ASSOCIATION POLICIES AND PROCEDURES FOR USE AND ENJOYMENT OF THE RUNNING Y RANCH RESORT BY ITS OWNERS

THE RUNNING Y RANCH RESORT OWNERS ASSOCIATION
(MASTER ASSOCIATION)

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ASSOCIATION POLICIES AND PROCEDURES
FOR THE USE AND ENJOYMENT OF
RUNNING Y RANCH RESORT
PLANNED COMMUNITY

To maximize the use and enjoyment of your community, the following Policies and Procedures have been established for all Running Y Ranch Resort owners and their guests. This statement of Master Association Policies and Procedures is intended to familiarize you with the concept of the Planned Community, to summarize some of the important aspects of the Master Association, and to inform you of certain additional rules and regulations adopted by the Board of Directors when they approved this statement for issuance. These policies supplement the Declaration of Protective Covenants, Conditions, Restrictions and Easements for Running Y Ranch Resort (the "Master Declaration") but do not change your obligations as an Owner under either the Master Declaration or the other Governing Instruments. Please keep in mind these policies were approved at the time of printing and that they may be amended from time to time by the Board of Directors for The Running Y Ranch Resort Owners Association.

Definitions

To assist you in reading the Policies, the legal terms used in the Master Declaration have been dispensed with here in favor of plainer language. The context should make the meaning clear. To the extent there is any conflict between any provision of these Policies and any provision of the Master Declaration, the provisions of the Master Declaration shall control.

General Information

The Running Y Ranch Resort Community is operated under the jurisdiction of The Running Y Ranch Resort Owners Association.

Membership in the Association

As an owner of any property interest within the Running Y Ranch Resort Planned Community, you are automatically a member of the Running Y Ranch Resort Owners Association, also referred to as the “Association”. As an owner of property within a specified neighborhood, or “Project” as that term is defined in the Master Declaration, you may also receive a statement of policies and procedures for that neighborhood which would be in addition to the Master Association Policies and Procedures stated in this document.

Association “Projects” or Neighborhoods

At this time, the Running Y Planned Community includes a number of neighborhoods or “Projects”, specifically the single-family residential neighborhoods of Ridge View Homesites, Ranch View Estates, View Point Homesites, WestRidge Estates, and The Meadows, plus the neighborhoods of Eagles Landing (a townhome community off Coopers Hawk Road) and Pelican Springs (chalet-
style homes on Marsh Hawk Drive). In addition, WorldMark, The Club owns units in three buildings on WorldMark Loop. All neighborhoods are subject to these Association Policies and Procedures.

**Architectural Review Committee**

The Master Declaration establishes the Architectural Review Committee (“Committee”) to assure quality of workmanship and materials, harmony of external design with existing improvements and as to location, topography and finished grade elevations, and to avoid plan repetition. The Committee has jurisdiction over the new construction, rehabilitation, remodeling or major repairs to any improvement built on a lot within the Running Y Ranch Resort, except for that work done by the Developer as initial construction. If you contemplate constructing, repairing, remodeling, or rehabilitating any improvements located in the Running Y, you are required to submit to the Committee:

(i) written description of the proposed work;
(ii) plans and specifications;
(iii) schematics;
(iv) elevations;
(v) landscaping and tree preservation plans; and
(vi) a plot plan showing the location of the proposed improvements on the building site; along with the application forms and fees as may be required from the Committee from time to time.

The Committee may also require that the exterior finish and color and the architectural style or character shall be such as in their discretion may be deemed suitable. In the case of any lots adjoining the Golf Course, the Committee will submit the plans to the Golf Course owner for review and approval. If rejected by the Golf Course Owner, the Committee will similarly reject the plans.

**Features of Your Planned Community**

**Roadway System**

The road network at the Running Y is designed to provide easy traffic flow throughout the community. For this reason, all members of the Association have free access to all roads within the Running Y, with the exception of the portion of Coopers Hawk Road within the View Point Homesites neighborhood. Except for that restricted access cul-de-sac, roads entering the separate neighborhoods are not restricted-access roads. Roads within the Running Y Planned Community will be conveyed to the Association as common area and will be maintained and repaired as needed by the Running Y Ranch Resort Owners Association. Funds for this work will be generated by the annual assessments on all lots annexed to the Association, with the exception of the restricted-access road for which maintenance will be funded by Project Assessments on lots within that neighborhood. Access to other areas will be controlled through the use of appropriate signage.

**Golf Course**

Running Y Resort, Inc., the developer, is the owner of the 18 hole golf course and adjacent driving range and other golf facilities, at The Running Y Ranch Resort. The golf course will be open to the public; however, the golf course owner (developer) may offer favorable consideration for golf
starting times and greens fees less than the public posted rates to owners at the Running Y Ranch Resort. Because the ownership and/or operation of the golf course may change in the future, such favorable starting times and greens fees for owners may be discontinued or revised from time to time. Please contact the golf course pro shop for full details on current starting time reservation policies and rates.

Recreational Pathways

A network of recreational pathways are available for your use and enjoyment at the resort community. As an owner and member of the Association, you have access to all recreational pathways. Please keep bicycles, strollers and any wheeled vehicles on the paved surfaces only. Parking of vehicles is strictly prohibited on all recreational pathways.

Bicycles, and other wheeled vehicles, are an enjoyable way to enjoy your resort community, and all equipment must be kept on the paved pathways or connecting paved roads at all times. Pedestrians and cyclists must use extreme caution when sharing a roadway with vehicles. Bicycles, and other wheeled vehicles, are expressly prohibited from anywhere on the golf course, driving range or other grassy areas. Skateboards, non-motorized scooters, and in-line skating activities are allowed on the paved bike paths only, and prohibited for use on paved walkways fronting and connecting residential units, in parking lots, on roadways, and at the entrances to buildings. These limitations are directed at separating cars from skaters and skateboarders, and keeping the activity restricted to appropriate surfaces. Neither motorized scooters not motorized vehicles of any kind, nor golf carts, are allowed on recreational paths with the exception of golf carts or maintenance vehicles operated by the golf course, the Association or its managing agents for maintenance purposes.

While enjoying the pathways, please take care to not destroy, damage or unnecessarily disturb the natural vegetation or wildlife on the property.

Sports & Fitness Center

The Sports & Fitness Center offers many recreational and leisure opportunities for your use. Access to the facility is by the front entrance only, and all owners must register prior to use of the facilities. Policies for use and enjoyment of the facilities by owners and guests are attached as “Exhibit A”. Hours of use will be posted from time to time at the recreation facility.

The Association owns the Sports & Fitness Center and is responsible for maintenance and operation of the facility. The funds to maintain and operate the facility are generated by assessments specific to this facility charged to all owners in the Association as provided in the governing documents. Should the Association Board of Directors establish costs for any activities or facilities in addition to those assessments, it will be due to the nature of a particular activity and the Directors’ decision that those using it should defray the costs rather than the Association in general.
Miscellaneous Policies and Procedures

Restricted Activities

Dangerous or unlawful substances may not be stored, introduced or used within the Running Y Planned Community. All obnoxious or offensive activities are prohibited. In addition, you are required to control noise in all of your activities and to monitor your children so that you do not disturb other residents of the Community.

Fire Danger

Fire danger is a constant concern in this dry climate. Cigarette butts or any other burning materials must be completely extinguished and carefully discarded in an appropriate trash facility. From time to time during the fire season, additional policies may be adopted to further restrict the location of any smoking activity. For the safety of resort owners, guests and our wildlife as well as preservation of the resort's natural beauty, please abide by this policy.

