

**BY-LAWS OF
FALL RIVER ASSOCIATION, INC.**

INCORPORATING MAY 25, 1996,
NOVEMBER 29, 2014,
JULY 22, 2017, JUNE 1, 2019, JUNE 5, 2020, and JUNE 30, 2021, JULY 3, 2024,
May 30, 2025 REVISIONS¹

ARTICLE I

IDENTIFICATION

SECTION 1. NAME: The name of this corporation is FALL RIVER ESTATES ASSOCIATION, INC., hereinafter referred to as "Association".

SECTION 2. PRINCIPAL OFFICE: The principal office of the association shall be Deschutes County, Oregon.

ARTICLE II

SECTION 1. PURPOSE²: The primary purpose of the Association shall be to administer the upkeep and maintenance of common facilities, excluding roads, for the use of the owners in Fall River Estates, Deschutes County, Oregon. The sitting Board of Directors (hereinafter the Board) shall manage the common facilities and adherence to the CC&Rs and Bylaws under the laws of Oregon.

SECTION 2. POWERS: In the accomplishment of the purposes and objectives of this Association, the expenditure of funds there shall be strictly limited to assets on hand, and there shall be no pledge of credit by the corporation.

ARTICLE III

MEMBERSHIP

SECTION 1. Membership in the Association shall be mandatory and limited to the owners of the properties constituting Fall River Estates, Deschutes County, Oregon, or to those persons purchasing such properties under contract of sale. The ownership or purchase of more than one lot entitles the said owner or purchaser to one (1) vote for each lot she or he (they) may have.

ARTICLE IV

MEETINGS

SECTION 1. ANNUAL MEETING: There shall be one (1) annual meeting of the membership within one (1) week before or after Memorial Day of each year. Written notice will be given by the Secretary to each member not later than two (2) weeks prior to said meeting. At this meeting, Directors to serve for the ensuing year, commencing July 1st, shall be elected.

SECTION 2. SPECIAL MEETINGS: Special meetings may be called at any time by the President³, the majority of the Board of Directors or by forty percent (40%) of the members. Notices of any special meetings shall be issued not less than thirty (30) days prior to the date set.

SECTION 3. QUORUM: Thirty percent (30%)⁴ of the membership (in attendance or by ballot) shall constitute a quorum. A simple majority thereof shall be sufficient to pass any regular resolution.

ARTICLE V

DIRECTORS

SECTION 1. GENERAL: There must be three (3) directors⁵, each of whom shall serve a term of two (2) years. The three Directors consist of the positions of President, Treasurer, and Secretary. Additional positions may be added but no more than 5 (five) directors in total.

The Board of Directors shall manage the affairs and business of the Association not inconsistent with the law, with Articles of Incorporation, these By-Laws, or the Restrictive Covenants, and shall have the authority that is normally invested in a Board of Directors of a non-profit corporation.

SECTION 2. VACANCIES: Vacancies on the Board of Directors may be filled by the remaining members of the board, and the replacement shall serve until the next regular election.

SECTION 3. MEETINGS: The Board of Directors shall hold a regular meeting immediately after each annual meeting for organizational election of officers and transaction of business. Any other meetings shall be upon two weeks written notice from the President⁶ or any three (3) Directors.

SECTION 4. HONORARY PRESIDENT: The outgoing President⁷ may remain as a honorary/non-voting member of the Board of Directors in an advisory capacity only for a period of one (1) year.

ARTICLE VI

OFFICERS

SECTION 1. SECTION 1. The 3 (three) directors **must be** President, Secretary and Treasurer⁸ then Directors 4 & 5 **may be included** as Directors at large if/as elected. These five (5) Directors are all voting members on the Board. A representative of the Fall River Special Road District of Deschutes County **may** be a member of the Board, but will be a non-voting member. The members of the Board will be elected at the Fall River Annual Owner's Meeting (as described in Section IV above). They will hold office until they resign, or their successors shall be elected and qualified, or they shall be removed from office.

SECTION 2. All officers of the HOA, following the end of their term or any other reason for the end of their service, are required to relinquish all HOA owned property, records, website and computer passwords, and HOA owned computers, programs, and materials as soon as practical following relinquishing their position on the HOA Board. This shall occur at or before the Board member transition meeting, and within no more than 45 days following election or appointment of any new officer or officers⁹.

ARTICLE VII

ASSESSMENTS

SECTION 1. Payment of assessments to fulfill the functions of this Association shall be mandatory. Assessments shall be set by the Board of Directors and payable at the rate of one (1) assessment per lot owned. Lot assessments are due and payable as of July 1st each year and shall be considered delinquent as of September 1st each year.

If an assessment is not paid by September 1st of each year¹⁰, a 15% (\$15) late charge will be billed to the property owner. If an assessment is still not paid, a lien on said property may¹¹ be filed with Deschutes County within 60 days of the delinquency date of November 1st.

SECTION 2. As part of the annual budget development process, the board of directors will assess if the current funds available will support the proposed budget. If sufficient funds are available, the board MAY determine to suspend assessments for that year¹².

ARTICLE VIII

BYLAWS AMENDMENTS

By-Laws may be amended or repealed by a two third majority vote of the members present at any regularly called meeting of the Association, provided a quorum is present as set out in ARTICLE IV, SECTION 3.

ARTICLE IX

INDEMNIFICATION

SECTION 1. The Corporation shall indemnify each of its Directors and Officers to the fullest extent possible under Oregon Non-Profit Corporation Laws, as the same exists or may be hereinafter be amended, against all expense, liability and loss incurred or suffered by such person by reason of or arising from the fact that such a person was a Director or Officer of the Corporation or is or was serving at the request of the Corporation as a Director, Officer, partner, trustee, employee or agent of another foreign or domestic business or nonprofit corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, and such indemnification shall continue as to a person who has ceased to be a Director or Officer and shall inure to the benefit of his or her heirs, executors and administrators.

