

Bylaws For Crooked River Ranch Water Company

Amended November 15, 2023



An Oregon Mutual Benefit Corporation

13845 SW Commercial Loop
P O B o x 2 3 1 9
Crooked River Ranch, Oregon 97760

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B Y L A W S O F
CROOKED RIVER RANCH WATER COMPANY

An Oregon Mutual Benefit Corporation

PART I – PURPOSES

Bylaw 1.1 PURPOSES

This organization ("the Corporation") is a nonprofit mutual benefit corporation incorporated under the laws of the State of Oregon. The purposes of the Corporation are as set forth in its Articles of Incorporation.

PART II – MEMBERS

Bylaw 2.1 MEMBERSHIP QUALIFICATIONS

(a) Any natural person, firm, association, corporation or body politic that owns property within portions of Crooked River Ranch or other adjacent properties then served by the Corporation, or that must haul water to such property on the Crooked River Ranch, shall be eligible for membership as a Member in this Corporation, subject to acceptance for membership as hereinafter provided.

(b) Two or more natural persons, firms, associations, corporations or bodies politic may jointly become a Member if either of the following conditions is met:

(i) each Joint Member satisfies the applicable criteria in section 2.1(a) above for the same property; or

(ii) one Joint Member satisfies the applicable criteria in section 2.1(a) above, is a natural person, and has designated one other natural person as a Joint Member for the same property. Designation of a Joint Member for purposes of this section shall be in writing on a form provided by the Corporation.

(c) Except as otherwise provided in these Bylaws, each Joint Member in a joint membership shall be entitled to all privileges and subject to all obligations of a Member, and the act of one Joint Member will be deemed by the Corporation as the act of all Joint Members in that joint membership.

Bylaw 2.2 MEMBERSHIP APPLICATION AND ACCEPTANCE

(a) Application for membership shall be in writing. The application shall include the physical address, phase, lot and tax numbers of the property for which water or water services obtained from the Corporation is requested and shall include documentary proof of the prospective Member's ownership of the property and be in such form as the Board of Directors of the Corporation from time to time shall prescribe. The water meter to be used, if the application is granted, shall be used only for the premises described in the application and, once installed, shall become the property of the Corporation. Such application for membership, if accepted, shall constitute an agreement by the Member to remain in good standing and to comply with and be bound by the Articles of Incorporation, these Bylaws and the rules and regulations of the Corporation then in effect or as thereafter from time to time duly amended or promulgated, and also as an agreement by the Member to obtain from the Corporation the water service used by or only for that Member's consumption on the property specified in the application.

(b) Each application for membership shall be reviewed by the Board of Directors, or by a person to whom the Board of Directors has delegated that task, for compliance with section 2.1 and section 2.2(a) above, and be either accepted or rejected by the Board of Directors thereon.

(c) Membership in the Corporation shall vest voting rights, as well as any financial interest or interest in assets of the Corporation as set forth in the Articles of Incorporation.

(d) Each new Member shall pay an initial installation or reconnect fee as lawfully determined by the Board of Directors.

Bylaw 2.3 TERMINATION OF MEMBERSHIP

(a) Except as provided in section 2.4 below, Membership in the Corporation shall terminate automatically upon death of the Member, removal of the property served within the service area of the Corporation, or sale of the property served to another person or entity.

(b) Membership may be terminated by the Board of Directors at any time that the Board of Directors finds that a Member has discontinued use of the Corporation's service, or for any reason is not qualified for membership.

(c) Membership may be terminated, by affirmative vote of a majority of the Board of Directors, if the Board of Directors finds that the Member has violated or refuses to comply with any applicable provision of the Articles of Incorporation, Bylaws or rules or regulations of the Corporation, or any agreement that the Member has with the Corporation.

