



00141606201300099100120120

08/29/2013 11:41:54 AM

Fee: \$92.00

AMENDED BY-LAWS OF
KLAMATH FALLS FOREST ESTATES UNIT 1
HOMEOWNERS ASSOCIATION, INC.

A NON-PROFIT CORPORATION

1. IDENTIFICATION AND STATUS

- 1.1 NAME. The name of this corporation is Klamath Falls Forest Estates Unit 1, Homeowners Association, Inc., formerly known as Klamath Road Association, Inc., an Oregon Non-Profit 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 BY-LAWS. These By-Laws replace and supercede the unrecorded "By-Laws of Klamath Recreational Association", the "Amended By-Laws of Klamath Road Association, Inc.", the "Amended By-Laws of Klamath Falls Forest Estates Homeowners Association, Inc.", and are adopted on the date last signed below, based upon action of the Corporation taken on the 18th day of May, 2013, at a meeting of the Board.

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 Number 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 or more persons jointly hold a membership, any ballot or communication which requires a signature of a member may be signed by one or more such persons, or their agent. All such persons may attend meetings of the membership and the Board. 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 MEMBER OF RECORD. Any notice of regular or special meetings required or permitted under these By-Laws shall be given to the owner of record as shown on the property tax records of the Klamath County Assessor and Tax Collector as of July 1, immediately preceding the Annual Meeting. Record shall constitute the membership record for the following year unless otherwise disclosed to the Secretary or Association by such new owner or owners in writing not less than ten days prior to the date of any meeting. The notice must include the name(s), address(es), and contact information for

all such new owners, the name(s) of the seller(s), legal description of the property by block, lot, and tax account number and the date of transfer.

2.3 VOTING. Each member carries the power to vote in the Association. There shall be one vote per property owner or owners, regardless of how many lots are owned. Members must be present to vote.

2.4 MEMBERSHIP APPROVAL. A requirement in the Articles, By-Laws, 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.

2.5 SUSPENSION OF RIGHT TO VOTE. The right of each member to vote shall be suspended during all times when maintenance fees payable by that member for the calendar year in which the voting is conducted are delinquent.

2.6 PROXIES. No member shall be allowed to vote by Proxy.

2.7 WRITTEN BALLOT. The Board may submit any issue to a written vote of the membership. In addition, upon written request of not less than ten people, 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.

2.8 QUORUM. The members voting at a meeting of the membership shall constitute a quorum.

2.9 MEMBER MEETINGS.

2.9a PLACE. Any meeting of the membership shall be held in Klamath County, Oregon, at such particular place as is determined by the Board.

2.9b ANNUAL MEETING. The annual meeting of the membership for the election of Board Members, and for the transaction of other such business as may properly come before the membership, shall be held at 5:00 P.M. on the third Saturday of Each August.

2.9c SPECIAL MEETINGS. Special meetings of the membership, for any lawful purpose, and at any time, shall be scheduled in response to a call by the President, the Board, or upon receipt of a written request signed by five percent of the membership. Such meetings will be duly noticed. The Secretary must give notice to the membership within twenty days of all properly requested meetings.

2.9d NOTICE. For all meetings, written notice of each meeting of the membership shall be given. Notice shall be hand delivered or mailed to the mailing address of each member at the address of record for the member. The notice shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or By-Laws, any budget changes or any proposal to remove a Director or Officer of the Association. A member who provides electronic mail, facsimile or other form of electronic communication information to the Association shall be deemed to have consented to receive notice by electronic communication in lieu of written communication by First Class Mail or hand delivery, unless the member directs the Association otherwise. Notice shall also be posted on the community bulletin board located at the Sparrow Drive entrance to the subdivision not less than ten days before the subject meeting.

3. THE BOARD

3.1 POWERS AND DUTIES. Subject to the provisions of the Articles, By-Laws, Declarations of Establishment of Conditions, Covenants and Restrictions Affecting Real Property, 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.