Wildfire Risk Reduction

Policies and specific guidelines for ladder fuel reduction on private property and common areas within the Running Y Planned Community, along with enforcement procedures, are attached as “Exhibit B” and incorporated into these Association Policies and Procedures. The policies are generally consistent with ORS 477 (the Oregon Forestland-Urban Interface Fire Protection Act of 1997 or the “Act”) which is anticipated to be adopted and implemented by Klamath County in 2006. This policy is subject to further modification by the Association Board of Directors after Klamath County adopts the Act and completes implementation. It is the intent of this policy to reduce risk from fire at the Planned Community, to facilitate eventual certification under the Act once adopted by the County, and to maintain the rural character and aesthetics of the Community.

Pets

Only dogs, cats, or such other household pets as may be approved by the Association may be kept in the Running Y Planned Community. Household pets shall be leashed at all times when not on the owner’s private property. Such approved pets may be exercised within the resort community only when accompanied by their owners and then only on a leash no longer than six (6) feet for a fixed length leash or up to a maximum of fifteen (15) feet (when extended) if a retractable leash, one end of which is held in the owner’s hand. Pet owners are responsible for the prompt removal of their pet’s waste anywhere within The Running Y Ranch Resort, including their own homesite. Compliance with these rules shall be determined solely by the Association.
Parking and Safe Speeds

No mobile home, recreational vehicle (including campers) exceeding 1,500 pounds in gross weight, trailer of any kind, trucks with a rated load capacity greater than 3/4 of a ton, or boat shall be kept, placed, maintained or parked for more than 3 days in any 7-day period on any portion of the community, except in enclosed garages, or in areas designated by the Board and screened from view in a manner approved by the Architectural Review Committee. Except as provided below for limited recreational vehicle circumstances, parking on the streets for more than 6 hours at a time is prohibited, and no vehicles shall be parked on streets between the hours of 12:00 A.M. (midnight) and 7:00 A.M., or as otherwise posted from time to time. On streets located within the Ranch View Estates Neighborhood, specifically Grosbeak Way, Merlin Way and Horned Lark Drive, parking of recreational vehicles will be allowed for up to 24 hours at a time. This extended on-street parking is allowed only for loading/unloading recreational vehicles in preparation for use, and the vehicles are not permitted for use as overnight lodging for residents or guests. Any such parked vehicle must be located completely within the side property lines of the vehicle owner’s property and must be parked in a manner allowing other vehicles to have adequate sight distance and safely pass in both directions. In addition, no such parking is permitted on garbage collection days or on days with predicted snow accumulation. Vehicles must be removed from the street immediately on request by the Association Manager if the parking location or conditions are determined to create any safety hazard or problems for garbage collection or snow removal.

For safety reasons, the Association may post from time to time speed limits in the various areas of the Community. The speed limit within The Running Y Ranch Resort Community is 25 miles per hour, or as may otherwise be posted. Please abide by the speed limit at all times to encourage maintaining a safe community.

Vehicle Restrictions

To preserve the natural setting and environmental values of The Running Y Ranch Resort, the use of non-street licensed vehicles (motorcycles, snowmobiles, motorcycles, automobiles or trucks) or any noisy operated vehicles or devices is not permitted anywhere within the Running Y Planned Community.

Soliciting

No soliciting is permitted at any time by an owner, guest, or member of the general public within the boundaries of the Community.

Firearms

The discharge of firearms within the Running Y Planned Community is expressly forbidden. Any firearms brought into the community must be unloaded.
Debris and Outside Storage

All refuse containers, wood piles, and other storage areas must be obscured from view of neighboring property; tarps used for covering firewood or other usage which are visible from roadways and other homesites are not permitted. Trash cans and containers shall be allowed to be set out only during the days on which rubbish is collected and the preceding day. At all other times, trash cans and containers must be stored in a trash enclosure or inside the garage, and must not be in plain view of neighbors or passersby. Items not requiring Architectural Review Committee approval such as non-permanent recreation equipment, sports facilities, bicycles, toys, etc. shall not be left around the property in an unsightly manner and shall be kept out of view when not in use. No rubbish, trash or garbage shall be allowed to accumulate on any portion of the property within The Running Y Community.

Antenna and Exterior Appliances

No towers, antenna, aerials or other facilities for the reception or transmission of radio or television broadcasts shall be erected or maintained on any portion of the property within the Running Y Planned Community, unless approved by the Association Board of Directors. The Board of Directors has approved the installation of exterior satellite dishes in accordance with rules issued by the Federal Communications Commission (FCC), subject to Architectural Review Committee approval regarding location and other matters permitted by the FCC rules. Also, unless approved by the Association Board of Directors, no outdoor basketball courts shall be installed on any property in the Community except by the Association on Association property.

Landscaping and General Maintenance

Landscaping conforming with approved landscaping plans shall be installed on each residential property within one year after the issuance of a certificate of occupancy for the property and shall be in compliance with all sod and planting limitations and tree preservation guidelines as established by the Architectural Review Committee. Nothing shall be screwed, nailed or permanently attached to a tree. You must maintain the attractive appearance of your property according to standards applicable to the Running Y Community as a whole.

Cables, chains, or ropes attached to trees for the purpose of securing a pet, fencing, clothes lines, etc. shall not be permitted. Securing a pet to a cable, tree, or stake will not be allow as it lends to the destruction of the natural vegetation and can be unsightly.

Temporary Structures

No structure of a temporary character, trailer, tent, shack, garage, barn or other outbuilding shall be used as living quarters, either on a temporary or permanent basis.

Exterior Lighting

Exterior lighting is subject to prior approval of the Architectural Review Committee, and is restricted in any event to low-voltage decorative systems in compliance with local regulations.
Feeding of Wild Animals Prohibited

No person shall set out feed for deer, raccoons, skunks or opossums at the Running Y Ranch Resort.

Collection Policy; Fees; Fines

Collection Policy: See Exhibit C for the Resolution of the Board of Directors for the Collection of Unpaid HOA Assessments (the “Collection Resolution”). In addition to those collection actions and remedies described in the Collection Resolution, the following actions will be taken:

1) Access to the Sports & Fitness Center will be restricted beginning on the thirtieth (30th) day past the due date until the account is brought current and all assessments and fees charged to the Owner pursuant to the Declaration and Collection Resolution are paid in full.

2) In the event an assessment account is turned over to Vial Fotheringham LLP (“V-F”) for collection pursuant to the Collection Resolution, the delinquent Owner’s voting rights will be suspended effective on the date the account is turned over and suspension will continue until the account is brought current and all assessments and fees charged to the Owner pursuant to the Declaration and Collection Resolution are paid in full. Written notice of the voting rights suspension will be provided along with the Association Payment Demand Letter referenced in the Collection Resolution. The voting rights of delinquent Owners whose assessment accounts have already been turned over to V-F when this policy revision is adopted by the Board of Directors will be suspended as of the effective date of this policy revision.

Article 12, Section 12.3(a) of the Declaration authorizes the Board, on behalf of the Association, to suspend a delinquent Owner’s voting rights and rights to use Common Areas.

Fees:

NSF Fee (payable whenever a check is returned dishonored): $33.00, which amount reflects the bank charge to the Association at time of policy printing and which may be adjusted from time to time to match the bank’s NSF fee.

Transfer Fee of $75.00 for administrative records purposes assessed to the unit/lot new owner (buyer) at closing of the sale of a unit/lot or upon recording a title transfer.

