

AMENDED AND RESTATED BYLAWS
OF MISSOURI HEIGHTS-MOUNTAIN MEADOW
IRRIGATION COMPANY

ARTICLE I.
PLAN OF CONSOLIDATION

Effective May 5, 1999, the shareholders of the Missouri Heights Irrigation Company, a Colorado corporation (“MHIC”) and the Mountain Meadow Ditch and Irrigation Company, a Colorado corporation, (“Mountain Meadow”) consolidated the properties, assets, responsibilities and debts of both entities and form the within Corporation to hold and be responsible for such properties, assets, collect and assessments or payments, and pay any resulting debts, and Certificate of Consolidation has been filed with the Colorado Secretary of State, making the properties, assets, responsibilities and debts of both entities the Corporation’s. As used herein, the “Corporation’s Water System” or “Water System” shall include any and all water rights, reservoirs, ditches, headgates, splitter boxes, and laterals owned and operated by the Corporation or owned and operated by its shareholders, as defined in the Articles of Incorporation. However, the Corporation’s Water System does not include turnouts or other devices used by individual shareholders, or any other facilities, ditches, laterals, etc. solely used by a single shareholder of the Corporation.

ARTICLE II.
OFFICES

The principal office of the Corporation and the mailing address shall be located at P.O. Box 548, Carbondale, CO 81623. The Board of Directors may change the principal place of business at any time. The Corporation may also have offices at other places within Colorado as the Board of Directors may from time to time approve.

ARTICLE III.
CORPORATION’S MAILING ADDRESS

Payment of assessments and all correspondence to the Corporation (other than correspondence and notices from the Secretary of State to the Corporation) shall be sent to Missouri Heights-Mountain Meadow Irrigation Company, P.O. Box 548, Carbondale, CO 81623.

**ARTICLE IV.
SHAREHOLDERS**

A. **Shareholders.** Each person who owns a share of capital stock, whether Class A or Class B shares, in the Corporation shall be a shareholder of the Corporation. "Person" includes any corporation or other entity owning capital stock in the Corporation.

B. **Preemptive Rights.** No shareholder of the Corporation shall have any preemptive or similar right to acquire or subscribe for any additional unissued or treasury shares of stock, for any bonds and warrants for the purchase of stock, or any other securities of any class.

**ARTICLE V.
MEETING OF SHAREHOLDERS**

A. **Annual Meeting.** The annual meeting of the shareholders of the Corporation shall be held on the first Tuesday in February, at such hour and place in or near El Jebel, Colorado, as the Board shall designate in the notice therefore. If for any reason the annual meeting should not be held on such day, it may be held on any day subsequent to the first Tuesday in February as hereinafter provided. The annual meeting shall be for the purpose of electing directors, the fixing of assessments on the stock of the Corporation, and for the transaction of such other business as may properly come before such meeting.

At each annual meeting of the shareholders, the directors shall be elected by the shareholders of the Corporation in the voting manner set forth below.

Note: Article V.A. amended by affirmative vote of a majority of shareholders present at the annual meeting held on February 7, 2024.

B. **Special Meetings.** Special meetings of the shareholders may be called at any time by resolution of a majority of the Board, or shall be called by the Board at a written request signed and dated by shareholders representing at least ten percent (10%) of all the votes entitled to be cast on any issue proposed to be considered at the meeting, as provided in C.R.S. §7-107-102, as the same may be amended from time to time. Such special meeting shall be held in or near El Jebel, Colorado, at the time and place stated in the notice thereof, and the business of such meeting shall be limited to that set out in such notice.

C. **Notice of Meetings.** Notice of any meetings, annual or special, shall specify the time, place and purpose of the meeting and shall be delivered, either personally, by mail or by facsimile, or email to all shareholders. Notice for meetings shall be sent not less than ten (10)

and no more than fifty (50) days prior to such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the shareholder at his address as it appears on the stock transfer books of the Corporation. Written or any notice required by these Amended and Restated Bylaws may be waived by any shareholder by submitting such waiver in writing, via mail, facsimile or email, to the Secretary of the Corporation on or before the meeting for which such notice would be required.

