

**NORTH UNIT IRRIGATION DISTRICT
BYLAWS**

PREAMBLE

The District was lawfully created by the vote of District residents on March 20, 1916 and filed in the records of the County court of the State of Oregon for Jefferson County on March 27, 1916. Irrigation districts are governed by Oregon Revised Statutes (ORS) Chapters 545 and 548 (Irrigation District laws) and ORS Chapter 198 (Special Districts law).

ARTICLE I - OFFICE

The principal office of the North Unit Irrigation District (the "District") in the State of Oregon shall be located at 2024 NW Beech Street, Madras, Oregon 97741. The Board of Directors (the "Board" or "Directors") may change the principal office of the District within the State of Oregon as it may determine from time to time in its sole discretion.

ARTICLE II - ELECTORS

Section 1. Electors: Electors of the District include every person 18 years of age or older, whether a resident of the District or state or not, who is an owner or a vendee under a contract of purchase of land situated within the District and subject to the charges or assessments of the District. ORS 545.002(3)

Section 2. Voting Rights of Electors:

(1) Multiple Ownerships: If ownership is in estates by the entirety, tenants in common, or in other cases of multiple ownership, only one vote shall be allowed on behalf of all the owners under each multiple ownership. The vote may be cast by any one of the multiple owners. When two or more persons attempt to cast a vote under this paragraph, only the vote of the person who first casts a vote shall be counted.

(2) Corporate ownerships: Any corporation may vote as a single owner of land through any officer or agent when the officer or agent is authorized to vote by the corporation and the written authorization is filed with the secretary of the Board of Directors of the District.

(3) Partnership & Limited Liability Company: Any general partnership, limited partnership or limited liability company may vote as a single owner of land through any general partner, member or agent when the general partner, member or agent is authorized to vote by the entity and written evidence of the authority of the general partner, member or agent is filed with the secretary of the Board of Directors of the District.

(4) Representative Ownerships: Any trustee of a trust, guardian, administrator or executor authorized to act as such of a person or estate owning land within the District shall be considered an owner of land for the purposes of the Irrigation District Law, when the owner in fee is not otherwise entitled to vote.

(5) Weighted Voting: An owner of land or elector may vote according to the total amount of acreage within the District owned by the owner or elector that is subject to the charges or assessments of the District on the basis of:

- (a) One vote for up to 40 acres;
- (b) Two votes for 40 acres or more but not more than 160 acres; and
- (c) Three votes for more than 160 acres.

Section 3. Termination as Elector: One ceases to be an elector if one is no longer an owner of land within the District subject to the charges or assessments of the District.

ARTICLE III - ELECTIONS

Section 1. Annual Elections: An election shall be held on the second Tuesday in November of each year, at which one or more Directors shall be elected as per ORS 545.135. The election shall be conducted as provided in ORS 545.135 to 545.153, except when conducted by mail ballot.

Section 2. Mail Ballot Elections: Upon resolution adopted by the Directors, any regular or special election may be conducted by mail as provided in ORS 545.163.

Section 3. Special Elections: A special election may be called by resolution of the Directors at any time an election is required or permitted by law. Such election shall be conducted as required by any law providing for the election, and otherwise, as nearly as practicable, as provided in ORS 545.135 to 545.153 or by mail ballot election ORS 545.163.

Section 4. Absentee voting: Electors of the District shall be entitled to vote by absentee ballot as provided by law. ORS Chapter 253

ARTICLE IV - DIRECTORS

Directors must be residents of the State of Oregon and a bona fide owner or a shareholder of a bona fide corporate owner, of land situated in the division into which the District has been divided. The District has been divided into five divisions. ORS 545.043

Voting for director of each division shall be by qualified electors within the division. However, the qualified electors of any District may, by a majority vote, determine that voting for directors shall be by the qualified electors of the entire District, ORS 545.207. An election was held in 1962 approving the voting for directors to represent each division shall be by the qualified electors of the entire District.

Section 1. Board of Directors: The affairs of the District shall be managed by a Board of Directors. ORS 545.221

Duties and Powers of the Board: The Board shall:

- a. Manage and conduct the business and affairs of the District.
- b. Make and execute all necessary contracts, employ and appoint such agents, officers and employees as may be required, and prescribe their duties.
- c. Establish equitable bylaws, rules and regulations for the administration of the District and for the distribution and use of water among the landowners.
- d. Generally perform all acts necessary to fully carry out the purposes of the Irrigation District Law.

