



BY-LAWS
OF
SIMPSON CANYON ROAD MAINTENANCE ASSOCIATION, INC

ARTICLE I
Principal Office

Section 1: The principal office of the Association shall be 10448 Simpson Canyon Road, Klamath Falls, Oregon 97601

Section 2: The name of the Association shall be Simpson Canyon Road Maintenance Association, Inc. and shall herein after be referred to as the "Association".

ARTICLE II
Purposes and Objects

Section 1: The purposes for which the Association has been formed as set forth in the Articles of Incorporation are as follows:

- a) To maintain a community roadway designed for safe, healthful, and harmonious living.
- b) To promote the collective and individual property interests and rights of persons, firms, and corporations owning property in the subdivision known as TRACT 1310 Plum Valley II, located in Sections 19, 20, 29, 30, 31, 32, and 33, T.37S., R.9E., W.M. and NE ¼ Section 24, T.37S., R.8E., W.M. Klamath County, Oregon.
- c) To care for the maintenance of the right-of-way, gateways, and public easements which now exist or which may subsequently be installed or constructed in such subdivision.
- d) To acquire, own, or lease such real equipment as may be necessary or convenient for the transaction of its business and the fulfillment of its purposes and objects, and to exercise all rights, powers, and privileges of ownership to the same extent as natural persons might or could do.
- e) To exercise any and all powers that may be delegated to it by the majority of the members of real property in the tract.

ARTICLE III
Membership and Voting

Section 1: The Association shall have one class of members. The qualifications and rights shall be as follows:

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- a) Membership is defined as those persons who, from time to time are "owners" of real property described within the preliminary plat of Plum Valley Subdivision, Tract 1310. Membership shall be open to those owners of parcel(s) within the preliminary plat of the Plum Valley Subdivision, Tract 1310, as recorded by the Klamath County Clerk, July 27, 1995 and by reference incorporated herein. Owners shall be defined to mean the person(s) entitled to the beneficial ownership and use, possession or control of said parcel(s) and shall include purchasers under a land sale contract or conditional sales contract of said parcel(s) if same is recorded, and persons holding fee simple title to the extent that the same has not been sold to an equitable owner.
- b) Membership shall include an undertaking by the applicant to comply with and be bound by the Articles of Incorporation, these By-Laws and amendments to them, and the policies, rules, and regulations at any time adopted by the Association in accordance with these By-Laws.
- c) A "member in good standing" shall be defined as those owners who by record of the Association Treasurer are current with payment of their annual dues and assessments.

Section 2: Each member in good standing shall be entitled to vote on each matter submitted to a vote of the members. Each lot with qualified owner(s) shall be entitled to one membership vote. If a lot is owned by more than one owner, all owners collectively shall be deemed one member for voting purposes. In the event of multiple ownership, those persons collectively designated as owners, shall designate the name of the owner entitled to cast votes to the Secretary of the Association. If in the event of multiple ownership, and failure of property owners to designate a representative, that person first designated on the tax account records of the Klamath County Assessor shall be entitled to cast the vote of the member. In the event more than one person is in ownership of the lot, a vote by any owner shall be deemed a vote of the membership owning that lot except as otherwise required by law or by these by-laws.

- a) At membership meetings all votes shall be cast in person, or by proxy registered with the Secretary.
- b) The board of directors is authorized to establish regulations providing for voting by mail.
- c) Assignment of rights. A beneficial owner who is a member in good standing of the Association may assign his or her membership rights to the tenant residing in or on the beneficial owner's building site within the preliminary plat of the Plum Valley Subdivision, Tract 1310. Such assignment shall be affected by filing with the secretary of the Association a written notice of assignment signed by the beneficial member.

Section 3: Enrollment of membership in the Association shall be acknowledged by the tax account records of the Klamath County Assessor and shall be mandatory for all owners within the preliminary plat of the Plum Valley Subdivision Tract 1310. For any tax lots that are sold, the new owners of these parcels shall become members and shall be required to pay the dues required of members. In the event of re-subdivision of any of the

lots shown from the preliminary plat filed and recorded on July 27, 1995, tax account records of the Klamath County Assessor shall establish the owner(s) as a member of the Association and shall require the owner(s) to pay the dues required of members.

