

**BY-LAWS
of
LAMONTAI
IMPROVEMENT DISTRICT**

41-00238

GUIDE TO PROPOSED REVISIONS: [*to be deleted*] (**TO BE INSERTED**)

REVISIONS HISTORY

Feb. 12, 1973
Aug. 27, 1997

Original By-laws Adopted
Art. II Section 1 Changed
Art. II Section 11 Expanded

ARTICLE V.	ASSESSMENTS	13
Section 1.	LEVY	13
Section 2.	APPORTIONMENT OF ASSESSMENT	13
Section 3.	WHEN PAYABLE	13
Section 4.	LIEN AND FORECLOSURE	14
Section 5.	CERTIFICATION OF ASSESSMENTS TO COUNTY ASSESSOR	14
Section 6.	SERVICE CHARGES	14
ARTICLE VI.	MANAGING AGENT OR MANAGER	15
ARTICLE VII.	GENERAL PROVISIONS	16
Section 1.	SEAL	16
Section 2.	AMENDMENT OF BY-LAWS	16
Section 3.	WAIVER OF NOTICE	16
Section 4.	CONFLICTS	16

Section 5. NOTICE OF MEETINGS

(a) 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 seven nor more than 50 days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary or the officer or persons calling the meeting, to each member entitled to vote at such meeting. If mailed such notice shall be deemed to be delivered when deposited in the United States mail, with postage fully paid thereon, addressed to the member at his address as it appears on the records of the corporation.

(b) When a meeting is adjourned for 3 days or more, or when a re-determination of the persons entitled to receive notice of the adjourned meeting is required by law, notice of the adjourned meeting shall be given as for an original meeting. In all other cases no notice of the adjournment or of the business to be transacted at the adjourned meeting need be given other than by announcement at the meeting at which such adjournment is taken.

Section 6. WAIVER OF NOTICE

Notice of any membership meeting may be waived in writing by any member at any time. All such waivers shall be filed with the corporate records.

Section 7. QUORUM - MAJORITY VOTE

Votes representing a majority of the [acreage] (LOTS) shall be necessary to constitute a quorum for the transaction of business at all membership meetings, and a majority vote shall govern in all cases except as otherwise specially provided by law. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of a member or members. If any meeting of members cannot be organized because of a lack of quorum, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

ARTICLE II

DIRECTORS: MANAGEMENT

Section 1. NUMBER

The business and affairs of the corporation shall be managed by a board of five directors.

Aug. 27, 1997

Section 2. QUALIFICATION

No person is eligible for the office of director unless he/she is a member of the corporation.

Section 3. ELECTION AND TENURE OF OFFICE

The directors named in the Articles on Incorporation shall serve until the first annual meeting or until their successors are elected and shall qualify. At the first annual meeting of the corporation, and at each annual meeting thereafter, the directors (WHOSE TERMS HAVE EXPIRED, OR ARE FILLING AN UNEXPIRED TERM,) shall be elected by the members. All directors shall (BE ELECTED FOR TERMS OF TWO YEARS AND SHALL) hold office until their respective successors have been elected by the members. (THREE DIRECTORS SHALL BE ELECTED TO TERMS EXPIRING IN EVEN NUMBERED YEARS, AND TWO DIRECTORS SHALL BE ELECTED FOR TERMS EXPIRING IN ODD NUMBERED YEARS.) Election shall be by plurality of ballots cast.

Section 4. OATH OF OFFICE

Each director shall, before entering upon his official duties, take and subscribe to an oath before some officer authorized by law to administer oaths that he will honestly, faithfully and impartially perform the duties evolving upon him in his office as director, and that he will not neglect any of the duties imposed upon him by law.

Section 9. SPECIAL MEETINGS - NOTICES

(a) Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the President, or if he is absent or unable or refuses to act, by the Vice President or by any two directors.

(b) Notice of the time and place of special meetings shall be given orally or delivered in writing personally or by mail or telegram at least 24 hours before the meeting. Notice shall be sufficient if actually received at the required time or if mailed or telegraphed not less than 72 hours before the meeting. Notice mailed or telegraphed shall be directed to the address shown on the corporate records or to the director's actual address ascertained by the person giving the notice.

(c) Notice of the time and place of holding an adjourned meeting need not be given if such time and place be fixed at the meeting adjourned.

(d) 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 or convened.

Section 10. QUORUM AND VOTE

(a) A majority of the number of directors as fixed by the Articles of Incorporation shall be necessary to constitute a quorum for the transaction of business. A minority of the directors, in the absence of a quorum, may adjourn from time to time, but may not transact any business.

(b) The action of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors.

Section 11. POWERS OF THE BOARD

The Board of Directors shall have all of the powers granted to such board by Chapter 554 of the Oregon Revised Statutes, except that the Board of Directors may not engage in any capital improvement project requiring more than [~~\$1,000~~]~~(\$5,000)~~ of the funds of the corporation or issue bonds, serial coupon obligation or other similar obligation of the corporation in any amount without first obtaining the approval of a majority of the votes of the members present in person or by proxy at a membership meeting called for that purpose.

ARTICLE III

OFFICERS

Section 1. DESIGNATION

The offices shall be a President, a Vice President, [and] a Secretary, (AND A) Treasurer, which offices shall be elected by[, and hold office at the pleasure of] the Board of Directors.