(d) Termination by action of the Board of Directors pursuant to section 2.3(c) above shall take effect at such time as the Board of Directors shall set and such action shall be given by mailing of notice thereof to the Member at that Member's address of record with the Corporation. Any Member whose membership is thus terminated may, within thirty days after the mailing of the notice to the former Member, file with the Secretary of the Corporation a written request for hearing, in which event that former Member shall be given the opportunity to be heard before the Board of Directors, and the Board of Directors shall reconsider and affirm or rescind the termination within sixty days after the filing of such request for hearing.

(e) Any Member may voluntarily withdraw from membership at any time upon notice to the Corporation and cessation of service or hauling to the Member's property.

Bylaw 2.4 TRANSFER OF MEMBERSHIP

(a) Subject to the other provisions of this section 2.4, membership in the Corporation shall not be transferable, by operation of law or otherwise.

(b) Notwithstanding the provisions in section 2.4(a) above, in the event of the death of a Member in a joint membership, that Member's membership interest will be transferred jointly to each other Member in the joint Membership.

(c) Notwithstanding the provisions in section 2.3(a) and section 2.4(a) above, in the event of the death of a Member who is a natural person, that Member's membership interest shall automatically transfer to anyone in the same household receiving service from the Corporation at the time of death, provided that person qualifies as a Member pursuant to section 2.1 above. Such transfer will have the same effect as though that membership had been originally issued thereto; provided, however, that the estate of the deceased Member shall not be released from any debt or liability of that deceased Member to the Corporation.

Bylaw 2.5 MEMBER VOTING

(a) Each Member shall be entitled to one vote per connected lot owned by that Member or lot hauled to by that Member on matters submitted to the Membership for a vote or for which a vote of the Membership is otherwise required by law; and the individual Members in a joint membership shall be jointly entitled to one vote on such matters.

(b) Proxy voting shall not be allowed.

(c) Any Member of the Corporation, not a natural person may act, vote, and be represented at meetings of Members of the Corporation by an officer, manager, stockholder, partner, or agent of such Member who is duly authorized in writing filed with the Secretary of the Corporation.

(d) Notwithstanding the provision in section 2.5(a) above, a Member of the Corporation who has had water service disconnected for any reason shall not be entitled to vote until that Member has paid all fees and charges owing, reconnected to the water system, and is in conformance with all rules and regulations and policies necessary for water service.

PART III – MEMBER MEETINGS AND ACTION

Bylaw 3.1 ANNUAL MEETING OF THE MEMBERSHIP

(a) The annual meeting of the Membership shall be held on the last Saturday of August of each year, at such hour that does not conflict with the annual meeting of the Crooked River Ranch Club & Maintenance Association and at such place as specified by the Board of Directors within the territory which the Corporation provides water service or the cities of Terrebonne or Redmond; provided, however, that the date of such annual meeting may be postponed or advanced not to exceed thirty days by the Board of Directors.

(b) The purpose of the annual meeting of the Membership shall be to introduce the candidates for the Board of Directors, to receive reports from the Board of Directors and Officers, and to transact such other business as may be listed on the agenda or duly raised at the meeting.

Bylaw 3.2 SPECIAL MEETING OF THE MEMBERSHIP

(a) A special meeting of the Membership may be called by the Board of Directors. Such call shall be in writing and shall state the date, time, place, and purpose of the meeting. Promptly upon receipt of such call, the Secretary of the Corporation shall cause notice of such meeting to be given as provided in section 3.3 below. No business shall be transacted at a special meeting which is not included in a statement of purpose as set forth in the call and notice of the meeting.

(b) A special meeting of the Membership may be called by written petition of five percent of the Membership. Such petitions shall be uniform, describing the purpose(s) for which the meeting shall be held, and delivered to the Secretary of the Corporation within a reasonable time to allow notice of the meeting pursuant to section 3.3 below. Upon receiving such petitions, the Secretary of the Corporation shall provide notice of the meeting pursuant to section 3.3 below.