Article IV
Fees, Dues, and Assessments

Section 1: The purpose of annual dues is for maintenance of the Simpson Canyon Road right of way, maintaining the Associations' equipment, and for associated fees for conducting the Associations' business. The Budget Committee shall review the amount of dues annually and a report of recommendations shall be provided to the Officers of the Association prior to the annual meeting.

Section 2: Dues

- a) Annual Dues. The annual dues shall be the same for each tax lot and shall be \$200 per year, subject to such modification as may be determined by 2/3 (two-thirds) of the members approving such modification.
- b) Payment of Dues. The annual dues shall be paid in full to the Association by June 30th of each year.
- c) Special Assessments. Special assessments may be levied on members of this Association only by a vote by 2/3 (two-thirds) of the majority of all members of the Association. The procedure for voting on the proposed assessments shall be the same as the procedure provided in these By-Laws for voting on amendments to these By-Laws.
- d) Default in Payment of Dues or Assessments:
 - i. When any member shall be in default in the payment of dues or assessments for a period of 30 days from the date on which such dues and assessments become payable, he or she shall, for the purposes of voting, not be considered as a member in good standing. In addition, such member shall be dropped from active membership and placed on the inactive list. Such member shall not be reinstated until he or she has paid dues and assessments in full, and until such time as such member is reinstated, he or she shall have no rights of any kind arising out of membership in the Association.
 - ii. In addition to the foregoing, if any member fails to pay his or hers dues or assessments as they become due, on failure of payment after 60 days', written notice of such delinquency will be given by the Association to such member, and the Association shall take action to collect such payments. Such action includes the right to foreclose against the member's real property, and other action allowed by Oregon law. These By-Laws hereby incorporate provisions contained in ORS 94.709 through ORS 94.723 inclusive as applying to Dues and Assessments, including, but not limited to the rights and procedures

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- related to collection of assessments perfection of liens, notices, foreclosure of liens, personal liability, and other related matters.
- iii. A member may not claim exemption from liability for contribution toward the dues or assessments by waiving the use or enjoyment of any roads or by abandoning the members' lot. Members may not claim to offset dues or assessments for failure of the Association to perform the Associations' obligations.

Article V Fiscal Year

The fiscal year of the Association shall begin January 1 and end December 31 of each year.

Article VI Meetings of the Membership

Section 1: Meetings

- a) Annual Meeting -- An annual meeting of the membership shall be held at such time and in such place as shall be designated by the President of the Association. The purpose of the meeting is to hearing reports presented by all Officers and standing committees and for electing Officers.
- b) Notice of Meetings - Written notice stating the place, day, and hour of any meetings of the membership shall be provided to each member entitled to vote at such meeting not less than fifteen (15) days before the date of said meeting. Delivery can be by mailing a copy through the U.S Postal service, by known active e-mail address, or by personal delivery by the Secretary to the address of each member as it appears on the membership register of the Association. The notice for the annual meeting shall specify the business of the Association by presentation of the meeting agenda. The minimum business conducted at the annual meeting shall include but is not limited to the following:
- i. Approval of minutes from previous meeting(s)
 - ii. Treasurer's Report
 - iii. Reports from standing committees
 - iv. Election of the Officers of the Association
- c) Notice as specified above for calling the special meeting shall include an agenda describing all matters of resolution to be brought before the membership. All meetings of the membership shall be held in Klamath County, Oregon.

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- d) Special meetings of the members in good standing may be called by the Officers. A special meeting of the members in good standing must be called within 15 days by the president or the Officers if requested by not less than 2/3 (two-thirds) of the membership.
- e) Quorum - the presence in person of at least thirty-five percent (35%) of the membership of the Association shall constitute a quorum for the transaction of business at any meeting of membership. Approval of action item shall be by simple majority of fifty-one percent (51%) of the members in attendance.
- f) Proxies – each owner representing a membership in good standing in the Association may issue his or her proxy in writing so as to constitute any other natural person, possessing membership in good standing in the Association or voting that membership. The proxy shall remain valid for specific meeting agenda items, and may be revoked at any time by the issuing member up until the meeting upon written notice to the Secretary of the Association. The Secretary shall present any written proxies before any meeting of the membership is convened and shall record the number of votes represented by proxy.
- g) Voting by Mail - where the Officers are to be elected by members, or where there is an act requiring the vote of the members, such election or vote on the proposed action may be conducted by mail in such manner as the Officers shall determine.