D. **Quorum.** At meetings of shareholders, fifty percent (50%) of the total shares entitled to vote at such meeting, represented by the owner in person or by proxy, shall constitute a quorum. At any such meeting at which a quorum is present, the affirmative vote of a majority of the votes cast at such meeting and entitled to vote on the subject matter shall be the act of the shareholders, unless the vote of a greater proportion or number is required by these Bylaws, the Articles of Incorporation or the laws of Colorado. If at least fifty percent (50%) of the total shares entitled to vote at a meeting is not present at any shareholders' meeting, the minority present shall have no power to transact any business or take any action except to adjourn; the minority present may adjourn the meeting from time to time without further notice and/or set a new meeting date both with a new notice of the meeting, and at such adjourned or new meeting at which a quorum is present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

E. **Voting.** Each share of stock issued by the Corporation and fully paid as to assessments shall have the right to one (1) vote at any shareholders' meeting. Except as otherwise provided herein or in the Articles of Incorporation, all acts and resolutions of the shareholders shall be deemed adopted upon a favorable vote of a majority of the votes cast. Any shareholder may participate in person or by proxy executed in writing by the shareholder or the shareholder's dually authorized attorney-in-fact. Corporate stock records shall be closed to transfer ten (10) days before any shareholders' meeting and shall remain closed until the day following the meeting. Any shareholder may demand a vote by ballot on any question, in which event all ballots shall be signed, the number of shares voted written thereon, and the amount verified with the stock records of the Corporation before the result is announced.

F. **Election of Directors.** Notwithstanding the foregoing, in the election of directors, each shareholder shall have the right to vote that shareholder's number of shares by secret ballot, or voice vote at the discretion of the Board of Directors, for as many persons as there are directors to be elected. Cumulative voting of shares of stock is authorized for the election of Directors, as set forth in the Articles of Incorporation of the Corporation.

G. **Action Without Meeting.** Any action which might be taken at a meeting of the shareholders may be taken without a meeting if consent in writing, via mail, facsimile, or email, setting forth the action taken, is signed by two-thirds (2/3) of the shareholders entitled to vote.

ARTICLE VI. SHARES

A. **Private Water System.** The Corporation's Water System is a private water system. Only shareholders of the Corporation in good standing and for which all assessments due and owing have been paid shall be entitled to and receive water from the Corporation's Water System as set forth herein and the Articles of Incorporation.

B. **Authorization of Shares.** The Corporation has authorized and issued 3,260 shares of Class A capital stock and 6,740 shares of Class B capital stock.

C. **Joint or Co-Owners of Shares.** A share of capital stock of the Corporation may be issued to more than one (1) individual either in joint tenancy or in tenancy in common. If a share is issued to two (2) or more persons, any notice required to be served upon the shareholders under the Articles of Incorporation of the Corporation or these Bylaws shall be deemed properly served or service thereof waived if service is made upon one of said persons/shareholders or if service thereof is waived by one of said person/s shareholders. A shareholder shall be entitled to vote all the shares held by him and others in joint tenancy or tenancy in common (in the absence of the other joint or co-tenant shareholders from any meeting) as though he or she were the sole owner of said shares; however, only one (1) vote shall be allowed for each share issued.

D. **Corporate, Association, or other Private or Public Entity Owners of Shares.** Shares of stock of the Corporation may be issued to a corporation, incorporated or unincorporated homeowners' or property owners' association, metropolitan district, conservancy district, or any other public or private entity recognized under Colorado law (hereinafter "Entity Shareholder"). Each Entity Shareholder will appoint, in writing, a single representative who shall be authorized and entitled to attend annual or special meetings of the shareholders and to vote all of the Entity Shareholder's shares.

E. **Ownership of Shares.** As of the effective date of the 2011 Amended and Restated Bylaws, certificates of stock in the Corporation will no longer be used to evidence ownership of shares in the corporation and shall be of no further force and effect. Instead, share ownership shall be recorded by a book-entry system whereby the Secretary or Treasurer of the Corporation shall maintain a list of shareholders in the Corporation with the number of shares each shareholder owns.