For Association prepared and recorded Notice of Claim of Lien Filing Fee (assessed to an owner’s dues account when a notice of claim of lien is prepared and filed for non-payment of assessments): $100.00, plus recording costs covering lien and lien satisfaction document. Klamath County determines recording fees, which may change from time to time. Fees for the preparation and recording of a Notice of Claim of Lien handled by Vial Fotheringham LLP pursuant to the Collection Resolution will be assessed to the owner’s dues account in an amount determined by Vial Fotheringham.

Records examination and request: $Amount determined by request (see Exhibit E)

Fines: See Exhibit D for information on assessment, the appeal process, a schedule of fines and other related information.
Policies for Owner Communication with Association, Management Company, HOA Manager or Contractors

All management company employees, independent contractors or other persons or entities providing services to the Association are under the supervision of the management company’s HOA Manager and no Owner or guest shall direct their activities or reprimand or discipline any such person or entity.

Further, Owners and their guests shall not abuse any of the management company employees, HOA Manager, Association directors, officers, committee members or other agents of the Association, verbally or otherwise. Efficient and cost-effective operations at the Running Y Planned Community depend upon the ability of the management company employees, HOA Manager, Association directors, officers, committee members and other agents of the Association to complete their respective work without unnecessary interference or interruption and without verbal or other abuse.

Report an observation or request regarding a common area maintenance condition to the HOA Manager by phone, e-mail or by written notice. Criticisms or suggestions regarding the operations of the Association shall also be addressed to the HOA Manager. If an Owner believes a complaint or criticism has not been addressed by the HOA Manager after a reasonable time period, the Owner shall send a written communication to the Association Board. Please note, however, the Board will not allocate Association resources responding to repetitive complaints, criticisms or requests for information after the Board has already determined appropriate action, if any, or has already responded with the requested information. Owners shall refrain from repetitive or abusive communications directed to the management company employees, HOA Manager, Association directors, officers, committee members or other agents of the Association.

Enforcement of the Policies and Procedures

The Running Y Ranch Resort Owners Association requires all Owners and their guests to adhere to the requirements set forth in the Master Declaration, the Bylaws, and these Association Policies and Procedures. To assist the Board of Directors in the enforcement of the provisions of these documents, the Board has delegated enforcement authority to the HOA Manager. Any Owner or guest who has been advised by the HOA Manager that they are in violation of the Association Policies and Procedures or the Master Declaration or Bylaws shall immediately cease and desist that activity.

If any owner or his guest, after being notified by the HOA Manager that they are in violation of the Policies and Procedures, fails to comply with the HOA Manager's direction, the matter will be referred to the Association Board for consideration of enforcement action. The assessment of penalties for certain violations or noncompliance matters has been pre-approved by the Board as provided in the attached “Exhibit D”. If fines or penalties are assessed for noncompliance, the owner against whom such action is proposed to be taken has the right to appear before the Association Board to contest such action, all as provided in the Running Y Ranch Resort Owners Association Bylaws.
ATTACHMENTS:

Exhibit A – Sports & Fitness Center – Policies for Use and Enjoyment of Recreational Facilities
Exhibit B – Wildfire Risk Reduction Policy
Exhibit C – Collection Policy
Exhibit D – Fine Procedure and Schedule
Exhibit E – Record Examination and Privacy Policy
The following policies are put in place to protect your use of the facilities and your ownership at Running Y.

**Running Y Owner Identification**

These use policies are intended to provide a safe and enjoyable environment for all Owners and their family and guests. In order to restrict access of unauthorized persons to Association recreation facilities, a system of requesting and presenting owner identification will be enforced. One picture identification may be requested in addition to a Running Y owner identification card. Please understand that resort employees cannot be expected to remember all Running Y Owners—there are many! Even if you are our best friends and we see you often, please bring your owner identification and one picture identification with you as you use these facilities, and be patient as employees ask you to present these forms of identification. Inability to show proper identification may result in your being asked to leave the facility and return with the appropriate identification.

**Use Rights and Owner Cards**

By ownership of a real property interest within the Running Y Ranch Resort, you have use rights to Association common areas and recreational facilities. Access to the Sports & Fitness Center, outdoor tennis courts and outdoor basketball court is controlled and monitored by the Association through issuance of owner cards. For each “ownership interest”, which includes whole ownership of a Lot (whether built on or not), or Living Unit, any fractional interest in a Unit or Lot identified by a formally recorded co-ownership agreement identifying interests and use rights, or any timeshare interest as identified by a recorded timeshare declaration, an “owner fee” is assessed by the Association.

With regard to WorldMark owners, their Club pays 48 “owner fees” per living unit, which equates to the number of weeks considered “sold” in their system as timeshare interests. These owner fees cover the use of the Association facilities for all occupants of the WorldMark living units. WorldMark owners have their Club identification card that serves as their owner identification, along with a room key evidencing their in-residence status. Only WorldMark owners with an owner number prefix of “15” or “099” will be allowed access to the Sports & Fitness Center without being in residence in a unit, subject to the applicable non-resident rules described further in these policies.

For all other Running Y owners, for each paid “owner fee”, two Running Y owner identification cards are issued. These owner cards allow access to the Sports & Fitness Center and outdoor amenities and should be carried with you at all times when using these facilities. Owner cards are issued to two specific adults only, regardless of the number of persons named on a warranty deed as owners, for all real property. If there are more than two owners named on the deed for an ownership interest, the owners must determine among themselves the two adults to receive owner cards. This selection may be changed annually. A fee will be charged for replacement of lost cards. Anyone other than the two owners named on the owner identification cards are considered guests, including immediate family members (see below).
Only the two adults named on the owner cards are allowed to use them for access to the facility. Giving your card to a family member or guest is not allowed and the person will not be given access to the facility.

Resident guests at the Lodge at Running Y will receive a guest pass for use of the Sports & Fitness Center during their stay. No additional guest passes are issued to Lodge guests. Guests of the Running Y Resort, Inc. marketing programs may also receive a guest pass for use of the Center for the period of their marketing visit.

Non-owner customers of commercial activities or functions at the Sports & Fitness Center will be allowed access through the front desk for their specific appointment only and will not be issued a guest pass for use of any other facilities.

**Guests**

Owner cards provide use rights to the families of those owners. A “family” is defined as no more than two adults (married or unmarried) and their own respective dependent children, if any. Dependent children are defined as under age 21, unmarried, and living at home or temporarily living outside the home while attending school. All other persons who may accompany an owner and family members are considered guests.

For Homesite Owners—see the “Homesite Owners” section following. For all other owners, including WorldMark owners, while you are “in residence” (staying overnight at Running Y), any of your family or guests, who may be day or overnight family or guests, up to the maximum of six (6), are accorded access and use of recreational facilities just as if they were an owner. Upon presentation of your owner identification card, you may obtain family and guest passes at no charge.

If you are not “in residence”, all family and guests must be accompanied by you, the owner host (Homesite Owners—see Homesite Owners section following). In addition, those guests not qualifying as family shall pay a guest fee that shall give them access and use of those recreational facilities that are normally free to owners. This fee is established by the Association Board and is payable to the Association. Rates are posted at the Sports & Fitness Center and are subject to change without notice. As owner host, the total number of family and guest passes that may be issued will be limited to six (6) per day. If you wish to host a larger group, please contact the Resort Manager before your guests arrive.

Day use of the recreation facilities by non-resident owners (fractional and WorldMark owners) and their family and guests is subject to space availability and the Resort Manager is authorized to limit day use as necessary to maintain a safe and enjoyable environment.