3.1a RESPONSIBILITIES. Without prejudice to its general powers, but subject to the same limitations, the Board 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 the Articles, these By-Laws or said Declarations, provided that any management agreement shall not exceed a term of one year and shall be terminated by the Association for cause at a meeting of the membership or upon thirty days written notice.

/// 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.

/V 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 membership meeting.

V RULES OF ORDER. At all meetings of the Association members and its Board, 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 of Order shall be available at every meeting.

- V/ ENFORCEMENT. To enforce the Articles, By-Laws, and Declarations, 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, By-Laws, said Declarations, or rules.
- 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.
- 3.1b DISCRETIONARY POWERS. In addition to the foregoing mandatory duties, the Board shall have the power to:
- / Remove agents or employees of the Association with cause.
 - // Change the location of the principal office of the Association within the County.
 - /// And, appoint committees composed of members to assist it in its duties.
- 3.1c LIMITATION OF POWERS. The Board must obtain the approval of the membership before entering into a contract with a third person for goods or services for a term greater than one year, except a contract for a public utility or governmental agency.
- 3.2 NUMBER AND QUALIFICATIONS. There shall be five Board Members of the Association. All Board Members 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. Board Members shall be chosen, hold office, and be removed as follows:
- 3.3a ELECTION. Board Members shall be elected by written ballot at the Annual meetings of the membership. If for any reason such Annual meeting is not held, or not all the authorized number of Board Members are elected thereat, or if it is necessary for the membership to fill a vacancy on the Board, Board Members may be elected by written ballot at any special meeting of the membership held for that purpose. No cumulative voting shall be allowed.
- 3.3b NOMINATION. All members in good standing are eligible for nomination. The Board shall prescribe reasonable procedures and opportunities for nomination of Board members, communication by nominees with the members as to qualifications and reasons for candidacy and solicitation of votes, and for elections.
- 3.3c TERMS OF OFFICE. Each Board member shall serve a term of two years, commencing at the conclusion of the meeting of which the Board member is elected and concluding at the end of the meeting at which the Board member's successor is elected. Notwithstanding the foregoing provision, the term of the Board members elected at the

Annual meeting of the membership shall be staggered so that no more than three Board member's term shall expire during each calendar year.

3.3d VACANCIES

- 1* CAUSES. A vacancy or vacancies on the Board shall be deemed to exist in the case of death, resignation, or removal of any Board member, or if the authorized number of Board members be increased, or if any Annual or special meeting of membership at which any Board member or Board members are to be elected, the members fail to elect the full authorized number of Board members to be elected at that meeting.
- 11* FILLING. Vacancies on the Board may be filled by a vote of the majority of the membership; provided, however, that a vacancy on the Board created by the removal of a Board member can only be filled by the membership. If the Board accepts resignation of a Board member tendered to take place at a future time, the membership shall have the power to elect a successor, pursuant to the provision hereof, to take office when the resignation is to become effective. Each Board member so elected shall hold office for the remainder of the term of the position to which he was elected.

3.3e REMOVAL. The Board may remove a Board member who has been declared of unsound mind by a final court order, who is convicted of a felon, or who misses three consecutive regular meetings of the Board. A Board member may be removed with or without cause by a majority vote of all members present and entitled to vote at any meeting of the membership at which a quorum is present and notice of the proposed action has been given. No reduction of the authorized number of Board members shall have the effect of removing any Board member prior to the expiration of his term of office.

3.4 BOARD MEETINGS

3.4a REGULAR MEETINGS. Immediately following each Annual meeting of membership, the Board shall hold an Annual regular meeting for the purpose of organization, election of Officers, and the transaction of other business.

3.4b SPECIAL MEETINGS. Special meetings of the Board may be held at any time, at a place designated by the Board, in accordance with these By-Laws, upon a call by the President, the Vice-President, the Secretary, or by any two Board members. All special meetings are open to the membership.

3.4c TELEPHONIC MEETINGS. Board meetings may be conducted by telephonic communication that allow all members of the Board participating to hear each other simultaneously, or otherwise to be able to communicate during the meeting.