1. In order to effectuate a transfer of shares under the book-entry system, the transferee shall provide the Secretary or Treasurer of the Corporation with an Agreement for Assignment Separate from Certificate (“Agreement for Assignment”) in the form attached to the Operating Rules and Regulations Applying to Class “A” and Class “B” Stock as such Agreement for Assignment may be changed from time to time. The Agreement for Assignment shall be executed by both transferee and transferor and shall include (without limitation) the following:

- a. An identification of the number and class of shares to be transferred;
- b. The agreement of the transferor and transferee, jointly and severally, to indemnify the Corporation from and against any and all claims or demands, made by any other person or party, alleging an interest in, or otherwise relating to ownership of, the transferred shares; and
- c. Agreement to pay the stock transfer fee as established by the Board from time to time and all attorney’s and engineer’s fees (if any) incurred by the Board of Directors in reviewing the proposed transfer.
- d. Agreement by transferee to obtain consent from the Board in the event any modification to the Water System is required by virtue of the transfer and to pay for any such modifications, if approved, and to comply with all other requirements of Article VI, Paragraph I of these Bylaws.

The transferee shall submit the properly completed and executed Agreement for Assignment to the Secretary or Treasurer along with a map of the parcel on which the water has been used and the parcel to which it is proposed to be transferred, if different. The Secretary or Treasurer shall determine if the Agreement for Assignment meets the requirements of this provision (1) and, if so, shall then transmit the Agreement for Assignment and any supporting documentation to the Board of Directors for consideration. The Board shall have thirty days within which to review the proposed transfer. If necessary, the Board may require the transferor to provide additional information and shall have an additional thirty days from receipt of such information to review.

If the transfer is to a party for use on property that has not previously been served by the Corporation’s Water System, before approving the assignment, the Board shall require the transferor to first offer the shares for sale to the Corporation, then to all shareholders according to the procedure described in Article VI.E.2., below.

If the Board of Directors finds that the proposed transfer meets the requirements of the Articles of Incorporation and these Bylaws and will not injure the Corporation or individual shareholders, the Board of Directors shall approve the proposed transfer. Otherwise, the Board

of Directors may reject the proposed transfer or approve with conditions for the purpose of mitigating any injury to the Corporation or individual shareholders. In addition to any other conditions imposed on a transfer, for a transfer that results in water being delivered in a lateral through which the transferred shares have not been historically delivered, the Board may require the transferee to pay all costs of any new improvements or modifications to such lateral that are necessary to accommodate the new water. The final decision as to what improvements or modifications are necessary to accommodate the new water is to be made by the Board of Directors in its sole discretion. Also, the Board of Directors may require the transferee to reimburse the other owners on such lateral for the cost of any improvements that have previously been made to such lateral (such as, without limitation, piping) and for which the other owners have already paid. Such reimbursement may only be required if the Board of Directors has consulted with the other owners on the lateral and a majority of such other owners request reimbursement. Further, the total amount of such reimbursement must be limited to the percentage of the new shares relative to the total shares historically delivered through such lateral. And, the total amount of such reimbursement may be calculated giving consideration to the remaining life of any such improvements. The express conditions detailed herein are, in no way, meant to limit the Board of Directors' discretion in imposing other conditions on a proposed transfer and must not be interpreted as such.

The Corporation shall then notify the transferor of its decision. The Board of Directors' decision shall be final.

If, upon approval by the Board, the transferor and transferee elect to finalize the transfer, the transferee shall provide the Secretary or Treasurer an executed assignment transferring the shares in the form attached to the Operating Rules and Regulations Applying to Class "A" and Class "B" Stock as Exhibit B as such may be revised from time to time. If the Board's approval is subject to conditions, the assignment shall include those conditions. Unless the transfer is for use on a parcel not previously served by the shares, the transferee shall provide a copy of the deed transferring ownership of the property upon which the shares were previously used. For the purpose of this provision, a parcel served by Missouri Heights-Mountain Meadow Irrigation Company shares is meant to describe the entire piece of land owned by a shareholder, at least a part of which has been irrigated by water from the Water System. It is not limited to just the portions of an owner's land actually irrigated.

If the Secretary or Treasurer finds the assignment to be consistent with the Board's approval and with the Articles of Incorporation and these Bylaws, upon the Transferee paying the transfer fee and any legal and engineering expenses, the Secretary or Treasurer shall update the shareholder list to record the transfer. The Corporation will then send a confirming letter with a copy of the updated shareholder list to the transferee. Until the Board of Directors has

approved a transfer, the transfer will not be recorded in the shareholder list and will not be recognized by the Corporation.