The Corporation may, by action of the Board of Directors, provide indemnification to employees and agents of the Corporation who are not Directors or Officers to employees and agents of the Corporation who are not Directors or Officers with the same scope and effect as the indemnification provided in this Section 1 to Directors and Officers. The

indemnification in Section 1 shall not be exclusive to any rights to which any person may be entitled under any statute, bylaws, agreement, resolution of members or Directors, contract or otherwise.¹³

SECTION 2. Each Director or uncompensated officer of the Corporation shall have no personal liability to the Corporation or its Members for monetary damages for conduct as a Director or Officer, [provide this Section 2]¹⁴ shall not eliminate or limit the liability of a Director or Officer for (i) any breach of the Director's or the Officer's duty to the Corporation or its members, (ii) acts and omission not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) any unlawful distribution, (iv) any transaction from which the Director or Officer derived an intentional benefit; or (v) any other act or omission specified by the provisions of the Oregon Nonprofit law, as the same exists or may hereafter be amended. No subsequent repeal or amendment to Section 2 shall adversely affect any right or protection of a Director or Officer of the Corporation existing at the time of such repeal or amendment.

SECTION 3. Each check from the Corporation checking account must be signed by two members of the Board of Directors. If the check is for a reimbursement to one of the Board of Directors, the reimbursed director cannot be one of the check signers.¹⁵

ARTICLE X

BUDGET¹⁶

SECTION 1. Per ORS 94.645, the Board of Directors at least annually shall adopt a budget for the planned community.

SECTION 2. The Board of Directors will publish and put forth for a community member vote of approval, the proposed annual budget within 30 days of board adoption per ORS 94.645.

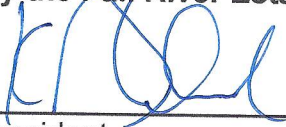
SECTION 3. Any expenditure over \$1,000 that was not specifically included in the approved annual budget, **must** be put to a vote for community member approval.

ARTICLE XI

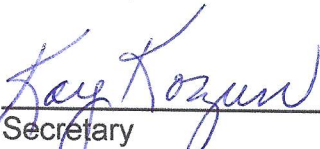
MAIL STATION BULLETIN BOARD¹⁷

SECTION 1. Notices posted on the HOA-owned Mail Station Bulletin Board must be dated and signed. Notices should not exceed 8.5 x 11 inches and must be removed either after 14 days from posting or after the publicized event has passed. Unsigned and/or undated notices will be removed.

By the Fall River Estates Board

 8/2/2025

President

 8/2/2025

Secretary

 8/4/2025

Treasurer

Director-at-Large

Director-at-Large

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- ¹ Updated and re-typed to correct formatting and grammatical errors, June 4, 2019.
Updated June 5, 2020 to remove sections pertaining to the Fall River Estates Special Road District.
Updated June 30, 2021 to reflect new additional bylaws, presided by Chairman Mike Armstrong.
- ² Updated July 3, 2024 for wording to align with Planned Communities ORS 94.550 to 94.783, presided by President Mike Armstrong
- ³ Changed Chairperson-General Manager to President July 3, 2024, presided by President Mike Armstrong.
- ⁴ This bylaws amendment was passed at annual meeting effective July 22, 2017, presided by Chairman Larry V. Foster.
- ⁵ Corrected number of directors required from 5 to 3, presided by President Mike Armstrong.
- ⁶ Changed Chairperson-General Manager to President July 3, 2024, presided by President Mike Armstrong.
- ⁷ Changed Chairperson-General Manager to President July 3, 2024, presided by President Mike Armstrong.
- ⁸ Corrected number of directors required from 5 to 3, naming President, Secretary and Treasurer, presided by President Mike Armstrong.
- ⁹ This bylaws amendment was passed at annual meeting effective June 1, 2019, presided by Chairman Thomas T. McManus.
- ¹⁰ The HOA Board of Directors in 2018 determined that in order to facilitate payment of dues and reduce delinquencies, that the 15% late fee shall accrue at the rate of \$15.00 per month for each and every month after September 1st. Additional fees will also be imposed for placing and releasing a lien, as shown in the By-Laws, above. The Board may consider issues of undue hardship in assessing these fees.
- ¹¹ Changed wording from "shall be filed" to "may be filed", July 3, 2024, presided by President Mike Armstrong.
- ¹² The ability to put a moratorium on the annual assessment was approved by a majority of members on June 30, 2021, presided by Chairman Mike Armstrong.
- ¹³ Due to the broad indemnification contained in the By-Laws above, at a regular Board meeting on December 5, 2018, the Fall River Estates Board of Directors unanimously approved the purchase of a contract for coverage of liability insurance both for the HOA and for Directors and Officers. This will avoid the need for a special assessment should a lawsuit be brought against the HOA, Directors, and Officers by providing both legal representation and funding above that available in the HOA's own funds. Such liability insurance also complies with Oregon statute ORS 94.675. Such insurance must be maintained annually.
- ¹⁴ There appears to be a typographical error or errors in the original 2014 By-Laws version of this section of the existing By-Laws, and it is suggested that the paragraph section in brackets should read ["provided in Section 2, but shall not eliminate..."]
- ¹⁵ Section 3 of Article IX was added as the result of the 2021 election concluded on June 30, 2021, presided by President Mike Armstrong.
- ¹⁶ Article X (Budget, sections - 1,2, and 3) was added as the result of the 2021 election concluded on June 30, 2021, presided by President Mike Armstrong.
- ¹⁷ Article XI added as a result of the 2025 election concluded on May 30, 2025, presided by HOA President, Tom Baumbach