

Approved by a
26 to 4 letter ballot
in August, 1995. Adopted
by Board in Sept., 1995

RESTATED BYLAWS
OF

RIDGEWOOD DISTRICT IMPROVEMENT COMPANY

SEPTEMBER 1995

41-00229

ARTICLE ONE
Offices and Definitions

Section 1: REGISTERED OFFICE: The registered office shall be located in the City of Corvallis, County of Benton, State of Oregon.

Section 2: OTHER OFFICES: The corporation may also have offices at such other places, as the Board of Directors may from time to time determine or as the business of the corporation may require.

Section 3: DEFINITIONS: The terms Corporation, Company, District and Water District shall all be construed to mean the Ridgewood District Improvement Company as described in the Articles of Incorporation, dated February 12, 1970 and as amended or restated thereafter.

ARTICLE TWO
Meetings of Shareholders

Section 1. PLACE OF MEETING: Meetings of the shareholders shall be held at the office of the corporation in Corvallis, Oregon, or at such other place as shall be designated in the notice of meeting.

Section 2. ANNUAL MEETING: An annual meeting of the shareholders shall be held on the second Tuesday in May of each year when they shall elect replacements for those Board members whose terms have expired and transact such other business as may properly be brought before the meeting.

Section 3. SPECIAL MEETINGS: Special meeting of the shareholders may be called by the President, Board of Directors, the holders of not less than one-tenth of all shares entitled to vote at the meeting or by such other officers or persons as may be provided in the Articles of Incorporation or these Bylaws.

Section 4. NOTICE OF MEETINGS: Written or printed notice stating the place, day, and hour of the meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than fifty days before the date of the meeting, either personally or by mail, by or at the direction of the President or Secretary, or the officer or persons calling the meeting, to each shareholder of record at such

address as appears on the records of the corporation.

Section 5. REMOVAL AND ELECTION OF BOARD MEMBERS: At any meeting of the shareholder-members, any Board member may be removed and another elected in his place, anything herein to the contrary notwithstanding.

Section 6. BUSINESS TO BE TRANSACTED AT SPECIAL MEETING: Business transacted at any special meeting shall be confined to the purpose stated in the notice thereof.

Section 7. QUORUM: The holders of a majority of the outstanding shares, represented in person or by proxy, shall constitute a quorum at all meetings of the shareholders for the transaction of business, except as otherwise provided by the Articles of Incorporation. If, however, a quorum shall not be present or represented at any meeting of the shareholders, the shareholders present in person or represented by proxy, shall have power to adjourn the meeting at which a quorum shall be present or represented. At any such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 8. MAJORITY VOTE: When quorum is present or represented at any meeting, the vote of a majority of the shares present in person or represented by proxy shall decide any questions brought before such a meeting, unless such questions require a different vote under the Articles of Incorporation, these Bylaws or by law.

Section 9. VOTING RIGHTS: Each outstanding share shall be entitled to one vote. A shareholder may vote either in person or by proxy appointed in writing by the shareholder or by their duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy. Nothing herein shall be construed to prevent the shareholder-members of the corporation from joining a voting trust.

ARTICLE THREE Directors

Section 1. NUMBER OF DIRECTORS AND ELECTION THEREOF: The number of directors of the Corporation shall be three regular directors and one proxy director. Directors to fill expired Director positions shall be elected at the annual meeting of Shareholders. Directors shall be elected at the annual meeting of the shareholders and each director shall be elected to serve until his term expires and until his successor shall have been elected. Regular directors shall be elected for staggered terms of three years each and the proxy director shall be elected to serve until his successor shall have been elected. The proxy director's presence shall be counted for purposes of determining a quorum as

defined in Section 7 but shall only be entitled to vote in the event two regular directors are absent or cannot vote due to a conflict. No person is eligible to serve as a director unless he is a shareholder-member of the corporation. (1991) A Director may only serve two (2) consecutive three (3) year terms. Additional service must be preceded by at least a one year absence from the Board.

Section 2. FILLING OF VACANCIES: Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of Board of Directors, unless otherwise provided in the Articles of Incorporation. A director elected to fill a vacancy shall be elected for the portion of the term of his predecessor in office.

Any directorship to be filled by reason of an increase in the number of directors shall be filled at an annual meeting or at a special meeting of shareholders called for that purpose unless provided in the Articles of Incorporation.

Section 3. POWERS OF BOARD: The business and affairs of the corporation shall be managed by its Board of Directors which may exercise all such powers of the corporation and do all such lawful acts and things which are specifically provided for in Chapter 554 of the Oregon Revised Statutes and do all such further lawful acts and things as are not by statute or by the Articles of Incorporation or by these Bylaws directed or required to be exercised and done by the shareholders.