2. **Sale Procedure – Offers Outside the Water System.** Following is the procedure governing share transfers when shares are offered for transfer outside the Corporation's Water System and the Board of Directors requires the transferor to offer the shares to the Corporation first, then to existing shareholders as required above in VI.E.1.

The transferor shall offer the shares first to the Corporation for the same price that has been offered in writing to transferor by a proposed transferee, or such lesser amount agreed to by the transferor. If the Corporation declines to purchase the shares in the first instance, the shareholders will have the right (but not the obligation) to purchase the shares being sold at the same price. The Corporation may join with any shareholder or group of shareholders to purchase the shares and individual shareholders may join together as a group to purchase the shares if the Corporation is not participating.

Unless the transferor, the Corporation, and any involved shareholders, agree otherwise, the Corporation or shareholders (or a combination of both) must purchase all of the transferor's shares that are subject of the offer for transfer outside the Water System. If the Corporation or shareholders (or a combination of both) will not buy all of the shares subject of the proposed transfer and there is no agreement otherwise, the transferor may proceed with their proposed transfer subject to all other provisions of the bylaws.

If the Corporation or shareholders or a combination of both offers to purchase the shares at the price offered by the proposed transferee, the shares must be sold to the Corporation or shareholders or combination of both making the offer. Where more than one party is making the offer, they will receive the shares in equal amounts unless another arrangement is agreed to by all of the offering parties in writing.

If the number of shares offered cannot be divided equally among the parties without creating fractional shares, the Board of Directors will determine how the additional shares will be allocated to the offering parties.

If the Corporation or shareholders or some combination of the two do not offer to buy the shares offered within 45 days of the date on which the transferor offers the shares for sale to the Corporation, then the transferor may proceed with the transfer outside the Corporation's Water System pursuant to and subject to the transfer process described in this Article VI.E. and all other provisions of these Bylaws.

3. **Carriage Water.** For any transfer within or outside the Corporation's Water System, the Board may determine, without limitation, that a portion of the water that has been delivered under the subject shares has functioned as carriage water. Under such circumstances, the Board may require the transferee to leave a certain amount of water in the ditches that have historically carried such water to cover any ditch losses that will be associated with the transfer.

F. **Restrictions on Shares.** For each share of stock in the Corporation, the shareholder is hereby restricted to the use and alienation thereof in accordance with the Articles of Incorporation and these Bylaws.

1. **Changes of Corporation Water Rights.** Changes to the Corporation's water rights are disfavored and discouraged as they potentially will injure the Corporation and its shareholders. Any shareholder may change the water rights represented by such shareholder's Corporation stock in a water court or administrative proceeding. However, no shareholder may apply for such a change until: (1) such shareholder has provided the Corporation with a copy of the proposed application and supporting engineering for the Corporation's review; (2) such shareholder has agreed to pay the Corporation's reasonable attorneys' and engineers' fees and costs associated with reviewing such application and engineering and participating in the proceeding; (4) the Corporation has had at least sixty (60) days to review the application and engineering and to impose reasonable terms and conditions necessary to prevent injury to the Corporation and remaining shareholders; (5) such shareholder has revised the application and engineering to reflect the Corporation's terms and conditions; and (6) the Corporation has approved the application and engineering, subject to imposing additional reasonable terms and conditions to prevent injury that may come to light as part of the proceeding.

a. Reasonable terms and conditions may include, but are not limited to: (1) requiring such shareholder to leave a certain percentage of water in the Corporation's Water System to compensate for ditch losses and to ensure continued carriage; and (2) restricting the bypass of water at the headgate and/or requiring the party requesting the change to continue to deliver the water to the historic place of delivery.

b. The Corporation may oppose the change application whether it be in a water court or administrative proceeding or both for the purpose of avoiding injury to the Corporation's water rights even after the Corporation has imposed terms and conditions that have been accepted by the applying shareholder.

c. Any modifications necessary to the headgate or any measuring devices required as a result of any change of water rights shall be the sole responsibility of the party applying for the change.