Bylaw 3.3 NOTICE OF MEMBER MEETINGS

Written or printed notice of each annual or special meeting of the Membership shall be given by or under the supervision of the Secretary of the Corporation to each Member, not less than ten nor more than thirty days prior to the date of the meeting. Such notice shall be delivered to the Member in person or mailed thereto at the Member's post office address as the same appears on the

books of the Corporation, and such mailed notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid. Failure of any Member to receive notice shall not invalidate any action taken at any annual or special meeting of the Membership, and any Member may waive, in writing, and shall waive by attendance in person at the meeting, any required notice of such meetings.

Bylaw 3.4 QUORUM

(a) A quorum of the Membership at any annual or special meeting shall be twenty percent (20%) of the Membership.

(b) A quorum of the Membership when any issue has been submitted to the Membership for a vote pursuant to section 3.5 or section 4.4 below shall be the number of ballots received by the Corporation for that issue.

(c) A quorum of the Membership for all other purposes shall be fifty percent (50%) plus one of the Membership.

Bylaw 3.5 ACTION BY MEMBERS

(a) Any action taken by Members must be submitted to the entire Membership for a vote before that action becomes valid.

(b) Any action taken by the Membership at an annual or special meeting of the Membership shall automatically be submitted to the Membership for a vote, provided that a majority of the Members at the annual or special meeting approved submitting the action to a vote of the Membership. Such actions shall become valid if a majority of the Members casting ballots approve each action.

(c) The election of the members of the Board of Directors shall automatically be submitted to the entire Membership for a vote consistent with the provisions of section 4.4 below.

(d) The Membership may cause any other issue to be submitted to the Membership for a vote subject to the following:

(i) such petitions shall be uniform, describing with particularity the issue to be voted on, and delivered to the Secretary of the Corporation;

(ii) for issues to be voted on concurrently with the annual election for the Board of Directors described in Section 4.4 below, the Secretary of the Corporation shall cause ballots containing the issue to be voted on to be sent to the Membership only if the number of petitions received is equal to or greater than ten percent (10%) of the Membership;

(iii) for issues to be voted on during a special election, the Secretary of the Corporation shall cause ballots containing the issue to be voted on to be sent to the Membership only if the number of petitions received is equal to or greater than twenty percent (20%) of the Membership; and

(iv) unless the petitions state otherwise, an issue that qualifies to appear on a ballot will be voted on concurrently with the annual election for the Board of Directors described in Section 4.4 below.

(e) The Board of Directors may refer any issue to a vote of the Membership.

PART IV – BOARD OF DIRECTORS

Revised May 18, 2022

Bylaw 4.1 NUMBER OF DIRECTORS

The Board of Directors shall consist of five Directors, each of which must be a Member of the Corporation.

Bylaw 4.2 TERM OF OFFICE

(a) Directors shall serve three-year terms.

(b) Subject to the provisions of section 4.4, elections will be held annually to fill terms as they expire, and the terms of the Directors shall be staggered such that each year at least one and no more than two Directors are elected for a full term to the Board of Directors.

(c) Beginning with any Director elected at the election held in October 2019, and for each election thereafter, the term of each Director shall begin on November 1st of the year in which the Director is elected and shall conclude on October 31st of the applicable third year.

(d) For any Director appointed or elected to the Board of Directors prior to the election held in October 2019, that Director's term shall conclude on October 31st of the applicable third year.

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: (i) 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 (2) if the Director is a Joint Member and the other Joint 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. 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.

Bylaw 4.4 VOTING FOR DIRECTORS

(a) Except as provided in section 4.4(b), the election of each Director will occur only by mailed ballots and will take place in October of each year.

Write-in candidates will be allowed, provided that such candidates must meet the qualifications of Directors set forth in section 4.3 above.

Election ballots shall be mailed to a neutral third party selected by the Board of Directors. All ballots must be received by the neutral third party no later than forty-eight hours prior to the announced election date.