The Board shall further have the power to make, levy, and collect any assessments rateably from each of the shareholders for the purpose of providing the amount of money required to be raised by the corporation through such assessments for maintenance and operation, estimated delinquencies on assessments, principal, and interest of maturing indebtedness and such reserves as may be deemed necessary or provided by these Bylaws.

Section 4. PLACE OF MEETING: Meetings of the Board of Directors regular or special, may be held within the State of Oregon.

Section 5. REGULAR MEETINGS: TIME, PLACE, AND NOTICE: Regular meetings of the Board may be held upon such notice, and at such time and place as shall from time to time be determined by the Board.

Section 6. SPECIAL MEETINGS: Special meetings of the Board may be called by the President on one day's notice to each director, either personally or by mail, or by telephone; special meetings shall be called by the President or Secretary in like manner and on all like notice on the written request of two directors.

Section 7. QUORUM: Two (2) directors shall constitute a quorum for the transaction of business. The act of the majority of the directors present at the meeting at which a quorum is present shall be the act of the Board of Directors. (1991)

Section 8. ASSESSMENT: The Board of Directors shall each year on or before the annual meeting make a computation of the whole amount of money to be raised by the corporation through assessments for the ensuing year for any purposes whatsoever, including maintenance and operation, estimated delinquencies or assessments, principal and interest of indebtedness maturing, and such other reserves as may be necessary or provided by these Bylaws.

This amount when so determined by the Board shall be an assessment upon all the land described in the Articles of Incorporation and apportioned to each and every building site equally and rateably as between them. The assessments shall become due and payable in quarter-annual installments, the first of which shall be due three months after the date of assessment and shall bear interest at the legal rate for interest on judgments as provided by Oregon law from the maturity of each installment until paid (1991). Any unpaid assessment and the lien thereof shall be delinquent after the date of maturity of the last installment thereof and may be enforced and foreclosed. At any foreclosure sale, the Corporation or any member thereof or any creditor of the Corporation or any other person may be a bidder or purchaser.

Section 9. DIRECTORS TO INSTITUTE PROCEEDINGS TO ENFORCE LIEN: The Board of Directors shall have authority to institute proceedings for the enforcement of any assessment when the last installment of such assessment is delinquent for more than three months.

Section 10. RECORDS OF PROCEEDINGS OF BOARD: The Board of Directors shall cause to be kept a book in which shall be recorded minutes of all meetings, proceedings, certificates, bonds, and any all corporate acts, which record shall be at all times open to inspection of anyone interested, whether members or creditors.

ARTICLE FOUR

NOTICES: INFORMAL ACTION BY SHAREHOLDERS OR DIRECTORS

Section 1. NOTICE TO SHAREHOLDERS OR DIRECTORS: Whenever, under the provisions of Chapter 554 of the Oregon Revised Statutes or of the Articles of Incorporation or of these Bylaws, notice is required to be given to any director or shareholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or shareholder at his address as it appears in the records of the Corporation with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall

be deposited in the United States mail.

Section 2. WAIVER OF NOTICE: Whenever any notice whatever is required to be given to any shareholder or director under the provisions of Chapter 554 of the Oregon Revised Statutes or under the provisions of the Articles of Incorporation or these Bylaws, a waiver thereof in writing signed by he person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 3. ACTION BY SHAREHOLDER OR DIRECTORS WITHOUT MEETING: Any action required by Chapter 554 of the Oregon Revised Statutes to be taken at a meeting of shareholders or directors or any other action which may be taken at a meeting may be taken if a consent in writing setting forth the action to taken by all of the shareholders or directors entitled to vote with respect to the subject matter thereof.

Section 4. WAIVER OF NOTICE BY DIRECTOR: Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called for or convened. Neither the business to be transacted at, nor the purpose of any meeting of the Board of Directors need to be specified in the notice or waiver of notice of such meeting unless required by these Bylaws.

ARTICLE FIVE Officers

Section 1. PRINCIPAL OFFICERS: The principal officers of the corporation shall consist of a President, Vice President, a Secretary, and a Treasurer, or a Secretary/Treasurer each of whom shall be appointed by the Board of Directors. The corporation may also have, at the discretion of the Board of Directors, one or more additional Vice Presidents. Any two or more offices may be held by the same person, except the offices of President and Vice President and of President and Secretary.

Section 2. ELECTION OF OFFICERS: The Board of Directors at the annual meeting or its first meeting after each annual meeting of shareholders shall choose a President, one or more Vice Presidents, a Secretary, and a Treasurer, or Secretary/Treasurer none of whom need be a member of the Board.

