

## CALL FOR CANDIDATES

If you are interested in running for the KRCEO, Inc. Board of Directors the qualifications are: (1) You must own property [your name is on a duly recorded instrument in the Siskiyou County Records Office] within KRCEO which makes you a member; (2) You are 'in good standing' which means you owe no monies to the Association or you are participating in a payment plan which is current and you are not in violation of the governing documents.

As a member in good standing, you may self nominate by submitting a biography of your qualifications to serve on the Board that will be published in the Klamagram with the election materials. There is a 150-word limit.

The law strictly prohibits the use of Association funds for campaign purposes, so your biographical statement may not advocate any particular position nor can it contain campaign statements. However, any candidate may do campaigning separately from the election package at the candidate's personal expense.

**Written biographies are due in the Association Office by 5:00pm, July 9, 2014. They may be faxed to (530) 475-3002**

## WHAT ARE THE RESPONSIBILITIES OF A DIRECTOR? WHO DOES HE/SHE REPRESENT?

A developer created Klamath River Country Estates by filing subdivision maps with the County. He specifically designated it to be a residential only subdivision by also filing Covenants, Conditions and Restrictions (CC&Rs). The law provides that the use of real estate can be restricted when a document describing the restrictions is recorded with the county where the property is located. These restrictions "run with the land" meaning they apply to each owner who acquires the property after the restrictions are recorded and these bind each and every owner of each and every lot. The CC&Rs make each owner a member of the association and the law makes each member of the association subject to the association's articles and bylaws.

Further, the developer filed Articles of Incorporation that created a legal entity called "Klamath River Country Estates Owners' Association, Incorporated" (KRCEO) that is a *separate* entity from that of the association members. The powers and purposes of KRCEO are outlined in the governing documents. For example, it can hold title to property (as in the common areas); it establishes and collects dues from the members to defray the costs of its activities; it makes rules respecting the uniform use of the individual lots and the common areas; it is authorized to use legal means to enforce the governing documents; it can acquire, maintain and dispose of its personal property that is intended for the use of all the association members, etc. but, it cannot engage in any activity that is contrary to the corporation's primary purpose.

KRCEO and KRCEO lot owners are in a covenantal relationship – a binding agreement – with each other. The corporation agrees to perform its duties and the lot owners agree to perform theirs. Both sets of duties are outlined in the governing documents.

How does the legal entity called KRCEO fulfill its obligations under this agreement? Through its board of directors. Directors are fiduciaries. A **fiduciary** is a legal or ethical relationship of trust between two or more parties. Upon their election to the board of a common interest development, directors become fiduciaries with powers to act on behalf of the association (KRCEO). As fiduciaries, directors have two primary duties: the duty of care towards KRCEO, and the duty of loyalty to KRCEO. By upholding the Association's end of the covenantal agreement, the members are assured that the conditions (CC&Rs) under which they purchased their lots within the subdivision will be upheld and enforced. Therefore, the responsibilities of KRCEO are the responsibilities of its directors – personal preferences aside. The business affairs of the Association are handled by the Board of Directors. Some of the duties include budgeting; collections; maintenance & repair of the assets; creating & overseeing contracts; employee supervision; handling legal matters; setting rules in accordance with the governing documents; interfacing with lot owners and county or state offices; arranging audits and reserves study activities to name a few. A board's decisions are guided by these things – authority (governing documents); investigation; good faith; and reasonableness based on current information. It helps to have a business background!

**POOL RECONSTRUCTION COMPLETED**

While the pool was not ready for its traditional Memorial Day weekend opening, the major work is now complete and the County has inspected and approved the facility for use. There is some clean up work and corrective work with the pavers remaining to be done. Until that work is finished, you are advised to wear something on your feet while in and around the pool area.

**REMEMBER:** Owners must accompany their guests while on the campground during day use. Owners will be solely responsible for their guest's conduct while on the grounds or in the pool. You are urged to inform your guests about the rules and about the need to conduct themselves appropriately as guests. Enjoyment of the facilities depends upon courteous behavior by all. While children enjoy splashing and playing in the pool, others would like to swim. Try to accommodate both activities through consideration for each other.

Please use the sign-in sheet.