Election ballots shall be tabulated by a neutral third party selected by the Board of Directors. The neutral third party that tabulates the election ballots shall deliver the results of the tabulation to the Secretary of the Board of Directors. Concurrent with the delivery of the election results, the neutral third party that tabulates the election shall, to the extent practicable, certify that the election ballots contain no evidence of fraud or coercion altering the outcome of the election. In the event such a certification cannot be made by reason of evidence of fraud or coercion, the election will be deemed void and the Board of Directors shall cause a new election to take place consistent with the provisions of this section 4.4(a).

Failure of any Member to receive a ballot for voting by mail shall not invalidate any election of a Director.

Notwithstanding section 4.4(a), no election by mailed ballots shall be required if the number of qualified candidates for an election is less than or equal to the number of open Director positions for that election. In these circumstances, Directors shall be determined as follows:

In lieu of an election by the Membership, the Board shall appoint each qualified candidate to an open Director position.

If the terms of two or more open Director positions are different, the qualified candidates appointed to those positions shall agree which candidate will fill each position and, failing such agreement, shall be determined by lot.

If any Director positions remain unfilled after all qualified candidates have been appointed and seated, each unfilled position shall be deemed to be a vacant position under section 4.5(a)(2), to be filled by appointment by the Board.

Bylaw 4.5 VACANCIES

(a) Any vacancy on the Board of Directors not caused by the expiration of a Director's term shall be filled:

(i) if the vacancy occurs ninety days or fewer, but more than fourteen days prior to the next annual election, then by a vote of the Membership pursuant to section 4.3 concurrent with the annual election;

(ii) if the vacancy occurs more than ninety days or less than fifteen days prior to the next annual election, then by a majority vote of the remaining Directors.

(b) The term of any Director elected or appointed pursuant to section 4.5(a)

above shall be the remainder of the vacated term that results in the election or appointment.

Bylaw 4.6 TERMINATION OF DIRECTORS

(a) Termination of a Director's membership in the Corporation shall terminate automatically that Director's position on the Board of Directors.

(b) Members may remove a Director by means of a recall election pursuant to section 3.5 above.

(c) The Board of Directors, by a majority vote of the Board, may initiate a recall election of any Director from the Board of Directors if the majority of the Directors in their judgment deems that Director's presence on the Board not to be in the best interest of the Corporation.

Bylaw 4.7 DIRECTOR COMPENSATION

Directors shall serve without pay for personal services as a Director. Directors may use the resources of the Corporation only for the direct benefit and use of the Corporation, and any other use of the Corporation's resources by a Director may be cause for removal pursuant to section 4.6 above.

Bylaw 4.8 POWERS AND DUTIES OF DIRECTORS

The authority and duties of the Board of Directors shall include the following, as well as such other powers and duties as may be vested in the Board of Directors by law.

(a) The Board of Directors shall have general supervision and be responsible for the oversight of all business affairs of the Corporation, and shall make all necessary rules and regulations, not inconsistent with law or with the Bylaws or Articles of Incorporation, for the management of the Corporation and the guidance of the Officers, employees and agents of the Corporation.

(b) The Board of Directors may in its discretion employ a General Manager under contract who shall hold the position subject to such terms and conditions as may be fixed by the Board.

(c) The Board of Directors shall cause to be kept a record of all of its acts and proceedings. The Board shall present a report of the Corporation showing in reasonable detail the condition of the Corporation's affairs at each annual meeting of the Membership.

(d) The Board of Directors shall call such special meetings of the Membership as it may deem necessary or advisable.

(e) The Board of Directors shall select one or more banks as a depository of funds of the Corporation and determine the manner of receiving, depositing and disbursing the funds of the Corporation, with full power from time to time to change such depositories and determinations.

(f) The Board of Directors may invest or convert the funds of the Corporation reserve in or into such securities as the Board may find advisable and proper.

(g) The Board of Directors, by affirmative vote of at least three Directors, may borrow money or authorize any Officer or the General Manager of the Corporation to borrow money, in the name and on behalf of the Corporation, for any Corporation purpose either on open account or secured in any manner by any assets of the Corporation or any of the Corporation's reserves, in such amounts and upon such terms and conditions as the Board of Directors may deem necessary or advisable.

