
- 4.4 (b) Vice President.** In the absence or disability of the President, the Vice President shall perform all the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President.
- 4.4 (c) Secretary.** The Secretary shall keep or cause to be kept, at the principal office, or at such other place as the Board may order, a book of minutes of all meetings of Directors and members or a duplicate thereof, with the time and place of holding, whether regular or special, and, in special, how authorized, the notice thereof given, the names of those present at Director's meetings, the number of memberships present or represented at members' meetings, and the proceedings thereof.

The Secretary shall keep or cause to be kept, in any form permitted by law, at the principal office or such other place as the Board may order, a membership register, or a duplicate thereof, showing the names of the members and their addresses, the description and number of units, if more than one, upon which such membership is based.

The Secretary shall give, or cause to be given, notice of all meetings of the members and of the Board required by these Bylaws or by law to be given, and shall keep the seal of the Association in safe custody. The Secretary shall send a notice to all members notifying them of the annual members' meeting, which said notice shall be sent to the members at their last known address by July 1 of each year.

- 4.4 (d) Treasurer.** The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct amounts of the properties and business transactions of the Association, including amounts of its assets, liabilities, receipts, disbursements, gains or losses. The books of account shall at all times be open to inspection by any Director.

The Treasurer shall deposit all monies and other valuables in the name of and to the credit of the Association with such depositories as may be designated by the Board, shall disburse the funds of the Association as may be ordered by the Board, and shall render to the President and Directors, whenever they request it, an account of all his transactions as Treasurer and of the financial condition of the Association.

5. ASSESSMENTS AND SPECIAL CHARGES.

- 5.1 Assessments.** Each year the Board shall consider the current and future needs of the Association as to its operation, the operation and maintenance of the well and/or water system of the Association. In light of such needs, the Board shall determine a pro forma budget for the Association for the following accounting year and shall recommend, if appropriate, to the members of the Association that the assessment be increased in the amount allowed by the Amended Declaration of the Association. Any increase in assessments provided to the members of the Association pursuant to Section 5.2 below. The accounting year of the Association shall run from June 1 to May 31 of the following calendar year.

- 5.2 Statement.** On or before January 15 of each calendar year, the Secretary shall mail by first-class mail, postage prepaid, to each member's record address, a written statement of the assessment payable by that member for the current calendar year. Such statement shall set forth:

- 5.2 (a) Amount.** The amount of the assessments that are due from that member;

- 5.2 (b) Due Date.** That payment of said assessments is due on or before March 15 of that year, and that the assessments will be

deemed as received by the Association if the payment is postmarked on or before March 15;

5.2 (c) Delinquency. That any payment not deemed received by March 15 shall be deemed delinquent;

5.2 (d) Place of Payment. Where and to whom payment is to be made; and

5.2 (e) Interest. That any delinquent payment shall be subject to interest and collection charges, including recording fees and attorney's fees incurred by the Association, and that all the member's right to vote at annual and special meetings shall be suspended until all delinquent charges owed to the Association for the year in which the meetings are held have been paid in full.

5.3 Interest. Each delinquent account shall be subject to interest at the rate of one percent (1%) per month on the unpaid portion of such an assessment. The monthly interest charge for the first month shall be deemed to be fully earned as of the day after the due date. The interest charged for each subsequent shall be deemed to be fully earned as of the same day of each month thereafter until the assessment has been paid in full. A member shall also be liable to the Association for the actual costs attorney's fees incurred in collecting assessments not paid when due, including attorney's fees incurred on appeal.

5.4 Suspensions. The Association shall not allow the exercise of any rights of privileges of membership on account thereof, other than access to his lot, by any member or any person claiming under him, unless and until all delinquent assessments, charges, and interest to which such membership is subject are paid.

5.5 Lien/Foreclosure. The Board may enforce collection of assessments by suit or action at law or by foreclosure in equity as provided in the Amended Declaration of the Subdivision.