**NO WATER IS TO BE TAKEN  
FROM THE CAMPGROUND**

With drought conditions existing, it must be reiterated that KRCE is not licensed as a water supplier by the State and water from our well is to be used ON the campground by those using the campground. If you have a short-term water emergency the Board can consider working with you under very limited conditions while you proceed with repairs to your lot water system.

In addition, the campground well may also be affected by the dry conditions which means water conservation steps may be needed before the summer is over. The situation is being closely watched. If necessary, use of well water will be restricted to potable water usage for the campground, the mobile, and the office. Please note that the pool is a big user of our well water and that use would be curtailed in favor of drinking water and health usage. Hopefully the well will continue to provide adequate water for all through the season.

**GUEST POLICY - A REMINDER**

**Day use guests of owners-in-good-standing must be accompanied by the lot owner while in the campground area.** Be prepared to identify yourself (if the Camp Host does not already know you) as well as your guest(s). At times, this may mean presenting identification to the Camp Host because of several incidents where persons have falsely claimed to be lot owners. Yes, a few have ruined it for the rest of us!

By bringing a guest or guests on the grounds you agree, as the lot owner, to be totally responsible for their deportment. It would be helpful if lot owners would inform their potential guests about the campground and pool rules so there is no misunderstanding. Any misconduct by a guest will be brought to the lot owner's attention for correction. If necessary, the lot owner will be asked to remove his/her guest(s) immediately. Likewise, we owners are still subject to the rules as well.

Besides speeding on the grounds, the second most frequent violations occur in the pool area. Children must be supervised by an adult lot owner or the lot owner's adult guest. If a child is causing trouble in the pool, the adult will be required to remove the child and leave the pool area. This will help insure that all pool users will be able to enjoy this amenity. Owners are asked to sign in

**FOR THOSE OF YOU WHO PLAN TO HOLD  
A LARGE GROUP GET TOGETHER  
ON THE CAMPGROUND**

As the summer progresses, you may want to check with the Office regarding the status of the water supply on the campground so there are no surprises when it comes to showers, pool use, laundry facilities, etc. Hopefully the well will continue to provide all the water needed throughout the summer.

In addition, the West End bathrooms will remain closed for an extended period of time since major repairs will be necessary to make this building functional. The first step will be to try and support the concrete slab to stop the sinking. If that is successful, then internal repairs may proceed.

The Lodge and Office restrooms and showers are currently open and available. However, if you feel that the size of your proposed group gathering will warrant the need for additional toilet facilities at the west end, you may consider making arrangements for temporary porta potties for your group.

## LOT CAMPING / CULTIVATION RESOLUTION

It is hereby resolved by the Board of Directors of Klamath River Country Estates Owners' Association, Inc. after consultation with Association Counsel, that it is the duty of the Association to enforce the provisions of the CC&Rs which state: "*The Association shall perform each and every duty required of it by this Declaration*"; and it was advised that

- a) A schedule of penalties be imposed to encourage conformance of the lot usage to the governing documents; and/or that
- b) Injunctive relief be sought in the enforcement of the CC&Rs and By-Laws.

THEREFORE: Be it further resolved that, after the Board of Directors has met and confirmed that a violation of the governing documents exists concerning the matters noted above, that a schedule of notification and association penalties for the above noted violations of the governing documents shall be as follows:

**1<sup>st</sup> Notice – No Penalty.** A letter shall be sent by US Mail to the lot owner of record detailing the governing document violation(s) with a cease and desist request to correct the violation(s). A formal complaint shall also be filed with Siskiyou County authorities.

Owner response must be within 15 days of the date of the letter with a written plan to correct the violation or to schedule a meeting with the Board of Directors – both within 30 days from the date of the 1<sup>st</sup> Notice.

**2<sup>nd</sup> Notice - \$300 penalty.** If there is no response at the end of the 15 days and the violation(s) continues, on the 16<sup>th</sup> day a 2<sup>nd</sup> Notice shall be sent to the lot owner of record by certified mail that includes the intent to apply a \$300 penalty to the offending lot account 30 days from the date of the 1<sup>st</sup> Notice.