G. **Stock Transfer Fee.** A stock transfer fee shall be established annually by the Board of Directors and shall be charged for each single transfer of any shares of the capital stock of the Corporation. Stock transfer fees shall be collected by the Secretary of the Corporation at the time of transfer. Any transfer fee shall be paid by the transferee of the shares.

H. Pledge of Stock Shares as Security. In the event any shareholder pledges any of his/her/its shares as security for any indebtedness, the shareholder must immediately notify the Secretary of the Corporation, in writing, of such pledge. This pledge of security shall be noted in the stock records of the Corporation, with a notation that no transfer, sale or conveyance of such pledged shares shall occur until the Secretary receives a written release of such shares from the beneficiary of such pledge.

I. Restrictions on Water System Modifications. No shareholder shall make any modifications to the Corporation's Water System including, without limitation, the installation of any ditch crossings (including, without limitation, utility crossings, pedestrian bridges, or driveways), culverts, pumps, laterals or other structures without the prior written consent of the Board. The shareholder shall provide written notice of the intended modification to the Corporation at its principal place of business. Such notice shall include a complete description of the current condition of the affected portion of the Water System and detailed plans for all proposed modifications.

The proposed modification must not result in injury to the Water System, the water rights associated with the Water System, the Corporation, or other shareholders; the proposed modification must not impair the ability of the Corporation and its shareholders to otherwise use, operate and maintain the Water System; and such modification or installation must comply with the specifications and plans recorded in the Garfield County real estate records at Reception Nos. 587479 and 537477 and the Eagle County real estate records at Reception Nos. 765714 and 680641. The Corporation may condition consent to the modification upon the shareholder's compliance with limitations or conditions deemed reasonably necessary by the Corporation to protect the Water System, the water rights associated with the Water System, the Corporation or other shareholders. The shareholder seeking approval of the proposed modifications shall pay reasonable costs incurred by the Corporation, up to a total maximum payment of \$5000.00, for legal and engineering analysis which the Corporation determines is necessary to evaluate the effect of the proposed modification on the Water System, the water rights associated with the Water System, the Corporation or other shareholders. The said maximum payment of \$5000.00 shall be adjusted five calendar years after the adoption of these Amended Bylaws, and shall be further adjusted every five years thereafter, in accordance with the Denver/Boulder/Greeley Consumer Price Index – All Urban Consumer ("CPI-U") cumulative adjustment. Each adjusted maximum payment amount shall be based on the CPI-U cumulative adjustment for the preceding five calendar years. The shareholder will leave sufficient water in the Corporation's Water System to cover ditch seepage and losses associated with the changed shares provided, however, this provision shall not apply to changes within the Corporation and shareholders' lateral distribution network.

Any modification or installation approved by the Board shall be performed in conformance with the approved plans and specifications at the shareholder's sole cost and expense.

ARTICLE VII. ASSESSMENTS

A. **Purposes.** The shareholders set assessments for the purposes of keeping the Corporation's property in good repair for the purposes of constructing, repairing, enlarging, maintaining, extending, relocating and improving the reservoir, ditches and other components of its Water System; for the purpose of adjudicating water rights and augmentation or exchange plans; for the purpose of obtaining well permits; for the purpose of acquiring additional water, water rights, change of water right decrees, rights-of-way and water storage reservoirs; for the purpose of paying obligations or indebtedness; for the legal and other costs of organizing and carrying out the business of the Corporation; for the payment of compensation to employees, agents, officers, directors or other parties engaged by the Corporation in the furtherance of its purposes; for the purpose of creating such reserve or contingent fund as the Board of Directors may deem from time to time necessary and proper for the financial stability and welfare of the Corporation; and for any other purpose as set out in its Articles of Incorporation and these Bylaws; provided, however, that:

1. Assessments for operating, repairing and maintaining the Corporation's Water System shall be limited to actual expenses, and shall be made against all shares of outstanding Class A and Class B stock without regard to the individual shareholder's position in the Corporation's Water System; except that shareholders who use or take from the Highline Ditch, Middle Ditch, Fender Ditch and Grange Ditch will be separately assessed for the costs and expenses associated with operating, repairing, and maintaining those ditches; and except that shareholders who individually or collectively draw water from the Water System at a flow rate of 100 gallons of water per minute or less will be separately assessed for the costs and expenses associated with operating and administering their water draws.