(h) In addition to the foregoing express authority and duties, the Board of Directors may exercise such powers and do such lawful acts as it may find to be proper and necessary or expedient for accomplishing any of the lawful purposes of the Corporation.

(i) The Board of Directors may, subject to approval by a vote of the Membership pursuant to section 3.5 above, make donations for the public welfare or for charitable, scientific or educational purposes, as the Board finds may result in a present or foreseeable future benefit to the Corporation or to the Membership as a whole:

(i) provided, such donations may not be made to any individual and must be made only to a group of persons and/or entities comprised, at least in part, of Members; and

(ii) notwithstanding this subsection, the Board may, without a vote of the Membership, make such donations if such donations do not exceed \$100 in value per donee per year; and provided that the Board of Directors approves such donations each calendar year.

(j) The Board of Directors may adopt a Policies and Procedures Manual setting forth the specific manner in which the Board of Directors and individual Directors operate in furtherance of the powers and duties set forth in these Bylaws in general, and in this Section 4.8 in particular. Each Director shall have an opportunity reasonable under the circumstances to review and to provide comment on the initial adoption of a Policies and Procedures Manual and any amendments thereto.

Bylaw 4.9 RESIGNATION OF DIRECTORS

Any Director may resign from office at any time, such resignation to be in writing and take effect when filed with the Secretary of the Corporation.

PART V - ACTIONS BY BOARD OF DIRECTORS

Bylaw 5.1 ORGANIZATIONAL MEETING

A Special Meeting of the Board of Directors shall be held each November after the results of the election for Directors have been announced for the purpose of organizing, electing or appointing Officers, and transacting such other business as may come before the meeting.

Bylaw 5.2 REGULAR QUARTERLY MEETINGS

The Board of Directors shall hold Regular Meetings on a schedule to be established by Resolution as the Board of Directors sees fit. Such Regular Meetings shall consist of at least four Quarterly Meetings each year at a time and place designated by the Board of Directors that is within reasonable proximity to the area in which the Corporation provides service, including but not limited to the cities of Terrebonne, Oregon and Redmond, Oregon. In addition to Quarterly Meetings, the Board of Directors may establish by Resolution any other schedule and process for Regular Meetings. All Regular Meetings will be public, excluding executive sessions, with advance notice of each meeting included with the monthly water bill preceding the scheduled meeting date. Any Regular Meeting may be canceled by the Board of Directors due to unforeseen circumstances including but not limited to illness or inclement weather.

Bylaw 5.3 SPECIAL MEETINGS (ORS 65.204)

A Special Meeting of the Board of Directors shall be held whenever called by the President or by three or more Directors. Neither the business to be transacted nor the purpose of any Special Meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting. Any Special Meeting may be open to the public at the discretion of the Board of Directors.

Bylaw 5.4 NOTICE

Notice of each Regular Meeting and Special Meeting of the Board of Directors shall be mailed to each Director, at that Director's address of record with the Corporation, not less than five days prior to the time of such meeting or shall be given by telephone or email not less than twenty-four hours prior to that meeting. Notice of any meeting may be waived in writing. Notice of the meeting shall be waived by attendance at the meeting unless the purpose of attendance is solely to object to the transaction of any business at the meeting on the ground that the meeting was not lawfully called.

Bylaw 5.5 QUORUM

Except as provided in other provisions of these Bylaws, three of the five Directors on the Board of Directors shall constitute a quorum necessary for the

transaction of any and all business of the Corporation. In the event there shall be in attendance at any meeting of the Board of Directors a lesser number than a quorum, that number may adjourn the meeting to another day, until a quorum can be present. No one (1) director may dictate day to day policies or operations without a quorum consent of the Board of Directors.

Bylaw 5.6 UNEXCUSED ABSENCES

The Board of Directors may declare the position of a Director to be vacant in the event such Director shall be absent (unexcused) from two consecutive, regular quarterly scheduled meetings of the Board of Directors.