Section 3. ELECTION OR APPOINTMENT OF JUNIOR OFFICERS: The Board may elect or appoint such other officers, assistant officers, and agents as it shall deem necessary or desirable, who shall hold their offices for such terms and shall have such authority and perform such duties as shall be determined by the Board.

Section 4. SALARIES OF OFFICERS AND AGENTS: The salaries of all officers and agents of the corporation shall be fixed by the Board of Directors subject to revision by a vote of the shareholders.

Section 5. TERMS OF OFFICERS: The officers of the corporation shall hold office until their successors are chosen and qualify in their stead. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. If the office of any of the officers becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

PRESIDENT

Section 6. DUTIES: The President shall be the chief executive officer of the corporation. The President shall preside at all meetings of the shareholders and directors, and shall have general and active management of the business of the corporation, and shall see that all orders and resolution of the Board are carried into effect.

Section 7. AUTHORITY: The President shall execute bonds, mortgages, and other contracts except where required by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation.

VICE PRESIDENT

Section 8. DUTIES: In the absence or disability of the President, the Vice Presidents, in order of their rank as fixed by the Board of Director, or if not ranked, the Vice President designated by the Board of Directors, shall perform the duties and exercise the powers of the President, and each Vice President shall perform such other duties as the Board of Directors shall prescribe.

SECRETARY

Section 9. DUTIES AND AUTHORITY: The Secretary shall attend all sessions of the Board and all meetings of the shareholders and record the minutes of all proceedings in a book to be kept for that purpose, and shall perform like duties for any committee when required. The Secretary shall give, or cause to be given, notice of all meetings of the shareholders and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President supervision he shall be. The Secretary may or may not be a member of the Board of Directors and may hold the office of Treasurer of the corporation.

TREASURER

Section 10. DUTIES: The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate

accounts or receipts and disbursements in books belonging to the corporation and shall deposit all monies and other valuable effects in the name and to the credit of the corporation, in such depositories as may be designated by the Board of Directors. The Treasurer shall keep fair and correct records of all the corporation's proceedings and official business, which shall be open to the inspection of all members as well as to all interested persons.

Section 11. CONTROL OF FUNDS: The Treasurer shall disburse the funds of the corporation when proper to do so, taking proper vouchers for such disbursements, and shall render to the President and directors at the regular meetings of the Board, or whenever they may require it, an account of all transactions as Treasurer and of the financial condition of the corporation.

All monies of the corporation shall be deposited with a convenient bank or trust company in the name of the corporation and all funds provided to be segregated and held separate shall be so kept and accounting of each of such funds upon the books of the corporation shall be correctly kept.

Section 12. WARRANT AND BOND REGISTRY: A warrant and bond register shall be provided in which shall be kept separately a record of all warrants issued, the number, date and amount thereof, with the name of the payee and the date paid, showing principal and interest separately. Likewise shall be kept a register of all bonds with the description thereof, the date thereof, and when issued, and generally records as shall show outstanding bonds separately of the issues and kinds of payments.

Section 13. BOND: If required by the Board of Directors the Treasurer shall give the corporation a bond in such sum, and with such surety or sureties as shall be satisfactory to the Board, for the faithful performance of the duties of the office, and for the restoration to the corporation, in case of death, resignation, retirement, or removal from office, of all books, papers, vouchers, money and other property of whatever kind in the possession of the Treasurer or under the Treasurer's control belonging to the corporation. The bond, if required, shall be approved by the Board of Directors and kept in the custody of the President, separate from all papers in the custody of the Treasurer.

ARTICLE SIX SHAREHOLDERS-MEMBERS OF THE CORPORATION

Section 1. SHARES DEFINED: The term "shares" as used herein shall mean the legal or equitable interest in all water rights attached to the real property described in the Articles of Incorporation and any amendments thereto, and one share shall represent the ownership of one water right (1991).

Section 2. SHAREHOLDER DEFINED: The owner of every such interest in said real property as set forth in Section 1. of Article Six shall acquire a share and shall be deemed a shareholder-member of the corporation.

Section 3. ACQUIRING OR TRANSFERRING SHARES: Shares shall be acquired by any person obtaining ownership of any possessory legal or equitable interest in any of the real property described in the Articles of Incorporation and amendments thereto, and the shares of membership shall be lost or gained through the sale or purchase, as the case may be, of such an interest in said real property. In case of sale or purchase of such an interest in said real property under contract, the contract purchaser shall be deemed to be the shareholder and entitled to all of the rights and privileges as such, until default when such rights and privileges shall be vested in the holder of the legal title to such property.