2. Assessments for capital improvements (those improvements other than operating and maintenance activities and repair or replacement of existing facilities or structures) shall be made only upon the affirmative vote of seventy-five percent (75%) of the quorum present. Assessments for capital improvements shall be made against all shares of outstanding Class A and Class B stock without regard to the individual shareholder's position in the Corporation's Water System, except that shareholders who use or take water from the Highline Ditch, Middle Ditch, Fender Ditch and Grange Ditch will be separately assessed for the costs and expenses associated with the capital improvements to those ditches.

3. Assessments for administrative, legal and professional services, compensation to the Corporation's employees and/or agents, and reserve and contingent funds deemed necessary by the Board of Directors shall be made against all shares of outstanding Class A and Class B stock without regard to the individual shareholder's position in the Corporation's Water System.

B. Assessments Equal. All shares of Class A and Class B stock shall be assessed equally except for the following:

1. Additional assessments to shareholders who use the Highline Ditch, Middle Ditch, Fender Ditch and Grange Ditch (and those who individually or collectively draw 100 gallons of water per minute or less from the Company's Water System) as provided in paragraphs VII.A.1 and VII.A.2 hereinabove; and

2. Any time a shareholder or shareholders causes the Corporation to incur costs or expenses of any kind including, without limitation, legal or engineering costs or expenses, the Board may, in its sole and absolute discretion, assess such costs or expenses to the individual shareholder or shareholders having caused the Corporation to incur such costs or expenses.

Note Article VII(B): Amended at 2022 Annual Meeting by affirmative vote of majority of shareholders present.

C. Payment of Assessments. The Corporation shall make annual assessments on the capital stock thereof to be levied on a pro rata basis as hereinabove provided, and to be payable in money. Any annual assessments levied shall be paid in full on or before April 1st of the year for which such assessment shall be made, or at such other date as determined by the Board of Directors

D. Determination of Assessments. The question of assessments shall be submitted by the Board of Directors to the shareholders of the Corporation at the annual meeting, or at a special meeting called for that purpose, at which a quorum is present. An assessment shall be made if a majority of stock represented at such meeting, either by the owner in person or by proxy, entitled to vote thereon shall vote in favor of making the assessment. In the event any annual assessment shall prove to be insufficient to meet the requirements of the Corporation for the year for which such annual assessment has been levied, the Board of Directors, without a vote of the shareholders, may at any time levy a further assessment for the purpose of providing for any deficiency in revenue, which further assessment shall be paid as determined by the Board and collected in a like manner as the annual assessment.

E. **Failure of Shareholder to Make Assessments.** In the event shareholders holding a majority of the stock shall fail to attend the annual meeting or shall fail to make assessments within ten (10) days of the date of the annual meeting in any year, then the Board of Directors shall have the power to make any such assessments at any regular or special meeting of such Board held subsequent thereto in any year and called for such purpose. Such action shall have the same force and effect as though made by the shareholders.

F. **Notice of Assessments.** Upon authorization of the annual assessments by the shareholders or the Board as set forth herein, the Secretary of the Corporation shall notify all of the shareholders of such assessment no later than the March 1st. All notices of assessments shall state the time and manner of payment, the amount due and shall be deposited in the United States Post Office, postage prepaid, directed to the last known mailing addresses of the shareholders as shown on the books of the Corporation.

G. **Failure to Pay Assessments.** In the event any shareholder fails to pay any assessment on his stock when due, the Corporation shall have the following remedies:

1. The Corporation may withhold or terminate the delivery of water to the shareholder until such assessment is paid.

2. In addition thereto, or in lieu thereof, the Corporation may file a lien against the property associated with the delinquent shareholder's stock or any number of shares of said stock. The Corporation shall be entitled to recover from the delinquent shareholder all its attorney's fees and other costs incurred to recover unpaid assessments, including but without limitation, costs and fees to file and foreclose upon a lien.