3.4d NOTICE. Notice of the time and place of Board meetings, including notice of any special business to be considered, shall be given to each Board member at least seventy-two hours prior to the meeting. Notice of Board meetings shall be posted on the

community bulletin board at the Sparrow Drive entrance to the subdivision no less than three days prior to the meeting, or by a method otherwise calculated to inform members of such meetings.

3.5 ACTION WITHOUT MEETING. Any action that materially affects the membership cannot be taken without a meeting of the membership for approval. Any other action required or permitted by the Board may be taken without meeting if all the Board members 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, is removed, is otherwise disqualified to serve, or his successor is elected and takes office, provided however, that no Officer should serve more than two years without being reelected.

4.2 QUALIFICATIONS. In addition to the qualifications set forth in 3.2, Officers shall be members of the Association, and be a legal voting resident of Unit 1. All Officers must be deemed current in payment of assessments for the calendar year in which he is serving. One person may hold two or more offices, except those of President and Secretary.

4.3 REMOVAL/RESIGNATION. No Officer may 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.

4.4 OFFICES. The Association shall have the following Officers, and such other Officers, including one or more Assistant Secretaries, as may be appointed by the Board. The duties of Officers shall be prescribed in the Articles, By-Laws, Declarations, or as assigned from time to time by the Board and, as to other Officers, the President.

4.4a PRESIDENT. The President, who shall be chosen from the Board, shall be 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 membership and the Board of Directors.

4.4b 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.

4.4c **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 Board Members and membership, or a duplicate thereof, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Board member meetings, the number of members present or represented at membership 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 By-Laws or by law. Secretary shall post notice of all meetings, regular or special, on the community bulletin board at the Sparrow Drive entrance to the subdivision.

4.4d **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 Board member.

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 Board members, whenever they request it, an account of all transactions as Treasurer and of the financial condition of the Association.

5. MAINTENANCE FEES AND SPECIAL CHARGES

5.1 **MAINTENANCE FEES.** Each year the Board shall consider the current and future needs of the Association as to its operation and 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 membership of the Association, that the maintenance fees be increased in the amount allowed by the Amended Declaration of the Association. Any increase in maintenance fees provided to the membership of the Association must be 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 1 of each calendar year, the Secretary shall have hand delivered, or mail by first-class mail, postage prepaid, to each member's record address a written statement of the maintenance fees payable by that member for the next calendar year. Such statement shall set forth:

- 5.2a AMOUNT. The amount of the maintenance fees that are due from that member.
- 5.2b DUE DATE. That payment of said maintenance fees is due on or before March 15 of that year, and that the maintenance fees will be deemed as received by the Association if the payment is postmarked on or before March 15.
- 5.2c DELINQUENCY. That any payment not deemed received by March 15 shall be deemed delinquent.
- 5.2d PLACE OF PAYMENT. Where and to whom payment is to be made.
- 5.4 SUSPENSIONS. The Association shall now allow the exercise of any rights or 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 maintenance fees and charges to which such membership is subject are paid.
- 5.5 LIENS. The Board may enforce collection of maintenance fees by suit, action at law, or by lien.
- 5.6 DISPOSITION OF FUNDS. The funds arising from maintenance fees, insofar as possible, shall be applied toward the payment of expenses pursuant to the annual budget adopted by the Board. Excess maintenance fees, after making allowance for budgeted reserves for replacement, may be returned to the membership 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 maintenance fees, and disclose the amount of the delinquent maintenance fees, attorney's fees, and other penalties assessed against such owner's lot, and further, stating the dates to which the installments of maintenance fees have been paid as to his lot, but reliance of such certificate may not extend to any default not involving the payment of maintenance fees 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
- 5.8a DETERMINATION OF RIGHTS TO RESIDENTIAL ACCESS. Residents who are currently in good standing and in possession of keyed access to the pump house, as of the adoption of these amended By-Laws on the date last signed below, shall have rights to continued domestic access to the community well in accordance with regulations currently in effect. Subject to the provisions below, the Board may regulate the access to, and appropriation of water from, the well owned by the Association.
- 5.8b ANNUAL MAINTENANCE FEE. The Board shall, prior to October 15 of each calendar year, set an annual maintenance fee 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, 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 schedule shall be adopted by resolution of the Board and be made available to all members of the Association.