Article VII Use of Right-of-Way

No member shall be entitled to issue permission for commercial use of the Simpson Canyon Road or right-of-way without the approval of the Officers of the Association. Commercial use shall be defined as “removal of natural resources from a members’ property, or to cause such an increase in traffic during the pursuit of said commercial use that damage is caused to the roadway, safety is compromised or the tranquility of the area is affected. Repairs to the right-of-way due to damage caused by that member, or by others delivering to, or removing materials from that members’ property shall be immediately arranged, by that member at his or her personal expense. Repairs shall meet the standards in existence of the existing improved roadway as agreed upon by the Road Advisory Committee. If such repairs are not made to the satisfaction of the Road Advisory Committee in a timely manner, not to exceed 60 days, the Association may make or complete such repairs; the Association shall bill such member for any work done by the Association or it’s contractors. The cost of such repairs made by the Association shall become an assessment and lien against such member’s property, and shall be collected by the Association pursuant to Article IV herein.

ARTICLE VIII
Officers of the Association

Section 1: General Powers - The affairs of the Association shall be managed by the elected Officers, subject to instructions of the members of the Association at a regular meeting, or subject to the approval of the membership as expressed by a vote of the membership. The Officers of the Association may appoint a task group or committee chairmen as the need may arise.

- a) Officers - The Officers of the Association shall be a President, Vice-President, Secretary, and a Treasurer.
- b) Qualifications - The Officers shall be members in good standing of the Association. No Officer shall hold more than one office during his/her elected term. No two current Officers shall be related by birth or marriage.
- c) Elections - The Officers shall be elected at the annual meeting and each shall hold his/her office for a period of one (1) year or until he/she resigns, is removed, or otherwise be disqualified to serve. There shall be no term limits.
- d) Vacancies - In the event of a vacancy of an elected position caused by death, resignation, or ceasing to maintain the qualification for membership the remaining Officers shall appoint a successor who shall serve until a special meeting for the purpose of replacing the departing Officer is held.
- e) President - The President shall be the executive officer of the Association, and shall preside at meetings of the membership. The President may serve on any task group or committee of the Association as established by action at the membership meetings.
- f) Vice-President - The Vice President shall be available to preside at meetings in the event of the absence of the President. The Vice-President may serve on any task group or committee of the Association as established by action at the membership meetings.
- g) Secretary - The Secretary shall keep a book of the minutes of all meetings of the membership, with the time and place of holding, how called or authorized, the notice thereof given, the names of members present or represented at members meeting by proxy, and the proceeding thereof. The Secretary shall keep a current register showing the names and addresses of the members. The Secretary may serve on any task group or committee of the Association as established by action at the membership meetings.
- h) Treasurer - The Treasurer shall maintain the financial records showing all receipts and disbursement of the Association, and an account of its cash and other assets, if any. Such financial records shall, by written request to an officer, be open to inspection by any member. A finance committee approved by the membership shall conduct an annual audit of the Associations' financial records. The Association shall maintain the record of account on a fiscal year basis. The Treasurer shall serve as a member of the Budget Committee of the Association.

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Article IX
Duties of the Officers

Section 1: The Officers shall be charged with the management of the affairs of the Association for the length of elected term in which they serve. In connection therewith, the Officers shall have the following duties and powers:

- a) To establish and enforce regulations within the scope of authority of the Association and the judicial system having jurisdiction;
- b) To conduct such annual and special meetings of the Association as required by these By-Laws;
- c) To carry out the business of the corporation as established by the membership;
- d) To account to members of the Association all business affairs of the Association, and for the assessment and expenditure of monies of the corporation;
- e) To maintain a contingency fund not to exceed the total sum of one (1) years annual revenue from dues assessed. Contingency to be for emergency use only such as unbudgeted equipment, or road repairs;
- f) The Association shall maintain a liability insurance policy;
- g) Develop and maintain a "Users Guide" outlining the basic provisions of the By-Laws for the benefit of the members

Section 2: Quorum of the Officers - A majority of the elected Officers shall be present to constitute a quorum for the transaction of business unless a greater number is required by law, or by these By-Laws.