Bylaw 5.7 INDEMNIFICATION OF DIRECTORS, OFFICERS, AND AGENTS

Each person who at any time has served or serves as a Director, officer or agent of the Corporation shall be indemnified by the Corporation against liabilities incurred as a result of, and expenses (including attorney's fees) reasonably sustained in the defense or in the compromise or settlement of, any civil, criminal, or other action, suit, or proceeding, in which that person may become involved as a party or with which that person may be threatened, by reason of that person being or having been a Director, Officer or agent of the Corporation, provided, however, that such indemnification shall not apply to any claim, action, suit, or other proceeding in which the Director, Officer or agent is adjudged liable for negligence or misconduct in the performance of duty, or in which that person shall have entered a plea of guilty or nolo contendere, unless the Corporation shall receive a written opinion of independent legal counsel that (a) the conduct of that person in connection with such matters was in good faith, for a purpose which that person reasonably believed to be in the best interests of the Corporation, and, in any criminal action, in addition, that such person had no reasonable cause to believe that such person's conduct was unlawful, and (b) that indemnification pursuant to the provisions of this section 5.7 may be legally and validly made.

PART VI - OFFICERS

Bylaw 6.1 ENUMERATED

(a) The Officers of the Corporation shall consist of a minimum of a President, a Vice-President, and a Secretary/Treasurer.

(b) The Board of Directors may create such subordinate offices and appoint such subordinate Officers or agents as it may from time to time deem expedient and define their powers and duties, provided such powers and duties do not constitute a delegation of such authority as is reposed in the Directors by law, which shall be exercised and performed exclusively by them.

(c) Officers shall serve without compensation for personal services. Officers may use the resources of the Corporation only for the direct benefit and use of the Corporation, and any other use of the Corporation's resources by an Officer may be cause for removal pursuant to section 6.2 below.

Bylaw 6.2 APPOINTMENT AND REMOVAL OF OFFICERS

(a) The Board of Directors shall appoint the Officers enumerated in section 6.1(a) above during the Special Meeting set forth in section 5.1 above and thereafter as necessary. The term of each Officer shall be from the time of appointment until that Officer's successor has been appointed, or until that Officer is removed from office.

(b) The Board of Directors shall elect or appoint other Officers as necessary.

(c) The Board of Directors may remove an Officer at any time by a majority vote of the Board of Directors.

Bylaw 6.3 PRESIDENT

The President shall be the principal Executive Officer of the Corporation. The President shall sign for and on behalf of the Corporation all documents and instruments authorized by the Board of Directors to be executed, except when the signing and execution thereof shall be expressly delegated by the Board of Directors or these Bylaws to some other Officer or agent of the Corporation or shall be required by law to be otherwise signed or executed. The President shall call such Special Meetings of the Corporation and of the Board of Directors as the President deems advisable and shall perform such other duties as may properly be required under the Bylaws or by the Board of Directors.

Bylaw 6.4 VICE-PRESIDENT

In the absence of the President, or in the event of the President's inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President and shall perform such other duties as from time to time may be assigned by the Board of Directors.

Bylaw 6.5 SECRETARY/TREASURER

The Secretary/Treasurer shall keep the minutes of the Members and of the Board of Director's meetings in one or more books provided for that purpose. The Secretary/Treasurer shall ensure all notices are duly given in accordance with provisions of these Bylaws or as required by law. The Secretary/Treasurer shall supervise maintenance of a registry of the post office addresses of each member of the Corporation and have general charge of all membership books of the Corporation. The Secretary/Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation; have oversight for moneys due and payable to the Corporation from any source whatsoever, and have oversight for the deposit of all such moneys in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these Bylaws. The Secretary/Treasurer shall arrange for an annual financial report of the financial records of the Corporation soon after the close of business each calendar year. The annual financial report shall be reviewed with the Membership at the first quarterly meeting of the Board of Directors each calendar year and at the annual meeting of the Membership. The Secretary/Treasurer shall, in general, perform all the duties incident to the office of Secretary/Treasurer, and the Board of Directors may assign such other duties as from time to time to the Secretary/Treasurer deemed in the best interest of the Corporation.