**Multiple Owner Policy**

One ownership interest provides full use rights to two (2) adults. If an interest is owned by more than two adults (i.e., two married couples, two single persons who subsequently marry different people, a married couple and a single person), the owners must select two adults to have the use rights afforded the interest, including facility access. All other persons would be considered guests and be governed by policies concerning guests. This selection may be changed annually by written notice to the Association.
Sports & Fitness Center

The Sports & Fitness Center has many recreational and leisure opportunities for your use, subject to Association policies and to your own project documents or co-ownership agreements. Please note the guest fee charged to your guests when you are not in residence (see “Guests” above). Tennis courts must be reserved in advance by calling the Sports Center Desk. Hours of operation and other policies for use and enjoyment of the facilities are posted from time to time at the Sports & Fitness Center. An adult (age 18 or over) must accompany children under the age of 14 when using the pool, spa and indoor courts. Use of the fitness equipment is limited to persons age 14 and over, however children age 14 – 16 must be accompanied by an adult (age 18 or over). Your Running Y owner identification card with one picture identification will be required for access.

Pool and Spa Use

Access to the pool and spa at the Sports & Fitness Center is through the front desk and owner or guests passes must be presented to access. Guest passes may be obtained at the Sports Center. Day use rates will be charged for non-resident guests as indicated in the section on “Guests”. Hours of operation and other use policies will be posted at the pool and must be followed. “Adults Only” hours will be in effect from time to time for the swimming pool and spa. Again, carry your owner identification with you as resort staff will be monitoring pool usage.

Resort Employees

The Resort Manager is authorized to allow resort employees usage of recreation facilities, provided the usage is managed to minimize impact on owner usage. Weekend usage of the pool and spa is not allowed during the summer season (Memorial Day to Labor Day). If an employee is also a Running Y owner, owner policies for use of the facilities apply to that employee.

Homesite Owners

Because a homesite owner may not have a home built in which to be “in residence,” and use and occupancy of a home is not managed through a check-in process for most homes, guests passes for your family and guests must be obtained at the Sports & Fitness Center. A maximum of six (6) guest passes per day will be issued. The following policies for issuance of guest passes will apply:

Lot with Homes Built:
For family and guests staying in your home with you, please accompany them on their first visit to the Sports Center so passes can be appropriately issued for the duration of their stay with you. No guest fees will be charged. The maximum number of guest passes that may be issued per day is six (6).

Rentals: If you rent your home, your renters must provide proof of the rental arrangement (i.e., a written copy of their rental agreement) in order to obtain guest passes for use of facilities during their stay. The rental agreement must have the owner’s name, phone and address, the renter’s name, phone and address, address and phone of the rental property, dates and duration of stay, and number of rental occupants expected to be in the home. Presentation of a key to the home will not be accepted as proper renter identification. Please advise your renters and provide them with proper written authority prior to their arrival at the resort. Upon presentation of correct rental identification, no fees will be charged to renters for issuance of the guest passes. Renters will abide by the same policies, rules and regulations as owners including the maximum number of additional guests allowed (6).
Vacation Homes: If you give your home to friends or family to use while you are not in residence, they must provide proof of the arrangement. Information needed by the Sports & Fitness Center in order to obtain guest passes for use of facilities during their stay is as follows: Owner’s name, phone and address, the occupant’s name, phone and address, address and phone of the property, dates and duration of stay, and number of occupants expected to be in the home. Presentation of a key to the home will not be accepted as proper identification. Please advise your guests and family and provide them with proper written authority prior to their arrival at the resort. Upon presentation of correct identification, no fees will be charged for issuance of the guest passes. Your authorized occupants will abide by the same policies, rules and regulations as owners including the maximum number of additional guests allowed (6).

Additional Co-Owners: For additional co-owners in one ownership interest who are not issued the two owner cards, these co-owners may obtain guests passes while in residence for the duration of their stay and no fees will be charged to the resident co-owners. These passes will count toward the total daily passes of six (6).

Minor Children: Minor children of owners in permanent residence will be issued a “Minor Card.” This card will have the child’s name, birth date, address and phone. The Owner parent will sign the card giving permission for the child to access the facility without the parent in attendance. Policies regarding age restrictions on equipment and facilities will still apply. These cards will be valid for one year from the date of issuance. The child will not be allowed access to the facility without presenting this identification.

Lots without Homes Built: Non-resident family and guests (no home is built on the lot), must be accompanied by the owner to obtain family and guest passes from the sports center for use during their visit. No guest fees will be charged and the maximum of six (6) passes per day will apply.

Unauthorized Activities
Licensed and insured instructors are authorized by the Sports & Fitness Center Manager from time to time to teach certain classes at the Center. The Sports & Fitness Center Manager or its designated representative reviews such proposals. All approved classes are open to owners, guests and, if space is available, employees of Running Y Resort. For liability reasons, no owner, renter, guest or other unauthorized person is allowed to hold and/or teach classes of any size at Running Y Resort without the specific written approval of the Sports & Fitness Center Manager or designee, including proof of adequate insurance coverage as required by the Manager. Location and times of approved classes to be at the discretion of the Sports & Fitness Center Manager. Anyone to be found teaching in any capacity without these approvals will be asked to desist. Failure to comply may result in loss of usage privileges of the facility.

Enforcement of the Policies
The Association Board has delegated enforcement authority to the HOA Manager. Any Owner, family member or guest who has been advised by the HOA Manager or his designees that they are in violation of these policies is asked to immediately cease and desist that activity. If any Owner, family member or his guest, after being notified by the HOA Manager, or his designee, that they are in violation of the Policies, fails to comply with the manager’s direction, the matter will be handled at the HOA Manager’s discretion. The decisions made by the HOA Manager are final. You have the right to appeal the HOA Manager’s
actions at a later date. To do so, you must notify the Board in writing and the Board will review the matter at its next regularly scheduled meeting.

Any conduct deemed offensive or inappropriate by the HOA Manager or designees, including Sports & Fitness Center staff, may result in loss of usage privileges.

The Association Board from time to time at the sole discretion of the Association Board may change these policies.
EXHIBIT B
TO THE ASSOCIATION POLICIES AND PROCEDURES

RUNNING Y RANCH RESORT OWNERS ASSOCIATION
Wildfire Risk Reduction Policy

(Adopted by the Board of Directors on 2-24-05)
(Policy Amended by Board of Directors: 1-15-09)

As used in this policy, the terms listed below will have the following meanings:


“Forestland-Urban Interface” means a geographic area of forestland inside a forest protection district where there exists a concentration of structures in an urban or suburban setting (also known as Wildland-Urban Interface (WUI)).

“Concentration of structures” means dwellings in a density of four or more per quarter of a quarter section (40 acres).

“Fuel Break” means a natural or human-made area immediately adjacent to a structure or driveway where material capable of allowing a wildfire to spread does not exist or has been cleared, modified, or treated to:
   a. Significantly reduce the rate of spread and the intensity of an advancing wildfire; and
   b. Create an area in which fire suppression operations may more safely occur.

“Ladder Fuel” means branches, leaves, needles, and other combustible vegetation that may allow a wildfire to spread from lower growing vegetation to higher growing vegetation.

“Wildfire” means uncontrolled fire which is burning on forestland and which is damaging, or is threatening to damage, forest resources or structures.

The following requirements and/or restrictions are applicable to all individual property owners within the Running Y Ranch Resort with regard to the removal and/or reduction of ladder fuels and potential fire hazards on privately owned property. The Association will be responsible for land areas that are governed by the Association as annexed “Common Area”.