- 5.6 Disposition of Funds.** The funds arising from assessments, insofar as possible, shall be applied toward the payment of expenses pursuant to the annual budget adopted by the Board. Excess assessments, after making allowance for budgeted reserves for replacement, may be returned to the members on an equitable basis or held in trust to meet future budgeted needs.
- 5.7 Statement of Charges.** The Board, upon request, shall execute and deliver to the party making such request, a written statement of whether or not, to the knowledge of the Association, the party making the request is in default as to his assessments, and disclosing the amount of the delinquent assessments, late charges, attorney's fees, and other penalties assessed against such owner's lot, and further stating the dates to which the installments of assessments have been paid as to his lot, but reliance of such certificate may not extend to any default not involving the payment of assessments of which the signer had no actual knowledge. The Association may charge a fee reasonably related to the cost of preparing such statement.
- 5.8 Access Rights to Draw Water.**
- 5.8 (a) Annual Assessment.** The Board shall, prior to December 31 of each calendar year set an annual assessment for persons desiring use of the community well based upon the reasonable expense of the Association, including but not limited to, the operation and maintenance of the community well. The fee, payment dates and schedules shall be adopted by resolution of the Board and be made available to all members of the Association.
- 5.8 (b) Terms and Conditions of Use.** No right of access to or to draw water from the community well shall be permitted except in accordance with this section and the resolutions then in effect.
- 5.8 (c) Limitations and Conditions.** Access to the well, the right to draw water shall be subject to a waiver of liability and indemnity agreement to be signed by the member, prior to use which shall provide the Association offers no guarantee of quality or quantity of water. Association members obtaining water do so at their own risk. No representation is made that

the water is potable or intended for drinking purposes. Each member obtaining water agrees to indemnify and hold harmless the Association, its officers, Directors, employees or agents from any and all claims arising out of access to, use of the well or consumption of water provided therefrom.

5.8 (d) Limitations of Use. Access to the well and water therefrom shall be provided:

- (i) Exclusively to owners in Klamath Falls Forest Estates, Unit 1; and
- (ii) Only for residential use at an Association member's residence within Klamath Falls Forest Estates, Unit 1, excepting therefrom members of the Association who continue to own property in Klamath Falls Forest Estates, Unit 1, but who maintain a residence outside Klamath Falls Forest Estates, Unit 1, and who have appropriated water for their use and benefit prior to October 1, 2004 may continue to do so upon payment of annual assessments for use and consumption outside of Klamath Falls Forest Estates, Unit 1, unless and until, the use has been discontinued for a period of more than one (1) year;
- (iii) Use shall be presumed discontinued if payment has not been made for a period of more than one (1) year;
- (iv) Further Action. The Board may by Resolution reinstate assessments to the general membership, create different classifications of use, provide additional rights of use, fees or charges provided such further terms, conditions and provisions not inconsistent with the provisions herein stated.

6. RECORDS AND REPORTS.

6.1 Inspections.

- 6.1 (a) Members.** The Articles, Bylaws, Declaration, Rules, membership register or duplicate membership register, the

books of account and minutes of proceedings of the members, the Board and any committees, shall be made available for inspection and copying, upon written demand and reasonable notice, by any member or his duly appointed representative, at any reasonable time and for a purpose reasonably related to his interests as a member. An original or copy of the said Declaration, Articles, Bylaws, and Rules, as amended to date, shall be open to inspection by the members at all reasonable times during office hours.

6.1 (b) Directors. Each Director shall have the absolute right at any reasonable time to inspect all books, records, and physical properties owned or controlled by the Association and to make copies and extracts thereof.

6.1 (c) Rules for Providing Records. The Board shall establish reasonable time to regarding notice to be given to the custodian of the records by a member desiring to make an inspection, times at which records are available, and payment of costs of reproduction.

6.2 Accountings and Reports. The Board shall cause to be prepared and distributed to the members with the notice of the annual members' meeting the following:

6.2 (a) Budget. A pro forma operating budget, containing the estimated revenue and expenses on cash basis for the ensuing accounting year.