Included shall be an Appeal Hearing date set for the Owner to address the Board of Directors. The Appeal Hearing date shall be set for 15 days after the date of the 2<sup>nd</sup> Notice certified letter. If there is no response from the Owner and the violation(s) continues, or the Owner does not attend the Board hearing, or the Owner appeal is rejected, the Board shall impose the 2<sup>nd</sup> Notice penalty of \$300 and bill the lot account.

**3<sup>rd</sup> Notice -** If there is still no response by the owner of record and the violation(s) continue, the Lot Owner shall be notified by certified mail that the case shall be turned over to the Association's attorney for legal action. The \$300 penalty, along with any and all additional attorney and court fees and costs, shall be charged to the lot account and become subject to judicial foreclosure action.

BE IT FURTHER RESOLVED that any lot owner who has properly installed on his lot Siskiyou County permitted and approved septic and well utilities, shall be able to live in a recreational vehicle (narrowly defined as a motor home, travel trailer, camper, or camping trailer designed for human habitation) connected to the septic and water supply for a period *not-to-exceed* two (2) years from the date the residential dwelling building permit was issued. This conforms to Siskiyou County's Code of Ordinances and to the intended residential development of KRCE under its governing documents.

Executed this 19<sup>th</sup> day of April, 2014  
Adopted June 17, 2014

By: James Saunders  
Acting Secretary *Pro tem*  
Klamath River Country Estates Owners' Association, Inc.

## AMENDED Collection Policy

An Annual Assessment will be charged each lot on January 1<sup>st</sup> of each year and is delinquent if not paid by February 15<sup>th</sup>.

A Late Fee of \$15.00 per delinquent lot will be applied on February 16<sup>th</sup>. 12 % Interest per annum will be charged on any remaining unpaid balances on March 1<sup>st</sup>.

If any portion of the Annual Assessment, including applicable late charges and interest, remains unpaid by March 16<sup>th</sup> of that fiscal year, the Association, its collection company or any other authorized agent shall send a Pre-Lien Notice by certified mail, to the delinquent record owner(s) at the Owner(s) last mailing address provided to the Association.

At the option of KRCEOA any accounts that are delinquent on May 16<sup>th</sup> will either be handled by the Association's collection company for foreclosure action with an administrative collection fee of \$117.45 added or the Association may file a Small Claims Action with a \$185.00 Small Claims Collection Fee added. If court action is taken, all court, attorney, and collection costs will be charged to the property owner.

Unless the property owner has entered into a signed Payment Agreement with the Klamath River Country Estates Owners' Association, Inc., account balances, including prior year's charges and fees must be paid in full. Partial payments on accounts will not be accepted without the signed Payment Agreement.

A Payment Processing Fee of \$3.00 for one lot, plus \$1.00 for each additional lot, will be charged for each payment made under a Payment Agreement.

A Payment Agreement Late Fee of \$5.00 per lot will be charged monthly when an agreed payment is 15 days past due.

All payments must be made in US Funds payable through a US bank.

Transfer Fees are \$53.00 per lot.

A Returned Check fee of \$25.00 will be applied if any payment is rejected by the bank for any reason.

*\*Note: All above dates refer to the year in which the assessment is levied.  
Adopted June 17, 2014*

**A note about Exclusive Lodge Rental.....**

As always, an owner in good standing may rent the lodge or lodge and kitchen for an exclusive event. The owner must sign a Lodge Rental Agreement and pay the \$50 rental fee along with the \$100 security deposit to reserve the desired rental date.

A walk-through will be made with the owner to verify lodge (and kitchen) conditions prior to and after the event to determine the amount of security deposit to be returned. There will be a checklist included in the Rental Agreement.

The owner will be required to be present at the event to oversee the department of his/her attendees and to be the point of contact if a problem arises.

Please contact the Camp Host on \_\_\_\_\_ if you wish to rent the lodge to confirm its availability.

MY NEW ADDRESS IS: (We must receive written notice of an address change to be able to change Association records.)  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
Unit – Lot # \_\_\_\_\_  
Telephone # \_\_\_\_\_ Signature \_\_\_\_\_

### Office Bathrooms and West Wall of the Office Repaired

Major work was done in the Office bathrooms including gutting and replacing the showers; replacing the countertops and sinks as well as repainting the floors and replacing plumbing items as needed. Everything is nice and bright once again.