- Ladder fuel reduction – trees shall be pruned to three (3) times the height of the substantially flammable vegetation growing within the tree’s drip line (the area on the ground underneath any overhanging branches). For example, if flammable ground vegetation within a tree’s drip line is three (3) feet tall, the tree shall be pruned so that no branches are closer than nine (9) feet from the ground. All trees must be pruned a minimum of three (3) feet above ground level, regardless of the ground vegetation, unless that minimum standard exceeds 25% of the height of the tree in which case the minimum
standard shall be 25% of the height of the tree. In addition, at the time of inspection of each property, inspectors will consider the natural growth rate of underlying vegetation in making final determination of required tree pruning heights.

- For all properties located within the fire-risk classification of “EXTREME”\(^1\) or higher as designated by Klamath County pursuant to the Act, dry grass, weeds and brush materials shall be cut so that they are not over 12” high at any time. For properties not yet classified or located in lower fire-risk classifications, cutting dry grass, weeds and brush materials so they are less than 12” high at any time is a recommendation. Notwithstanding this wildfire risk reduction policy, all owners are reminded they must comply with maintenance requirements in the Declaration of Covenants, Conditions, Restrictions and Easements for Running Y Ranch Resort, which further addresses landscape maintenance.

- All debris that is created from the fire fuel treatment of a property must be disposed of by chipping in-place and spreading the chips in the area\(^2\) or by hauling off-site to a composting or other appropriate disposal facility. In no event will materials be allowed to be left in piles, nor is burning of any kind allowed.

- At no time will any property owner, contractor or other person or entity ever “top” a tree, regardless of its size or location.

- At no time will a property owner alter or remove a tree from any property other than that property that is owned by them.

Permits for removal of trees with a diameter greater than 6” measured at 12” above grade and any shrubs over 3’ in height are required prior to removal. Such permits are issued by the Architectural Review Committee (ARC) in conjunction with new or remodel/addition construction. In addition, the ARC will review and issue tree/shrub removal permits requested by property owners if the work is being done in compliance with this policy.

**Additional requirements for lots with structures**

Pursuant to the Act, owners of lots with existing structures must meet the following default standards:

- **Primary Fuel Break** – The establishment of a primary fuel break, or defensible space, extending 30 feet from the edge of a structure’s furthest extension (or to the property line, whichever is shortest). Properties with a fire-risk classification of EXTREME are required to extend the fuel-break with an additional 20-foot secondary fuel break (or to the property line, whichever is shortest).

- **Ground cover** should be substantially non-flammable within the fuel break (green grass, wildflowers, mulch, succulent ground cover, rock, asphalt, and concrete are examples).

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\(^1\) Owners are responsible for obtaining information on fire-risk classification for their property. The classification is made by the Oregon Department of Forestry and is subject to change by them from time to time. Contact the Oregon Department of Forestry or the Running Y Administration office for your property’s fire-risk classification.

\(^2\) Following removal of materials it is important that the ground not be left bare. Chipping and spreading the material evenly will reduce the rate of growth of new grass/brush, while completely scraping the ground will create faster new growth that will be thicker than the original.
• Dry grass should be cut to a height of less than 4”.
• Cut grass, leaves, needles, twigs and other small vegetative debris should be broken up so that a continuous fuel bed is not created.
• Shrubs and trees should be maintained in a green condition, be substantially free of dead plant material and have any potential ladder fuels removed.
• Trees and shrubs should be spaced so that fire cannot spread from plant to plant.
• Driveways longer than 150 feet must be treated to provide 13 ½ feet of vertical clearance and 12 feet of horizontal clearance to allow emergency access to the property should it be required. In addition, a fuel break should be established within a distance of 10 feet of both sides of the centerline of the driveway. While not required for driveways shorter than 150 feet, owners are still encouraged to meet this standard.
• All dead vegetative material overhanging or located on roofs, and any portion of trees within 10 feet of a chimney must be removed.
• Clear all flammable material from beneath decks and stairways, including firewood and lumber.

Additional standards – which are not required but recommended – include the following:
• Fuel breaks at property lines and roadways
• Chimneys and stovepipes shall have 12-gauge metal spark arrester screens with mesh size no larger than ½ inch
• Openings on the exterior of the home such as attic vents should be covered with metal screen having a mesh no larger than ¼ inch
• Grills, outdoor fireplaces and similar devices shall be in good condition and have spark arresters or screens over all openings

Additional information and details about these requirements and how to carry them out are available in the Oregon Forestland-Urban Interface Fire Protection Act Property Evaluation and Self-Certification Guide, available at the Running Y Administration office, or by contacting the Oregon Department of Forestry.

Enforcement by the Association may be delegated to the Managing Agent, and specific direction will be given to management to strictly enforce this policy so that compliance is ensured at all times, and especially during the high fire risk season. At its option, the Association Board of Directors may further appoint a committee to assist in the inspection and compliance activities. See the Enforcement section of the Association Policies and Procedures for further information on enforcement activities, including the assessment of penalties for certain violations or noncompliance matters.
Running Y Ranch Resort Owners Association  
Resolution of The Board of Directors

COLLECTION OF UNPAID HOA ASSESSMENTS

RECITALS

A. The Board of Directors of the Association is charged with the responsibility to establish, assess and collect homeowner assessments.

B. To ensure that unpaid assessments are efficiently and effectively collected, the Board of Directors entered into an agreement (“CFE Agreement”) with Vial Fotheringham LLP (“VF”) to undertake collection and enforcement of delinquent assessments on behalf of the Association.

C. Further, the Board adopted a resolution effective March 13, 2015 (the “Collection Resolution”) providing for a uniform and systematic procedure for the collection of unpaid assessments that assures that unpaid assessments are timely and efficiently collected to minimize the loss of assessment revenue.

D. The Board deems it is in the best interest of the Association to amend and restate said Collection Resolution.

NOW, THEREFORE, IT IS RESOLVED that:

I. The amended and restated rules governing collection of delinquent assessments set forth below be adopted effective September 1, 2018 to provide for the uniform and systematic procedure for the collection of unpaid assessment.

II. Notice of the adoption of this Resolution be delivered to all owners as provided in Section 14.9 of the Declaration.

ARTICLE I  
AUTHORITY, DUTIES AND OBLIGATIONS UNDER GOVERNING DOCUMENTS & ACT

1.1 “Declaration” is Declaration of Protective Covenants, Conditions, Restrictions and Easements for Running Y Ranch Resort recorded August 2, 1996, as Volume M96, Page 23548, Records of Klamath County, Oregon, including any amendments thereto.

1.2 “Bylaws” is the duly adopted Bylaws of Running Y Ranch Resort Owners Association, including any amendments thereto.

1.3 “Act” is the Oregon Planned Community Act, Oregon Revised Statutes 94.550 to 94.783.

1.4 Specific Authority and Duties.

(a) Article 9, Section 9.5(c) of the Declaration, Article 4, Section 4.7(l) of the Bylaws, and ORS 94.630(a) allow the Association to adopt rules.
(b) Article 9, Sections 9.5(d) and 9.5(e) of the Declaration, Article 4, Sections 4.7(d) and 4.7(m) of the Bylaws, and Article 7, Sections 7.1(a) and 7.1(f) of the Bylaws authorize the Board to enforce provisions of the Declaration, Bylaws and Rules and Regulations, including action to collect unpaid assessments.

(c) Article 12, Section 12.6 of the Declaration and ORS 94.630(1)(n) authorize the Board to establish late charges and interest for delinquent assessments.