Section 4. SHAREHOLDER AND VOTING RIGHTS: Each share shall be entitled to one vote without regard to whether there may be more than one owner of such share.

ARTICLE SEVEN General Provisions

Section 1. SIGNATURE REQUIRED ON CHECKS AND NOTES: All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 2. FORM OR CORPORATE SEAL: The corporate seal shall have inscribed thereon the name of the corporation and the words "Corporate Seal, Oregon." Said seal may be used by causing it, or a facsimile thereof, to be impressed or affixed or in any manner reproduced.

ARTICLE EIGHT Manner and Mode of Conducting Business

Section 1. APPLICATION FOR CONNECTION: Connection with the mains of the Corporation will be made on the written application of the owner of a "lot" to be supplied with water (or owners duly authorized agent) on blanks provided by the company, on compliance by the applicant with the rates, rules, and regulations of the company, and after the approval of the application by the company endorsed thereon. The size of service line, valves, meters, and other fittings, fixtures, or appliances necessary to give the service applied for shall be determined by the Corporation.

Section 2. APPLICATION FOR SERVICE: On the application of the owner, or any authorized agent, or tenant of the owner, water will be furnished through connections already made or applied by the

owner, and on compliance by the applicant with the rates, rules, and regulations of the Corporation and after the approval of the application by the Corporation endorsed thereon.

The application shall state the name of the owner of the premises, the character and extent of the service desired, a description of the premises, including the name of the street, and house number, if any, the number and kind of fixtures through which water will be supplied, and such other information as may reasonably be required by the Corporation to enable it to give the desired service.

Section 3. PAYMENTS: At the time of making application for connection or service, the applicant must make payment to the Corporation of fees, deposits, or rates, as the case may be, as fixed by the Ridgewood District Improvement Company.

Section 4. CONNECTIONS: The Corporation will furnish and maintain at its own cost, all necessary fittings, pipes, and appliances, including all meters and meter boxes, to deliver water to the consumer's pipeline at a point just inside the property line on the street. All such fittings, pipes, appliances, meters and meter boxes shall remain the property of the Corporation, and shall at all times be accessible to it, and under its control.

The service line from the main line or meter to the consumer's premises shall be laid and maintained by the applicant at his own cost. The line shall be of ample size, of standard weight and quality, and all cut-offs, valves, fixtures, and appliances furnished by the consumer shall be maintained in good order and condition.

Section 5. BACK FLOW PREVENTION DEVICES: Use of back flow devices for cross connection controls, shall conform to the plumbing specialty code of the state of Oregon.

Section 6. LEAKS: All leaks in any pipe or fixture on the premises of the consumer shall be immediately repaired. On failure to repair any such leak, the service may be discontinued until repairs are made.

Section 7. INSPECTION: All pipes, meters, back flow devices and fixtures shall, at all reasonable hours, be subject to inspection by the Corporation, or its duly authorized agents.

Section 8. DAMAGES: The Corporation shall in no event be responsible for maintaining any service line owned by the consumer, nor for damages done by water escaping therefrom, nor for defects in lines or fixtures on the property of the consumer.

All injury to service pipes or street mains caused by careless

or negligent work, or improper filling of excavation, shall be chargeable to the persons causing such injury, and the expense of repairing the same shall be recovered from such persons.

Section 9. CONSUMERS: A consumer is defined as being a possessory owner of property described the Articles of Incorporation and amendments thereto, taking water through a single service. Service may be discontinued by action of the Board of directors for a delinquency of 30 days or more in paying any sums owed the Corporation or for persistent violation of any other conditions contained in these Bylaws. None of intention to discontinue service shall be given at least 10 days prior to such discontinuance. The Board of directors may require a consumer to post a bond in such amount and on such terms and conditions as the Board shall decide as a condition to commencing or resuming service.

Section 10. STOP AND WASTE VALVE: A stop and waste cock or cut-off valve must be place in the pipe line of the premises of the consumer, to be used in case of break or other necessity, whereby pipes to be repaired can be cut off without the necessity of using the corporation's street cut-off.

Section 11. METERS: Any meters furnished by the Corporation shall remain the Corporation's property and be accessible to and subject to its control. They shall be conveniently located at a point approved by the Corporation, so as to control the entire supply, and when located on the premises of consumer a proper place and protection therefor shall be provided by consumer. The Corporation shall maintain all the meters except for damages due to neglect or willful act of the consumer or third persons.