The siding on the west wall of the office was essentially shot and needed replacement. In addition to replacing the siding, more insulation was added at the same time helping cut the heat issues being experienced in the summer months.

The Board was discouraged by the excessively high bids received for this work and set about pricing materials and estimating the labor costs. It was decided to do the work in-house using the skills of a volunteer owner and hired help. They did a very nice job! Rather than paying nearly \$10,000 for this work, the total job came to \$5686.

The siding on the front of the office still needs replacing but a priority has been given to the mobile that has problems due to water leaks over the years.

It is noteworthy to recognize that the diligent work by the various boards to get the Reserves properly funded has now literally paid off. What would have required special assessments for all of us has been covered by the Reserves.

## **FIRE HAZARD! FIRE HAZARD!**

**This year everything is very dry. Homeowners are required to clear away the combustible materials to at least 100' from buildings – or anything else they might wish to keep safe.**

**Absentee lot owners – your lots may contain high amounts of brush or trees that, if a fire started, may be the fuel that damages your neighbors' homes.**

**CalFire has limited funding and will prioritize and direct its manpower and equipment towards defending those structures that have a clearing around them giving CalFire a reasonable chance of defending them. Let's give them some help!**

### ROAD WORK – SO FAR

Work with the enzyme continues as the best solution for our gravel roads. Local conditions and the aggregate that was being locally sourced over the years turned out to be loaded with non-cohesive fines. These produce high amounts of dust and the enzyme does not react with it but “pushes” these types of fines to the surface. Testing results normally designate the amount of fines present but it wasn't until the road experts had to determine why one road functioned well after enzyme application while another was dusty that the problem was identified. Our roads do contain clay (cohesive fines) but they also contain high amounts of non-cohesive fines creating dust.

Since the local source of our aggregate no longer exists and our native soil contains insufficient levels of cohesive fines, a source of proper material was needed. The closest source is now in Big Springs – approximately a three hour round trip haul distance. However, this material is excellent. Haul costs were \$43,000; Material \$20,000; Labor \$77,100.

During the colder months, contract work was done to clear the roadways, clean and re-establish drainage, and clear culverts. Once the temperatures came up to the required 60 degrees for the enzyme, material was hauled, treated and compacted. The contractor is now attending to his work for the Forestry but may be forced out due to fire hazard. He plans to return in the fall.

Roads that received work are: Cod, Sea Horse, Kirsten, Halibut, Marlin, Barracuda, Perch, Blue Gill, Butterfly, Dragon, Erick, Catfish, Greenfinch, Eel, Minnow, Hare, Wren, Flamingo, Moore, and Antelope.

Corrective work was done on Halibut to ‘soak’ up the non-cohesive fines. Upper Cod was totally rebuilt. Antelope needed a culvert replacement and was rebuilt. When the contractor returns, corrective work will resume to stabilize the road surfaces where the non-cohesive fines created slippery conditions during heavy rains.

**REMEMBER THE 15 MPH SPEED LIMIT ON OUR ROADS FOR SAFETY AND MAINTENANCE ISSUES. REPAIRED ROADS DAMAGED BY OWNERS OR OTHERS IS BILLABLE IF KRCE HAS TO BRING IN A CONTRACTOR TO MAKE REPAIRS. IF YOU HAVE KNOWN SPEEDERS, TELL THEM TO SLOW DOWN OR REPORT TO THE BOARD.**

## 2011 ELECTION DATES & DEADLINES

June, 2014	Request for Candidates, Annual Meeting date, and Election Schedule mailed
<b>July 9, 2014 5:00 pm</b>	<b>Candidate Statements due in the Office</b>
July 11, 2014	Candidate eligibility verified & Lot eligibility finalized
July 24, 2014	Election package mailed
Aug 6, 2014	Proxies to proxy holders for any needed clarification
Aug 21, 2014	Proxy holders return proxies with clarifications
Sept 3, 2014	11:00 am Annual Meeting to establish quorum only
Sept 6, 2014	11:00 am Annual Members Meeting to conduct election

CALL FOR CANDIDATES – SEE  
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