(d) Article 12, Section 12.3(b) of the Declaration and ORS 94.709(4) authorize the Board, on behalf of the Association, to bring suit to foreclose the lien against the lot.

(e) Article 12, Section 12.3(c) of the Declaration and ORS 94.709(4) authorize the Board to bring an action to obtain a money judgment against an Owner for damages and for unpaid assessments.

(f) ORS 94.709(5) provide that late charges, fines, interest, and attorney fees and costs of collection are enforceable as assessments.

1.5 Obligations.

(a) Under Article 11, Sections 11.3 and 11.12 of the Declaration, owners are obligated to pay assessments.

(b) Assessments are currently due and payable in advance quarterly, unless the owner is enrolled in the ACH monthly debit program, in which case the assessments are collected monthly in advance.

(c) Article 12, Section 12.3 of the Declaration specifies that an assessment is delinquent if not paid within thirty (30) days of its due date.

(d) Under Article 11, Section 11.12 of the Declaration, Article 12, Section 12.3(b) of the Declaration and ORS 94.709(1), all assessments, together with interest, attorney fees and costs of collection are a continuing lien on the lot against which the assessments are imposed.

(e) Under Article 12, Section 12.6 of the Declaration and ORS 94.630(1)(n), owners are obligated to pay reasonable fees and costs, including, but not limited to, attorney fees incurred in connection with efforts to collect delinquent and unpaid assessments, regardless of whether a suit or action is commenced.

ARTICLE II
INTEREST LATE FEES AND OTHER COSTS

Pursuant to Section 1.4 above, the following apply to delinquent and unpaid assessments:

2.1 Interest. In accordance with Article 12, Section 12.6 of the Declaration, interest at a rate of eighteen percent (18%) per annum shall accrue on all delinquent assessments.
2.2 **Late Charge.** In accordance with Article 12, Section 12.6 of the Declaration, any assessment that is delinquent as set forth in Section 1.5(c) above will be charged a late charge in the amount of ten percent (10%) of the unpaid assessment.

2.3 **Other Costs.** All costs of collection as set forth in Subsections (a), (b) and (c) of this section are imposed against the owner and are due when incurred in the amounts incurred, regardless of whether suit or action is commenced. Collection costs include, without limitation, the following:

(a) **Management Company Charges.** Collection charges imposed by the management company, if included in the contract between the Association and the management company, including reasonable mailing costs, recording fees, time spent for account maintenance, and other similar expenses.

(b) **Attorney Fees.** Any attorney fees for work performed with respect to the assessment account such as file intake; preparing calculations; consultations and telephone calls with the Association, owners, court, witnesses and other individuals involved in the process; legal research; drafting and preparing legal documents; drafting and preparing letters; depositions; trial preparations; travel time; investigations; court appearances; analyzing the account to determine the appropriate action; and preparing and attending post judgment proceedings. The foregoing shall specifically include attorney fees incurred in any bankruptcy proceeding.

(c) **Other Costs.** All expenses such as recording fees, postage costs, copy costs, service costs, court costs, filing fees, paralegal fees, private investigator fees, garnishment fees and other similar expenses.

### ARTICLE III

**PROCEDURE**

3.1 **Association Lien.** When an assessment is levied against a lot and owner, the Association or an agent of the Association may cause a lien to be recorded in the Records of Klamath County, Oregon.

3.2 **Association Invoice.** The Association shall use best efforts to send an invoice for assessments to the most current address provided by the Owner, or to the lot itself, at least 15 days in advance of the due date. A failure to provide fifteen (15) days advanced notice of the assessment or the failure of any owner to receive the notice does not affect either the validity of the assessment or the due date. Owners enrolled in the ACH monthly debit program for payment of assessments will be mailed a statement of the assessment amount annually at least fifteen (15) days in advance of January 1.

3.3 **Association Payment Demand Letter.** When an assessment is delinquent, the Association or its agent shall send the owner a written payment demand letter (“Association Payment Demand Letter”) in substantially the form set forth in attached Exhibit A that includes a:

(a) Statement of the amount due under the assessment account.

(b) Demand for immediate payment.
(c) Notice if the stated amount due is not paid by the turnover date, the assessment account will be turned over to VF for collection in accordance with the Collection Resolution.

(d) Statement that the owner is responsible for the payment of all costs for collection incurred, as specified in the Collection Resolution, and the costs constitute assessments against the owner and the lot.

### 3.4 Turnover of Assessment Account to VF.

(a) Subject to Subsection (b) of this section, when an assessment remains unpaid after the turnover date specified in the Association Payment Demand Letter given under Section 3.3 above, Association or its agent shall turn over the assessment account to VF in accordance with the CFE Agreement. VF shall proceed as provided in the VF Agreement and this Resolution.

(b) After the assessment account is turned over to VF, all contact and communications with the owner regarding the assessment account must be with VF, unless VF gives written consent otherwise.

### 3.5 Initial VF Payment Demand; Recording of Lien.

When an assessment account is turned over to VF, VF shall:

(a) **Initial VF Payment Demand.** Send a written demand for payment (“Initial VF Payment Demand”) to the owner. The Initial VF Payment Demand must include a demand that all moneys due under the assessment account be paid within thirty (30) days.

(b) **Association Lien.** If an Association lien has not been recorded in the Records of Klamath County, Oregon, prepare an Association lien against the lot and cause the lien to be recorded in the Records of Klamath County, Oregon.

### 3.6 Final VF Payment Demand.

If the total amount due is not paid by the date stated in the Initial VF Demand Payment under Section 3.5 above, or arrangement for payment made in accordance with Section 3.9 below, VF shall send a final demand letter (“Final VF Payment Demand”) that demands payment of all moneys due under the assessment account within ten (10) days.

### 3.7 Legal Action.

If the assessment, including all costs specified in Section 2.3 above, are not paid by the date specified in the VF Final Payment Demand given under Section 3.6 above, or arrangement for payment made in accordance with Section 3.9 below, VF, on behalf of the Association, shall initiate a lawsuit for a personal money judgment against the owner or foreclose the Association lien against the lot.

### 3.8 Execution/Enforcement of Judgment.

After VF obtains a judgment, VF shall begin collection of the judgment by any one or combination of the following:

(a) Garnishing the owner’s bank account.

(b) Garnishing the owner’s wages.
(c) Executing a writ against the owner’s real or personal property.

(d) Any additional methods authorized by law.

3.9 Payment Plans.

(a) Subject to Subsection (b) of this section, a payment plan proposed after the assessment account is turned over to VF must be:

(1) Approved by VF and the Board of Directors of the Association; and

(2) Secured by a Confession of Judgment or Stipulated Judgment.

(b) A payment plan approved under Subsection (a) of this section is not effective until a confidential statement of assets form provided by VF is completed and executed by the owner and submitted to VF.

3.10 Payments. After the assessment account has been turned over to VF, all payments must be made to VF.

3.11 Disbursal of Funds. Funds shall be disbursed to the Association in accordance with the VF Agreement that provides as follows:

(a) When payments are received, they are split 50/50 between two expense categories: fifty percent (50%) of the payment is applied to past due assessments and non-attorney related collection charges and fees and fifty percent (50%) is applied to attorney related charges and fees.

(b) Each payment shall be split as provided under Subsection (a) of this section until one of the expense categories is paid in full. After one of the expense categories is paid in full, the all of the remaining payments shall be applied to the remaining balance in the other expense category.