Section 2. Number and Term of Office: The number of Directors constituting the Board of Directors will be five. The number of Directors on the Board of Directors may be increased or decreased as provided by law. ORS 545.199 to 545.211

The term of office of a Director is three years. A Director shall hold office from the annual organizational meeting in January next following the election and until a successor is elected and qualified. ORS 545.135(1)

Section 3. Annual Meeting: A regular annual organizational meeting of the Directors will be held in conjunction with the annual meeting of the District on the second Tuesday in January, or at such other time as set by the Directors. ORS 545.181(1)(c)

Section 4. Regular Meetings: The Directors shall hold regular monthly meetings on the second Tuesday of each month, or at such other time as set by the Directors. Regular monthly meetings shall be held in the office of the District. ORS 545.185

Section 5. Special Meetings: Special meetings required for the proper transaction of business may be held when called by the Chairman or ordered by a majority of the Board.

Section 6. Emergency Meetings: Emergency meetings of the Directors may be called by the manager or any board member when an actual emergency exists. ORS 192.640(3)

Section 7. Executive Sessions: The Directors are authorized to meet in executive, or closed session, when authorized under Oregon's Public Meetings Law, ORS 192.660. Such sessions shall be conducted as required by law.

Section 8. Notice of Board of Directors Meetings: Written notice of any regular monthly or special meeting of the Board of Directors shall be provided to Directors before the date of such meeting. Such notice shall specify the time, place and agenda of the meeting. In the event of a special meeting five days' notice must be given by the secretary to each member. The notice must specify the business to be transacted, and business other than that specified may not be transacted at the special meeting, unless all the members are present. ORS 545.185

All meetings of the board must be public. Notices of meetings shall be given to the public as required under ORS 192.640, Oregon's Public Meetings Law.

Section 9. Quorum: A majority of the members shall constitute a quorum for the transaction of business by the District. However, on all questions requiring a vote there shall be concurrence of a majority of the Board.

Section 10. Public Meetings and Records: All meetings of the Directors shall be public and all records of the Board of Directors shall be open to public inspection during business hours. ORS 545.185

Section 11. Vacancies: Any vacancy in the Board shall be filled for the unexpired portion of the term by a majority vote of the remaining Directors, at any regular monthly meeting or special meeting called for such purpose. A vacancy shall be filled as provided by law. ORS 198.320

If a director of an irrigation district ceases to be a resident of the State of Oregon or ceases to be an owner, or a shareholder of a corporate owner, of land that is subject to the charges or assessments of

the district situated in the division from which the director was elected or appointed, the position of the director shall become vacant and the vacancy shall be filled by appointment as provided in ORS 198.320. ORS 545.187

Section 13. Recall of Directors: A Director may be removed from office only by recall as provided in ORS 545.189 and 198.410 to 198.440.

Section 14. Telephonic/Electronic Meeting: Subject to compliance with Oregon's Public Meetings Law, any meeting of the Board may be accomplished in whole or in part by telephonic conference call or other electronic communication. ORS 192.670

ARTICLE V - OFFICERS

Section 1. Officers: The District shall have the following officers: a Chairman; one or more Vice-Chairman (as determined by the Board of Directors); a Secretary; and such other officers as may be elected by the Board of Directors in accordance with these Bylaws and law. Such officers who are elected or appointed by the Board shall have such authority and perform such duties as are designated from time to time by the Board. The same person may not hold more than one office.

Section 2. Election and Term of Office: The Board of Directors shall elect a Chairman and Vice-Chairman from their number, and shall appoint a Secretary of the District, on an annual basis at the annual organizational meeting of the Board, or as soon thereafter as practicable. At any annual meeting thereof, the Board may create such new offices and elect new officers as they deem appropriate. Each officer shall hold office until such officer's successor shall be elected or appointed.

Section 3. Vacancies: Any office of the District which becomes vacant prior to expiration of the normal term thereof for any reason, including resignation, removal, disqualification or death, may be filled by the Board for the unexpired portion of such normal term.

Section 4. Removal of Officers: The Board of Directors may remove any officer of the District at any time, provided they determine that such removal is in the best interests of the District.

Section 5. Chairman: The Chairman of District shall preside at all meetings of the Board of Directors of the District. The Chairman may sign, together with the Secretary-Manager, or any other officer designated by the District, any contract, deed, mortgage, evidence of indebtedness or other document authorized to be executed by the Board of Directors, except where the Board of Directors, these Bylaws or applicable law has authorized execution by other parties. To the extent permitted by applicable law and these Bylaws, the Chairman shall have all powers and perform all duties incident to the Office of Chairman, or as otherwise designated by the Board.