3. In addition thereto, or in lieu thereof, the Corporation may commence a civil action against such delinquent shareholder to recover the amount of any assessment which may remain unpaid, together with interest, court costs and reasonable attorney's fees.

4. In addition thereto, or in lieu thereof, the Corporation may declare a forfeiture or sale of the delinquent shareholder's stock of any number of shares of said stock. In the event the Board of Directors determines to pursue this remedy, written notice shall be given to the delinquent shareholder at the address on file with the books of the Corporation, via certified mail, return receipt requested, demanding payment within thirty (30) days of said notice. If the assessment has not been paid at the end of said thirty (30) days, the Board of Directors may declare said stock forfeited and order the same sold at an auction to other shareholders of the Corporation for cash and to the highest and best bidder. The Secretary of the Corporation shall publish a notice stating the time and place of the sale of such stock once a week for two (2) weeks in newspaper published or near the principal place of business. Any

proceeds derived from the sale of such stock exceeding the amount of the delinquent assessment and the costs and expenses incident to and occasioned by the sale of the stock shall be paid over to the delinquent shareholder.

5. In addition to all of the above listed remedies, the Corporation may take such other actions as are allowed under Colorado law.

H. **Interest on Delinquent Assessments.** Interest at the rate of two percent (2%) per month, with a minimum charge of Twenty-Five Dollars (\$25.00), shall be charged on any annual assessments not paid in full on or before April 30th of the year for which such assessment has been made, or on any special or other assessment not paid in full within sixty (60) days after said assessments is due and payable. Interest charges shall be collected in the same manner as prescribed in these Bylaws for the non-payment of assessments levied against the stock of the Corporation.

ARTICLE VIII. DIRECTORS

A. **Directors.** The Corporation shall have a Board of Directors consisting of at least five (5) and no more than seven (7) natural persons. Directors shall not be required to be residents of the State of Colorado, and a majority of the directors must be shareholders of the Corporation. For the purposes of this Article, “shareholders” may include designated members, employees, agents or other representatives of an Entity Shareholder. Directors shall serve a term of two (2) years or until their successors are elected and qualified. There shall be two (2) groups of directors, with one (Group A) standing for election in even numbered years and the other (Group B) standing for election in odd numbered years. Upon adoption of this amendment, at the first meeting of the Board after the shareholders’ meeting, the Board shall designate 3 members as belonging to Group A. Those board members will initially serve a one-year term, in order to establish the staggered terms of service.

Note Article VIII(A): Amended at 2023 Annual Meeting by unanimous vote of the shareholders present

B. **Vacancies.** Vacancies on the Board of Directors may be filled for the unexpired term of the predecessor in office by a majority vote of the remaining Directors at any meeting of the Board of Directors. A vacancy created by an increase in the number of Directors may be filled for a term of office continuing only until the next election of Directors.

C. **Power of Directors.** The Board of Directors shall have control and general management of the affairs, property and business of the Corporation and, subject to these Bylaws, may adopt such rules and regulations for the purpose and for the conduct of its meetings

as the Board of Directors may deem proper. Such powers shall include, but not be limited to, the following:

1. Appointment and removal of the officers of the Corporation specified herein;
2. Call special meetings of the shareholders whenever such meeting is necessary in the manner and form herein provided;
3. Appointment and removal at pleasure all employees and agents of the Corporation, prescribe their duties, fix their compensation and, when they deem it necessary, require security for the faithful performance of their duties;
4. Make rules and regulations not inconsistent with the laws of the State of Colorado, the Articles of Incorporation of the Corporation and these Bylaws for the guidance of the officers and the management of the affairs of the Corporation;
5. Make assessments on the issued stock of the Corporation necessary to carry out the objects and purposes of the Corporation as expressed in the Articles of Incorporation and these Bylaws, and to provide the time of payment of such assessments and the manner of collecting the same;
6. Pursue remedies against delinquent shareholders;
7. Approve any and all bills, payrolls, and items of expense against the Corporation;
8. Incur such indebtedness as they may deem necessary for carrying out the objects and purposes of the Corporation and authorize certain officers to execute any documents necessary to incur such indebtedness; and
9. Determine what compensation, if any, shall be paid to board members and officers of the Corporation.