3.12 Owner Responsibility; Other Remedies.

(a) Owner Responsibility For Payment of Assessments. Regardless of any procedure prescribed under this Resolution, it is the responsibility of the owner to ensure that assessments are paid when due.

(b) Owner Responsibility To Update Address. It is the sole responsibility of the owner to notify the Association in writing of any change of owner mailing address.

(c) Other Association Remedies. Nothing in this Resolution prevents the Association from taking any other actions against an owner, including termination of utilities, preventing the owner from access to recreational or service facilities, and suspending voting rights, if provided under the Declaration, Bylaws, Rules and Regulations, or the Act.
CERTIFICATION OF ADOPTION

The undersigned, Secretary of the Association, hereby certifies that the foregoing resolution is a true record of a resolution adopted by the Board of Directors at a meeting of the Board of Directors held in accordance with the Bylaws of the Association on August 24, 2018.

Dated this 24th day of August, 2018.

/s/ Karen Smith
Karen Smith, Secretary
Board of Directors
Running Y Ranch Resort Owners Association,
An Oregon nonprofit corporation
March 11, 2015

John Doe
111 S.W. 11th Avenue
Portland, OR 97208

RE: NOTICE OF UNPAID ASSESSMENTS
DEMAND FOR PAYMENT

Dear Mr. Doe:

The records of Running Y Ranch Resort Owners Association show that your assessment account is now past due. As provided in the Reminder Notice previously mailed to you, your access to the Sports and Fitness Center is now denied in accordance with the Declaration and Association Policies and Procedures.

Our records reflect the following amounts due:

- Principal Assessments Due: $_________________________
- Accrued Late Charges: $_________________________
- Accrued Interest: $_________________________
- Total Due: $_________________________

Demand is hereby made for immediate payment in full of the above Total Due. If payment in full is not made within thirty (30) days of the date of this letter, your assessment account will be turned over to Vial Fotheringham LLP for collection in accordance with the Running Y Ranch Resort Owners Association Collection Resolution and your voting rights will be suspended at that time. A lien will be recorded against your property in the Records of Klamath County, Oregon.

All charges, including attorney fees, associated with collection of your assessment account are imposed against you and your lot as provided in the Collection Resolution.

NOTICES

I. BEFORE THE END OF THE 30-DAY PERIOD:

[IF APPLICABLE]: You may request a hearing if you disagree with the calculation of the above Total Due. To request a hearing, you may contact the undersigned in writing to voice your challenge. The Board must receive any written challenge of the calculation of these charges no later than the expiration of the 30th day after the date of this letter. If a hearing is not requested by the end of the 30 day period, your right to a hearing is forfeited.

[OPTIONAL]: If you would like to set up a payment plan, arrangements must be made
II. LENDER FORECLOSURE:

If a first trust deed or mortgage on your lot is being foreclosed, DO NOT EXPECT that delinquent assessments (including cost and fees) will be paid from the proceeds of the foreclosure sale. Assessments (including costs and fees) that are not paid from the proceeds of the foreclosure sale remain the personal responsibility of the owner. The Association will proceed to collect all moneys owed to the Association by seeking a personal judgment against the owner.

Your prompt payment of the balance due is appreciated.

Sincerely,

Appointed Agent of the Association
(Phone number) (Email) (Physical Address)
EXHIBIT D
TO THE ASSOCIATION POLICIES AND PROCEDURES

RUNNING Y RANCH RESORT OWNERS ASSOCIATION
FINE PROCEDURE
Adopted by the Board of Directors on February 25, 2003
Amended March 16, 2005
Amended January 14, 2011
Amended September 12, 2012

1. Fines and penalties may be imposed for violations of the governing documents, including but not limited to the Declaration of Protective Covenants, Conditions, Restrictions and Easements for Running Y Ranch Resort (the “Declaration”), the Bylaws, and the Policies and Procedures according to the schedule of monetary penalties as set forth by the Running Y Ranch Resort Owners Association Board of Directors from time to time.

2. The Board of Directors directs and authorizes the management company to initiate and manage this Fine Procedure as described herein for each violation. If the management company fails to act for any reason, a majority vote of the Board of Directors shall initiate the procedure.

3. Prior to imposing a fine or penalty, the management company or Board of Directors, as applicable, shall give the Owner notice that the fine or penalty may be imposed. If requested by the Owner within ten (10) days of being given notice of such fine or penalty, the Board will convene a meeting at which time the Owner may have an opportunity to speak or present the Owner’s position on the matter in writing. If such a meeting is requested, the Board shall make every effort to meet within fifteen (15) days of the Owner’s request. The Association Board is not required to provide notice and opportunity to be heard for recurring or continuing violations, unless at least three (3) months have passed from the time of the previous violation.

4. In the case of a continuing or persistent violation, each day the violation continues after written notice shall be deemed a separate and distinct violation and shall be subject to separate daily fines up to a maximum of thirty (30) daily fines per violation. The Board may also require the Owner to post a bond or other form of security in order to ensure future compliance. For any violation that cannot be cured immediately, no further fines shall be levied after such time as the Owner begins a good faith cure of said violation.

5. If a Board hearing is not requested by the Owner, the fine or penalty shall be imposed no sooner than ten (10) days after the notice of such fine or penalty was provided to the Owner according to paragraph 3 above. If the Board of Directors holds a meeting at which time the Owner’s position was presented, the Board of Directors shall vote on the matter of imposing the fine or penalty, a majority vote of the Board of Directors will determine the matter and the Owner shall be immediately notified of the decision. In such event, the fine or penalty shall be imposed three (3) days after the date of the Board meeting referenced herein.

6. The fine or penalty shall be considered an “Individual Assessment” as provided in the governing documents, and shall be collected as provided in those governing documents (including the addition of late fees for nonpayment, as applicable). As such, if the fine or penalty is not paid by the offending Owner, the Association may take all allowable steps to collect the amount due, including but not limited to, filing a lien on the Owner’s property and filing a claim in small claims court if appropriate.
The Association shall apply all partial payments by the Owner to the outstanding balance owed in the following order:

   Attorney fees and costs
   Late fees and interest
   Assessed fine

7. This fine procedure and the related fine schedule do not specifically address enforcement of Architectural Review Guidelines implemented by the Architectural Review Committee. See the Architectural Review Guidelines and the Declaration for enforcement information.

8. An election by the Association Board of Directors to pursue any particular remedy, such as a monetary penalty or fine, shall not prevent concurrent or subsequent exercise of another remedy permitted under the Declaration and applicable law.