Section 3: Executive Session Meeting of the Officers of the Association - A quorum of the Officers shall be required to call for an Executive Session meeting. The issues to be discussed in executive session shall be limited to legal proceeding against a member of the Association, or for removing an officer who is no longer a member in good standing in accordance with these By-Laws.

Section 4: Content of Executive Session Meetings - A call for an executive session meeting of the Officers need not specify the content of discussion. All executive session meetings of the Officers shall be held in Klamath County, Oregon.

Section 5: Execution of Agreements - The Officers may authorize any Officer or Officers, agent or agents, member or members to enter into any contract or execute any instrument in the name of, or on behalf of the Association. Such authority shall be confined to specific instances.

ARTICLE X
Personal Liability and Property Interest

Section 1: Liability of Members - No member of the Association shall be personally liable to the Associations' creditors for any indebtedness of liability, and any and all creditors shall look only to Associations' assets for payment.

Section 2: Property Interest of Membership - No member shall have any interest in and to the property or assets of the Association. If any member shall cease to be such, any interest in which he shall have in the privileges of the Association shall cease and revert to the Association and such cessation of membership shall operate as a release and assignment to Association of all the right and interest of such a member in and to the privileges granted to him by the Association.

ARTICLE XI
Miscellaneous

Section 1: Construction and Definitions - Unless the context otherwise required, the general provisions and rules of construction and definition contained in the Oregon Non-Profit Corporation Act and Oregon Revised Statutes, Chapter 94 shall govern the construction of these By-Laws.

Section 2: Rules of Order - The Officers shall operate and maintain the corporation as an Oregon Non-Profit Membership Corporation. Current edition of Roberts Rules of Order shall be followed for the orderly conduct of all Association meetings. Upon dissolution of the corporation, either voluntary or involuntary, the Officers shall implement the plan for dissolution and liquidation and winding up of the affairs of the corporation except as may be expressly prohibited under the provisions of the Oregon Non-Profit Corporation Code. The plan for dissolution and liquidation of the Corporation shall require the Officers to finalize the financial and legal affairs of the Corporation and shall require distribution of the remaining assets of the corporation, pro rata, to an owner representing each membership, existing as of the date of dissolution and liquidation.

Section 4: Record Date - For purposes of notice of meetings as required by these Articles, any change in ownership or membership shall be given to the Secretary of the Association, in writing, not less than 30 days after the date of the final transaction of the change of ownership or membership.

ARTICLE XII
Amendments

Section 1: Adoption - Any by-law may be adopted, amended or repealed by the membership subject to approval as hereinafter provided.

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Section 2: Ratification of Members - All amendments to the By-Laws, except as herein otherwise specifically provided, must be ratified by the vote of a 2/3 (two-thirds) majority of the membership present or represented by proxy at a regular meeting of the members of the Association and shall be effective immediately after ratification.

Section 3: Records of Amendments - Amendments to the By-Laws ratified by the membership shall be adopted, and shall cause to be published and recorded, the revisions to the By-Laws with the original By-Laws in the appropriate place. If any by-law is repealed, the fact of repeal with the date of the meeting at which the repeal was enacted or written assent was filed shall be stated in said book.

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned, hereby adopt and ratify these By-Laws of the corporation.

DATED this 8th day of July 2009.

President

Attest:

Gary Bass 7/8/09
Secretary

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Witnessing or Attesting a Signature

State of OREGON

County of Klamath

Signed or attested before me on July 8, 2009 by STEVEN STRAWN and

Kathleen Bazz

Notary Public - State of Oregon

My commission expires: DEC 16, 2011