Bylaw 6.6 EMPLOYMENT

No Corporation employee, nor any relative, or significant other, may be elected to the Board of Directors while the Corporation employs that person as a regular employee. This provision shall apply for a period of one year after such person ceases to be employed by the Corporation.

PART VII – OPERATING METHODS

Bylaw 7.1 FISCAL YEAR

The fiscal year of the Corporation shall begin on the first day of January of each year and end on the 31st day of December of the same year.

Bylaw 7.2 NONPROFIT OPERATION

This Corporation shall be operated on a nonprofit basis for the mutual benefit of its Members as users of water service supplied by or through this Corporation.

Bylaw 7.3 CONFLICTS OF INTEREST

No Director, Officer, or Corporation employee may participate in any action in which that person indirectly or directly has a substantial personal financial interest. Participation includes, but is not limited to, reviewing bids or proposals, making recommendations for awards of contracts, awarding services, preparing bids or similar acts where the employee or Director stands to profit from the outcome of actions taken with respect to the above.

Bylaw 7.4 CONTRACTS

The Board of Directors may authorize any Officer or agent to enter into any contract or execute any instrument in the name of and on behalf of the Corporation, and such authority may be in general or confined to specific instances.

Bylaw 7.5 LOANS

No loan shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Bylaw 7.6 CHECKS AND DRAFTS

All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Corporation shall be signed by such officers of the Corporation and in such manner as from time to time be determined by resolution of the Board of Directors.

Bylaw 7.7 DEPOSITS

All funds of the Corporation shall be under the supervision of the Board of Directors and shall be handled and deposited in such manner and by such Officers or agents of the Corporation as the Board of Directors may by prior resolutions from time to time authorize.

Bylaw 7.8 WATER RATES AND OTHER CHARGES

The Board of Directors may, from time to time, set rates regarding water service and other services related to the operation of the water system. During any time period in which the Oregon Public Utilities Commission exercises jurisdiction over the Corporation, such rates shall be adopted pursuant to the applicable rules and regulations of that commission. The Members of the Corporation shall pay

water bills on a monthly basis and such other charges as are due and payable upon receipt of the bill. The occupants of rental property shall be billed and responsible for payment of water used by said property.

Bylaw 7.9 BOARD POLICIES (ORS 65.077)

The Board of Directors may adopt operating policies consistent with the Bylaws necessary for the orderly conduct of business and any related matters consistent with providing the domestic water services to qualified members of the Corporation. The Board of Directors shall oversee and be the sole authority in regard to all legal obligations concerning the Corporation.

PART VIII - DISSOLUTION

Bylaw 8.1 DISSOLUTION

In the event of dissolution or liquidation of the Corporation, all assets of the Corporation or proceeds thereof shall be distributed in accordance with the Articles of Incorporation and a written plan of dissolution adopted by the Board of Directors. Provided, however, any such distribution and written plan shall be subject to, and expressly acknowledge, any contractual rights of a third party to an asset of the water system or to the water system in its entirety.

PART IX - AMENDMENTS

Bylaw 9.1 AMENDMENTS

These Bylaws may be amended or repealed by a majority vote of the Board of Directors except Section 2.5, Section 4.3(a) through (d), Section 4.6, Section 4.7, Section 7.3 and Section 9.1, each of which can only be repealed or amended by a vote of the entire Membership of the Corporation in which no less than twenty per cent of the vote of the entire Membership votes in favor of such a repeal or amendment.

CERTIFICATE OF SECRETARY

The undersigned, as Secretary of Crooked River Ranch Water Company, hereby certifies that the Bylaws to which this certificate is attached were duly adopted by the Board of Directors of said corporation and are in full force and effect.

DATED: November 15, 2023

DocuSigned by:

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Carina Soubiea, Secretary