Section 6. Vice-Chairman: In the absence of the Chairman, the Vice-Chairman shall act in place of the Chairman and possess all the authority, powers and duties of the Chairman during such time. To the extent permitted by applicable law and these Bylaws, the Vice-Chairman shall have all powers and perform all duties incident to the Office of Vice-Chairman, or as otherwise designated by the Board.

Section 7. Secretary: The Secretary shall keep the minutes of all meetings of the District and the Board and provide appropriate individuals with notice of such meetings; act as custodian of the corporate records and corporate seal; execute documents on behalf of the District as provided by these Bylaws, by authority of the Board or applicable law.

The Secretary shall collect all charges and assessments of the District; shall be responsible for preservation and maintenance of all funds, securities and related items of the District, and shall maintain full and complete books of account with respect thereto. The Secretary shall deposit funds of the District in such banks or other depositories and in such manner as is provided in these Bylaws, as directed by the Board, or as required by law.

The Secretary shall perform all duties and functions of Secretary in the conduct of District Elections as provided by law.

To the extent permitted or required by applicable law and these Bylaws, the Secretary shall have all powers and perform all duties incident to the Office of Secretary, or as otherwise designated by the Board.

Section 8. Bond Requirements: Before handling or receiving any funds or collecting any charges, the Secretary of the District shall obtain a good and sufficient surety bond by an authorized surety company, in an amount that the Board of Directors may determine. The cost of the bond shall be paid by the District. ORS 545.498

In addition, the Board shall require bond or an irrevocable letter of credit of any Board member or any officer or employee of the District who is charged with possession and control of District funds and properties, as provided in ORS 198.220.

ARTICLE VI - MANAGER

Section 1. Employment of Manager: The Board shall employ a full time Manager of the District who shall serve at the pleasure of the Board.

Section 2. Duties of Manager: The Manager shall perform such duties and have such powers and authority as shall be provided in these Bylaws and as shall be prescribed from time to time by the Board. Except as provided in these Bylaws, or by law or otherwise by the Board, the Manager shall supervise the business and affairs of the District and all employees of the District.

ARTICLE VII - CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 1. Contracts: The Board may authorize any officer or officers, manager agent or agents of the District, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the District, and such authority may be general or confined to specific instances.

Section 2. Checks, Other Instruments: All checks, drafts, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the District, shall be signed by such officer, officers, manager, agent or agents and in such manner as shall be designated by the Board from time to time. In the absence of such designation, such instruments shall be signed by the Chairman or Vice-Chairman and/or the Secretary of the District.

Section 3. Deposits. All funds of the District shall be deposited from time to time to the credit of the District in such banks, trust companies or other depositories as the Board may select. Where required by law, as with payments for bonded or contractual indebtedness, deposits shall be made to designated accounts.

ARTICLE VIII - BOOKS AND RECORD

The District shall keep and maintain books and records of account, minutes of all meetings of the Board, and shall keep at its principal office a record giving the names of the owners of lands subject to the charges and assessments of the District. In addition, the District shall keep and maintain, and make available for inspection, such records as may be required by federal and state law. Any books and records of the District, not subject to exclusion under Oregon's Public Records Law, shall be open to public inspection during business hours. ORS 545.185; 192.410 to 192.505

ARTICLE IX - AUDIT

The District is subject to Municipal Audit Law, ORS 297.405 to 297.555. The District will contract with an accountant licensed as a municipal auditor to perform an annual audit. The audit will be performed within 60 days of the end of the calendar year. The auditor will present the audit report to the Board of Directors for approval and the District will submit the audit report to the Secretary of State's Office.

ARTICLE X - FISCAL YEAR

The fiscal year of the District shall be the calendar year.

ARTICLE XI - DISTRICT SEAL

The Board shall provide a District Seal, which seal shall be in the form of a circle, and contain the name of the District and reference to the District as being a District in the State of Oregon.

ARTICLE XII - AMENDMENT TO BYLAWS

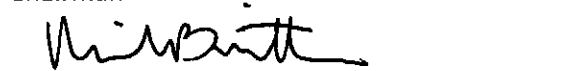
These Bylaws may be amended or repealed and new Bylaws adopted, by a majority of the board at any regular annual meeting thereof, or at any duly noticed and constituted meeting thereof.

IN WITNESS WHEREOF, the undersigned hereby certify that these Bylaws of the North Unit Irrigation District were adopted at a duly constituted meeting of the Board of Directors held on Tuesday, November 12, 2013.

Signed,



Martin Richards
Chairman



Mike Britton
Secretary-Treasurer