6.2 (b) Annual Report. An Annual Report for the last accounting year containing the beginning cash balance, a statement of the source and amount of revenue, the kinds and amounts of expenditures, the ending cash balance, and a description of any transaction or series of transactions by the Association involving \$100.00 or more in which a Director, officer, or holder of ten percent (10%) or more of the voting power had a direct or indirect financial interest, a description of any indemnifications or advances aggregating more than \$100.00 paid during the accounting year to any officer or Director of the Association, and if not prepared by an independent

accountant a certificate of a member of the Association who is not an officer or Director or a member of the family of an officer or Director that the annual report fairly and correctly sets forth the financial affairs of the Association.

7. INSURANCE.

7.1 Generally. The Board may, in its discretion, obtain and maintain in force such policies of insurance as the Boards deems appropriate for the operations of the Association.

8. GENERAL BYLAWS.

8.1 Principal Office. The principal office of the Association shall be in Klamath County, Oregon, at such specific location therein as may from time to time be designated by the Board of Directors.

8.2 Approval Procedures. Any proposed action, which requires approval or consent of the Board or Association, shall be submitted to the Board in writing. The Board shall within thirty (30) days thereafter, hold a meeting to review such proposal and respond to the applicant, in writing, setting forth a request for additional information or documentation, its approval, its approval subject to conditions, or its denial of the proposal setting forth generally the reasons for such denial of the proposal setting forth generally the reasons for such denial. The applicant shall receive notice of the Boards meeting and may attend the meeting. If any proposed action at said meeting affects the other members of the Association they must be given notice of and be allowed to attend said meeting. Neither the Association, the Board nor any member thereof shall be liable to any person submitting plans, or to any other person for approval or denial of any proposal.

8.3 Distributions. There shall be no distribution of gains, profits, or dividends to any member except as provided in Section 8.4 of the Bylaws.

8.4 Dissolution. Upon termination, dissolution, and winding up of the Association, the Board shall, after making provisions for the payment of all liabilities of the Association, distribute all of the remaining assets to the members on a *pro rata* basis.


KLAMATH ROAD ASSOCIATION, INC.

*** * * Amended Declaration * * ***


The following policies shall be effective on the date last signed below, and shall govern the access to, and appropriation of water shall be from the community well belonging to the Association.


1. The Board shall, prior to December 31 of each calendar year, set an annual assessment based upon the reasonable expenses of the Corporation, including, but not limited to the operation and maintenance of the community well.
- 2. Until further action, the Board shall assess a fee which shall be changed for access to and for the appropriation of water from the community well as follows:
 - a) For calendar year 2005, the amount shall be \$100.00 per year.
 - b) The Secretary of the District may establish payment dates and schedules.
 - c) The Association may set fees for less than annual use in an amount of not less than \$50.00 per year.
3. No guarantee of quality or quantity of water is paid by the Association. Association members obtaining water do so at their own use. No representation is made that the water is potable or intensive for drinking purposes. A subscribing Association member agrees to indemnify and hold harmless the Association, its Officers, Directors, Employees or Agents from any and all claims arising out of acts as to the use of the well or consumption of water provided therefrom.
4. Access to the well and water therefrom shall be provided:
 - a) Only to owners in Klamath Falls Forest Estates Unit #1; and
 - b) Only for residential use at an Association member's residence within the Recreation Tract, excepting therefrom, members of the Association who continue to own property in Klamath Falls Forest Estates Unit #1, but who maintain a residence outside of Klamath Falls Forest Estates Unit #1, and who have appropriated water to their use and benefit prior to October 1, 2004, may continue to do so upon payment of annual assessments, obtain water from the well for use and consumption outside Klamath Falls Forest Estates Unit #1, until and unless the use is discontinued for a period of more than year.

THESE AMENDED DECLARATIONS are approved this 4th day of December 2004
2004.


Board Member


Board Member


Board Member


Board Member


Robert L. Eli, Board Secretary