9. The violating Owner shall be liable for all attorney fees, costs and expenses of any nature incurred by the Association incident to the levy or collection of the fine, including appellate proceedings.
## Schedule of Monetary Penalties or Fines

**Effective Date:** March 16, 2005  
**Amended Effective:** January 14, 2011  
**Amended Effective:** September 12, 2012

<table>
<thead>
<tr>
<th>General Rules</th>
<th>First Offense</th>
<th>Second Offense</th>
<th>Third Offense (Note 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PETS OFF LEASH</strong></td>
<td>Verbal notification with copy of policies</td>
<td>Written notification, advise of fine procedure.</td>
<td>Levy financial penalty $100.00 - $250.00</td>
</tr>
<tr>
<td><strong>FAILURE TO CLEAN UP AFTER PETS</strong></td>
<td>Verbal notification with copy of policies</td>
<td>Written notification, advise of fine procedure.</td>
<td>Levy financial penalty $100.00 - $250.00</td>
</tr>
<tr>
<td><strong>PETS CAUSING DISTURBANCE</strong></td>
<td>Verbal notification with copy of policies</td>
<td>Written notification, advise of fine procedure.</td>
<td>Levy financial penalty $100.00 - $250.00</td>
</tr>
<tr>
<td><strong>NOISE OR OFFENSIVE ACTIVITIES</strong></td>
<td>Verbal notification with copy of policies</td>
<td>Written notification, advise of fine procedure.</td>
<td>Levy financial penalty $100.00 - $250.00</td>
</tr>
<tr>
<td><strong>VIOLATION OF SIGN RESTRICTIONS</strong></td>
<td>Remove offending signs, and give verbal notification with copy of policies Declaration Section 7.8 and ARC policies</td>
<td>Remove offending signs, and give written notification of the violation.</td>
<td>Remove offending signs, and levy financial penalty of $100.00 - $250.00 (each offense).</td>
</tr>
<tr>
<td><strong>VIOLATION OF WILDFIRE RISK REDUCTION POLICY</strong></td>
<td>Verbal notification with copy of policies</td>
<td>Continuing noncompliance: Written notification of non-compliance, notice to comply within specified time period, and advise of fine procedure</td>
<td>Continuing noncompliance: Levy financial penalty of $100.00 - $250.00; written notice of enforcement options pursuant to Section 12.2 of Declaration.</td>
</tr>
<tr>
<td><strong>VIOLATION OF PARKING, VEHICLE, RIGHT-OF-WAY, AND SIMILAR ARTICLE 7 RESTRICTIONS; OTHER VIOLATIONS</strong></td>
<td>Verbal notification with copy of policies</td>
<td>Written notification, advise of fine procedure.</td>
<td>Levy financial penalty $100.00 - $250.00</td>
</tr>
<tr>
<td><strong>VIOLATION OF ON-STREET PARKING POLICY FOR STREETS IN RANCH VIEW ESTATES</strong></td>
<td>Levy financial penalty $100.00 - $250.00</td>
<td>Levy financial penalty of $100.00 - $250.00</td>
<td>Levy financial penalty of $100.00 - $250.00</td>
</tr>
<tr>
<td>VIOLATION OF POLICIES FOR OWNER COMMUNICATION</td>
<td>Written notification of specific violation incident(s) and with copy of policies; however, if the nature of the First Offense warrants, this enforcement step will be combined with the Second Offense step.</td>
<td>Written notification of fine procedure and 10 day notice of assessment (see above hearing procedures)</td>
<td>Levy financial penalty of $100.00 - $500.00, plus attorney fees and/or other costs incurred in enforcing the policy.</td>
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</table>

**Note 1:** Fine amounts shall be within the range shown on this schedule. The amount of the fine shall be determined by the management company or Board of Directors within such range and may be acted upon in accordance with this Fine Procedure. Fine amounts may be determined based upon the type and nature of the violation, the length of time or repeat nature of the violation, the responsiveness of the Owner to the requests to cure the violation, and any other factors deemed appropriate. The Board of Directors, in its sole discretion, may increase or decrease such fine or penalty within the stated range upon notice to the Owner.
EXHIBIT E
TO THE ASSOCIATION POLICIES AND PROCEDURES
RUNNING Y RANCH RESORT OWNERS ASSOCIATION

RESOLUTION OF THE BOARD OF DIRECTORS
RUNNING Y RANCH RESORT OWNERS ASSOCIATION
RECORD EXAMINATION AND PRIVACY POLICY

Purpose of the Resolution: Article IX, Section 4 of the Bylaws and the Oregon Planned Community Act ORS 94.670 provide for Association documents to be kept and made available to Owners. The Board of Directors would like to clarify this duty of the Association and to create a policy to protect and promote the privacy and well being of the members of the Association and all occupants of Property in the Running Y Ranch Planned Community.

The Board of Directors hereby resolves that:

1. The Association shall maintain a copy, suitable for purposes of duplication, of each of the following: (a) the Declaration, the Bylaws, the Articles, the Policies and Procedures and any amendments or supplements to them, (b) the most recent financial statement of the Association, (c) the minutes of the proceedings of the members, Board of Directors and any committee(s) of the Board, (d) the current operating budget of the Association, and (e) the Association’s reserve study. These records will be available for review, within 3 business days after receipt of a written request by an Owner, during normal business hours at the office of the management company located at 5391 Running Y Road, Klamath Falls, Oregon. The Association, within 10 business days after receipt of a written request by an Owner, shall furnish copies of such documents to the requesting Owner. The Association may charge the requesting member for the actual cost of duplication and mailing of Association records and a minimum service fee of $10. The Association shall inform the member of the amount of copying and mailing costs, and the member shall agree to pay those costs, before copying and sending the requested documents. The Association shall not be required to make Association records available for review or make copies of Association records for the same member more than once per calendar month. Upon written request, and provided the Owner states the purpose for the request and it is made in good faith and for a proper purpose, the Association shall make such other documents, information and records specified in ORS 94.670 available for duplication during normal business hours as described above. The Association may charge a service fee to cover costs of labor and materials associated with the request and shall inform the member of the amount of such fee. The member may be required to pay fees prior to reviewing the requested documents, information and records. Before copying financial statements or other records of the Association for a member, the Association may withhold or redact information from the Association records for the following reasons:

   (a) The release of the information is reasonably likely to lead to identity theft. For the purposes of this section “identity theft” means the unauthorized use of another person’s personal identifying information to obtain credit, goods, services, money or property. Examples of information that may be withheld or redacted pursuant to this paragraph include bank account numbers of the Association, members or vendors, social security or tax identification numbers, and check, stock, and credit card numbers.

   (b) The release of information is reasonably likely to lead to fraud in connection with the Association.

   (c) The information is privileged under law. Examples include documents subject to attorney-client privilege or relating to litigation in which the Association is or may become involved, and confidential settlement agreements.
(d) The release of the information is reasonably likely to compromise the privacy of an individual member of the Association.

(e) The information contains any of the following:

1. Records of a-la-carte goods or services provided to individual members of the Association for which the Association received monetary consideration other than assessments.

2. Records of disciplinary actions, collection activities, payments plans of members other than the member requesting the records.

3. Any person’s personal identification information, including without limitation, social security number, tax identification number, driver’s license number, credit card numbers, bank account number, and bank routing number.

4. Agendas, minutes, and other information from executive sessions of the Board of Directors, except for executed contracts not otherwise privileged. Privileged contracts shall not include contracts for maintenance, management or legal services.

5. Personnel records other than payroll records.

6. Interior architectural plans, including security features, for individual homes.

The Association, its officers, directors, employees, agents or volunteers shall not be liable for damages to a member of the Association or any third party as the result of identity theft or other breach of privacy because of the failure to withhold or redact that member’s information under this resolution unless the failure to withhold or redact the information was intentional or willful.

FURTHER RESOLVED, the Association member directories and mailing lists are strictly the property of the Association and shall not be used by members for commercial purposes or dissemination to anyone other than the Association membership, the Association’s Manager or agents. To protect the integrity of information about Association business, meetings and events, communications asserting to be from the Board of Directors or the Association shall be approved by and sent through the Association and/or its Manager.

FURTHER RESOLVED, a copy of this Resolution shall be delivered to each owner by electronic distribution unless a written mailed copy is requested, in which case the policy notice will be mailed to such owners.

This Resolution was adopted by the Board of Directors at a meeting duly held January 28, 2013.

/s/ Curt Heimuller, President

ATTEST:

/s/ Karen Smith, Secretary

Running Y Ranch Resort
Master Association Policies 9/1/18