Section 2. ELECTION

After their election the directors shall meet and organize by [electing a] (FILLING THE OFFICES OF) President [and](,) Vice President (AND SECRETARY) from their own number, and a [Secretary-]Treasurer who may, but need not be, a member of the Board of Directors.

Section 3. COMPENSATION OF OFFICERS

No officer who is a member of the Board of Directors shall receive any compensation from the corporation for acting as an officer, unless such compensation is authorized by a resolution duly adopted by the members. The Board of Directors may fix any compensation to be paid to other officers.

Section 4. REMOVAL AND RESIGNATION

(a) Any officer may be removed upon the affirmative vote of a majority of the directors whenever in their judgment the best interests of the corporation will be served thereby. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed.

(b) Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary of the corporation. Any such resignation shall take effect upon receipt of such notice or at any later time specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective, provided that the Board of Directors may reject any post-dated resignation by notice in writing to the resigning officer. The effectiveness of such resignation shall not prejudice the contract rights, if any, of the corporation against the officer so resigning.

Section 5. VACANCIES

A vacancy in any office may be filled by the Board of Directors at any regular or special meeting.

Section [8](9). [SECRETARY-] TREASURER [- cont'd].

[(c)The Secretary shall also hold the office of Treasurer of the corporation. As](THE) Treasurer[, he] shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts and disbursements. The books of accounts shall at all reasonable times be open to inspection by any director. The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the board. He shall disburse the funds of the corporation as may be ordered by the board, shall render to the President and directors, whenever they request it, an account of all of his transactions as Treasurer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed by the board or these By-laws.

Section [9](10). ASSISTANTS

The Board of Directors may appoint or authorize the appointment of assistants to the Secretary[-](OR) Treasurer.

Section 5. EXECUTION OF DOCUMENTS

The Board of Directors may, except as otherwise provided by law or these By-laws, authorize any officer or agent to enter into any contract or execute any instrument in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors, no officer, agent or employee shall have power or authority to bind the corporation by any contract or engagement, or to pledge its credit, or to render it liable for any purpose or for any amount.

Section 6. DEPOSIT OF FUNDS

Except as otherwise provided by subsection (2) of ORS 554.160, all money 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 an accounting of each of such funds on the books of the corporation shall be correctly kept.

Section 7. AUDITS

From time to time the Board of Directors, at the expense of the corporation, may obtain an audit of the books and records pertaining to the corporation and furnish copies thereof to the members. At any time any member may, at his own expense, [cause an] **(HIRE A CERTIFIED PUBLIC ACCOUNTANT TO)** audit [or inspection to be made of] the books and records of the corporation.

Section 8. FISCAL YEAR

The fiscal year of the district shall begin on [January] **(JULY)** 1 and will end on the last day of [December] **(JUNE)** in [each] **(THE FOLLOWING)** year.

Section 4. LIEN AND FORECLOSURE

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. Upon the sale of any lands on such foreclosure the corporation or any member thereof or any member of the corporation or other persons may be a bidder, and purchaser. The Board of Directors shall institute proceedings to enforce the lien of any assessment when the last installment of such assessment is delinquent for more than three months.

Section 5. CERTIFICATION OF ASSESSMENTS TO COUNTY ASSESSOR

Notwithstanding the provisions of Sections 3 and 4 of this Article, the Board of Directors may certify the assessments including any interest thereon to the county assessor of the county in which the lands lie for collection as other taxes are collected.

(b) The Treasurer shall keep the proceeds of the assessments in appropriate accounts depending upon the purpose of the assessments, and disbursements for the expenses of the corporation shall be paid out of the appropriate account.

Section 6. SERVICE CHARGES

(a) The Board of Directors may, in addition to or in lieu of the assessments referred to above, prescribe, fix, make, assess, and charge and collect rates, tolls, fees, fines and charges for the use of water, for the use of any of the works of the corporation, or for any violation of the rules and regulations of the corporation which shall be liens upon the land to which the water is furnished.

(b) The time and manner of collection of such charges shall be provided in the rules and regulations of the corporation, or in the absence of such rules and regulations, as provided in Sections 1, 2 and 3 of this Article as to assessments. The board shall adopt a schedule of charges and make the same available to any member requesting to inspect it.

ARTICLE VII

GENERAL PROVISIONS

Section 1. SEAL

The corporate seal [*shall*] (**MAY**) be in the form impressed on the margin hereof.

Section 2. AMENDMENT OF BY-LAWS

(a) The Board of Directors may amend or repeal these By-laws or adopt new By-laws, provided such amendment or repeal is ratified by two-thirds of the votes of the members of the corporation.

(b) Whenever an amendment or new By-law is adopted, it shall be placed in the minute book with the original By-laws in the appropriate place. If any By-law is repealed, the fact of repeal and the date on which the repeal occurred shall be stated in such book and place.

Section 3. WAIVER OF NOTICE

Whenever any notice to any member or director is required by law, the Articles of Incorporation or these By-laws, a waiver of notice in writing signed at any time by the person entitled to notice shall be equivalent to the giving of the notice.

Section 4. CONFLICTS

These By-laws are intended to comply with Chapter 554 of the Oregon Revised Statutes and the Articles of Incorporation. In case of any irreconcilable conflict, such statute and document shall control over these By-laws.