Section 12. RESERVE FOR EMERGENCY: The Corporation shall have the right to reserve a sufficient supply of water at all times in its reservoirs to provide for fires and other emergencies, or may restrict or regulate the quantity of water used by consumers in case of scarcity, or whenever the public welfare may require it. No street or lawn sprinkling shall be done at times of water shortage, and sprinkling shall be discontinued during the period whenever a fire shall occur within the area served by this water system.

Section 13. TERMS OF PAYMENT: All minimum charges for meter rates and flat rates shall be due and payable quarterly in advance on or before the tenth day of the quarter. All meter charges over and above minimum charges shall be payable quarterly at the same time for services rendered during the preceding three months.

Section 14. ABATEMENT AND REFUNDS: Abatement or refund will be made of a portion of flat charges in the proportion that the period of vacancy of the premises bears to the entire period for which

payment is due or has been made, provided, however, that no abatement or refund shall be made for fractions of a month.

Section 15. LEAKS: No abatement on water bills will be made for leaks or for water wasted by damaged fixtures.

Section 16. FURNISHING OF WATER BY CONSUMER TO OTHERS: No consumer will be allowed to furnish water to another person except in cases of emergency, and then only for a limited time, or until such emergency shall have passed.

Section 17. SCHEDULE OF RATES, CHARGES AND FEES: The rates, charges, and fees of the Ridgewood District Improvement Company shall be determined and set by the Board of Directors. (1991)

Section 18. DISSOLUTION: Upon dissolution of this Corporation, should such ever occur, the members shall share in the assets prorata after all debts and expenses have been paid. In addition, upon dissolution, any gains from the sale of appreciable assets must be distributed prorata to all persons who were members of the Corporation during the period the assets were accrued by the Corporation.

Section 19. EXCESS INCOME AND SAVINGS: Any excess income of the Corporation that is not retained for reasonable reserves of the Corporation for future losses and expenses, are accrued prorata by the members of the Corporation. Additionally, any savings of the Corporation are accrued prorata by the members of the Corporation.

ARTICLE NINE Amendments

Section 1. HOW AMENDED: The Bylaws of the corporation may be altered, amended, or repealed and new Bylaws may be adopted by the affirmative vote of two-thirds of the votes of the shareholder-members of the corporation present at any duly and regularly called and held regular or special meeting of the shareholder-members present at any duly regularly called and held regular or special meeting of the shareholder-members at which there is a quorum. Details of the proposed changes shall be delivered to each shareholder-member of record in conformance with the special meeting requirements of Article Two, Section 4.

ARTICLE TEN Share Conditions

Section 1. RESTRICTIONS AND CONDITIONS: Each share shall be subject to the following conditions, restrictions, and obligations which each shareholder, heirs, personal representatives,

successors, and assigns covenants to be bound by:

1. The consideration paid for this share of stock is ONE THOUSAND SEVEN HUNDRED FIFTY DOLLARS (\$1,750.00), which includes a \$500.00 capital improvement assessment imposed in 1989.
2. The shareholder hereof agrees as follows:
 - (a) To be bound and comply with all applicable laws pertaining to this Corporation And the Bylaws of this Corporation.
 - (b) To pay the duly established charge for water service.
 - (c) To grant necessary easements to the District for the installation, repair, and replacement of water lines and water system facilities.
 - (d) To pay all assessments levied by the District against property within the District for major improvements in the system or repairs to it.
 - (e) If requested by majority vote of the Board of Directors to execute and record a Landowners Notice subjecting the property owned by the owner of this share to debts of the water District.
 - (f) In paying \$1,750.00 for this share, the shareholder understands that this is in full payment of the initial charge for the installation of a complete water system to serve the District and that this stock is fully paid for and is nonassessable.
 - (g) That the District shall have the authority to require the shareholder to pay sums of money for the prorata maintenance and operation and improvement of the water system.
 - (h) To claim no damage on account of stoppage of water service resulting from accident, necessary alterations, repairs or improvements.

ARTICLE ELEVEN
Indemnification

The corporation shall indemnify every director or officer, their heirs, personal representatives, against expenses reasonably incurred in connection with any action, suit, or proceeding to which such officer or director may be made a party by reason of

being or having been a director or officer of the corporation, except in relation to matters as to which such officer or director shall be finally adjudged in such action, suit, or proceeding to be liable for negligence or misconduct. The corporation may also reimburse to any director or officer the reasonable costs of settlement of any such action, suit, or proceeding, if it is found by a majority of a committee composed of the directors not involved in the matter in controversy (whether or not a quorum) that it was to the interests of the corporation that such settlement be made and that such director or officer was not guilty of such negligence or misconduct. The foregoing right of indemnification shall not be exclusive of other rights to which such officer or director may be entitled.