5.8c CONDITIONS OF USE. Access to the well and the right to draw water shall be subject to a waiver of liability and indemnity agreement, to be signed by the member(s) prior to use, which shall provide that 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, employees or agents from any and all claims arising out of access to or use of the well, or consumption of water provided from it.

5.8d LIMITATIONS OF USE. Access to the well and water from it shall be provided:

- I Only for residential use at an Association member's legal residence within Klamath Falls Forest Estates Unit 1.
- II Use shall be presumed discontinued if payment has not been made for more than one year. Lock change and new key charges will be charged to delinquent key holder(s).
- III There will be a limit on keys issued for the well. That limit is 50 (fifty) keys. These keys will only be issued to legal residents with legal residences and legal addresses.
- /V If you are already a legal resident with a legal residence and a legal address, and a key holder, you will still receive your key. The 50 (fifty) key limit will apply to NEW residents, not the legal residents already established. There will only be a TOTAL of 50 (fifty) keys issued.
- ✓ The Board may, by resolution, reinstate maintenance fees to the general membership, create different classifications of use, provide additional rights of use, fees or charges, provided such further terms, conditions and provisions are not inconsistent with provisions herein stated.

6. RECORDS AND REPORTS

6.1/ INSPECTIONS.

6.1/a MEMBERS. The Articles, By-Laws, Declarations, Rules, membership register or duplicate membership register, the books of account and minute proceedings of the membership, 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

his interests as a member. An original or copy of the said Articles, By-Laws, Declarations and Rules, as amended to date, shall be open to inspection by the membership at all reasonable times.

6.1 b BOARD MEMBERS. Each Board member 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 times for members to inspect the books, records, or physical properties owned or controlled by the Association. Such member is responsible for all reproduction costs of any copies they would like to make.

6.2 ACCOUNTINGS AND REPORTS. The Board shall cause to be prepared and distributed to the membership at the annual 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 an Officer, or holder of ten percent 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 of the Association, and if not prepared by an independent accountant, certification by a member of the Association who is not an Officer or a member of the family of an Officer that the annual report fairly and correctly sets forth the financial affairs of the Association is required. Within 30 days after adopting the annual budget for the Association, the Board shall provide a summary of the budget to all owners.

7. INSURANCE

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

8. GENERAL

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.

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 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. The applicant shall receive notice of the Board's 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 such 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 the 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 By-Laws.

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 membership on a pro rata basis.

8.7 AMENDMENTS. Only the membership can amend or repeal these By-Laws, or adopt new ones.

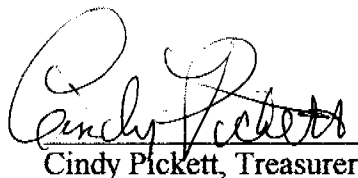
THESE AMENDED DECLARATIONS ARE APPROVED ON THIS 17TH DAY OF AUGUST, 2013.



Marcus Thomsen, President



RheuaNell Howland, Secretary



Cindy Pickett, Treasurer



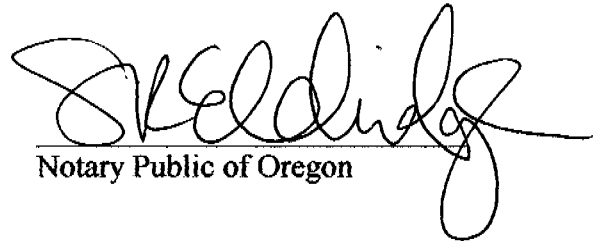
David Pierson, Board Member

SEE ATTACHED NOTARY ACKNOWLEDGEMENT





This instrument was acknowledged before me on August 29th 2013,
By Marcus Thomsen, RheuaNell Howland, Cindy Pickett, and David Pierson.


Notary Public of Oregon



May 15, 2016
My Commission Expires on