

**CONSENT TO ACTION BY THE BOARD OF DIRECTORS OF THE
CROOKED RIVER RANCH WATER COMPANY**

RESOLUTION 2023-004

The undersigned, being the Board of Directors ("Board") of the Crooked River Ranch Water Company, an Oregon mutual benefit non-profit corporation, ("Company"), desire to take the action hereinafter set forth at a duly called and noticed meeting:

WHEREAS, Sections 4.3 of the Company's Bylaws sets forth the process by which the Company and its Members elect or appoint Directors to the Board;

WHEREAS, the Company previously attempted to amend its Articles of Incorporation to provide additional qualifications of Directors, but which amended Articles of Incorporation were not duly adopted by a quorum of the Board;

WHEREAS, the Board finds that service on the Board requires Directors to avoid conflicts of interest and such conflicts are more likely when a Director serves as an officer, director, or elected official of another entity that operates within the territory of the Crooked River Ranch Development; and

WHEREAS, the Section 9.1 of the Bylaws provides that Section 4.3(a) through (d) of the Bylaws may not be amended without a vote of the Membership, and any additional limits on the qualifications could be viewed as a modification of those Bylaw sections;

NOW THEREFORE BE IT RESOLVED, the Board recommends approval of amendments to Section 4.3 of the Company's Bylaws, as set forth in Exhibit A, to limit a Director from serving on the Board while simultaneously serving as an officer or director of the Crooked River Ranch Club and Maintenance Association, the Crooked River Ranch Rural Fire Protection District, or the Crooked River Ranch Special Road District, or while serving as a member of the Jefferson County or Deschutes County Board of Commissioners; and the Board hereby submits its recommendation to the Membership for approval.

ACCEPTED AND AGREED AS OF THE 7TH DAY OF SEPTEMBER 2023:

NATE RUSSELL – PRESIDENT

JAMES HUSSEY – VICE PRESIDENT

CARINA SOUBIEA – DIRECTOR

DALE WILEY – DIRECTOR

BETH GATCHELL – DIRECTOR

EXHIBIT A

Bylaw 4.3 NOMINATION OF DIRECTORS

(a) Subject to the other provisions of this section 4.3 below, any Member who is a natural person in good standing pursuant to section 2.1 is eligible to serve as a Director.

(b) No Member may serve as a Director unless that Member's primary residence is the property that serves as the basis for that Member's membership pursuant to section 2.1(a).

(c) No two Members who hold a joint Membership pursuant to section 2.1(b) may serve as Directors at the same time.

(d) No employee of the Corporation may serve as a Director.

(e) No Member may serve as a Director while that Member is also serving as an officer or director of the Crooked River Ranch Club and Maintenance Association, the Crooked River Ranch Rural Fire Protection District, or the Crooked River Ranch Special Road District, or while that Member is also serving as a member of the Jefferson County or Deschutes County Board of Commissioners. Any such dual service shall automatically terminate that Member's position on the Board of Directors, and such position shall be filled in the same manner as other vacancies pursuant to Section 4.5.

(f) The Board of Directors shall adopt a form of application along with a separate Applicant Disclosure Statement. Each applicant for Director shall complete and submit such form to a nominating committee appointed by the Board of Directors no later than ninety days prior to the annual meeting of the Membership. The nominating committee shall consist of four Members. The role of the nominating committee shall be to assist in the recruitment of qualified candidates and to verify the eligibility of each candidate pursuant to the requirements of this section 4.3.

(i) The nominating committee shall begin accepting applications beginning on May 1st of each year in which there is an election.

(ii) Except as provided by section 4.3(e)(iii), all applications shall be submitted to the nominating committee no later than the first Friday of September prior to the election.

(iii) In the event of a vacancy described in section 4.5(a)(i), the nominating committee shall accept applications at any time prior to the next election in a manner that is reasonably calculated to allow the Membership to fill the vacancy at the next election.

(g) The Applicant Disclosure Statement and application shall include, but not be limited to, disclosures of the applicant's residence address, time as a Member of the Corporation and, whether or not the applicant's personal residence is served by the Corporation.

EXHIBIT A TO RESOLUTION 2013-006