D. Duties of Board of Directors. The duties of the Board of Directors shall include, but not be limited to, the following:

1. Cause to be kept a complete record of all meetings and acts, present full statements at the regular annual meetings of the shareholders showing in detail the assets and liabilities of the Corporation and the condition of its affairs in general;

2. Supervise all the acts of the officers and employees, require the Secretary or Secretary-Treasurer to keep full and accurate books of account and prescribe the form and mode of keeping such books; and

3. Cause to be issued to the person entitled thereto certifications of stock according to the several interests, not exceeding in the aggregate the authorized capital stock of the Corporation.

E. **Ratification of Board of Directors.** No contract by any officer or director of the Corporation shall be valid as against the Corporation without the previous authorization or subsequent ratifications of the Board of Directors.

F. **Removal of Directors.** Any director may be removed from office in the manner provided by the Colorado Revised Nonprofit Corporation Act, C.R.S. §7-128-108 and 109. If any director fails to attend three consecutive Board of Directors' meetings, which absence is not excused by the Board, such failure of attendance may be treated as a resignation, and the Board can declare the seat vacant by resignation.

G. **Election of Directors.** The election of Directors shall be at the annual meeting of the shareholders, and shall be by secret ballot, or voice vote at the discretion of the Board of Directors, for as many persons as there are directors to be elected. Cumulative voting of shares of stock is authorized for the election of Directors, as set forth in the Articles of Incorporation of the Corporation. Nominees receiving the greatest number of votes shall be elected.

H. **Disposal of Capital Stock.** The Board of Directors shall have the power and authority to dispose of any capital stock returned to the Corporation because of non-payment of assessments, and may dispose of such stock in the manner provided for at Article VII.G.4 herein.

ARTICLE IX. MEETINGS OF DIRECTORS

A. **Annual Meeting.** The annual meeting of the Board of Directors shall be held immediately after and at the same place where the annual meeting of the shareholders has been held. The meeting will be held for the purpose of electing officers, appointing committees and for the transaction of any other business as may properly come before the Board of Directors. No notice shall be required for the annual meeting of the Board of Directors.

B. **Special Meetings.** Special meetings of the Board of Directors may be called by or at the discretion of the President, a majority of the Board, or as provided in the Articles of Incorporation.

C. **Notice of Meetings.** Except for the annual meeting of the Board of Directors, notice of the time and place of any meeting of the Board of Directors shall be given, either written or orally, no more than ten (10) days prior to the meeting. Neither the business to be transacted nor the purpose of any regular or special meeting need to be specified in the notice or waiver of the meeting, except as otherwise provided in these Bylaws or in the Articles of Incorporation.

D. **Quorum.** At all meetings of the Board of Directors, a majority of the Board of Directors shall constitute a quorum for the transaction of business. In the event there is not a quorum at any meeting, those Directors present may adjourn the meeting to an agreed upon date upon giving notice of the absent Directors of such adjournment.

E. **Voting.** The act of the majority of the Directors present when there is a quorum shall be the act of the Directors.

F. **Action Without Meeting.** Any action which might be taken at a meeting of the Board of Directors may be taken without a meeting, if a consent in writing, facsimile or email, setting forth the action to be taken, is submitted by a majority of the Directors entitled to vote.

Note: Article IX.F. amended by affirmative vote of a majority of shareholders present at the annual meeting held on February 7, 2024.

ARTICLE X. OFFICERS AND DUTIES

A. **Officers.** The officers of the Corporation shall consist of a President, a Vice President, a Secretary and a Treasurer. They shall be elected by the Board of Directors at its annual meeting, and shall hold office for one (1) year or until their successors are elected and qualified. The officers shall be members of the Board of Directors. The offices of Secretary and Treasurer may be combined.

B. **President.** The President shall, subject to the direction and supervision of the Board of Directors, be the chief executive officer of the Corporation and shall have general and active control of its affairs and business and general supervision of its officers, agents and employees. The President shall report to the Board of Director any negligence or misconduct of

any such officers, agents and employees. The President shall preside at all meetings of the shareholders and the Board of Directors. The President shall have the authority to sign all contracts and other instruments on behalf of the Corporation, except as the authority may be restricted by resolutions of the Board of Directors adopted from time to time. It shall be the responsibility of the President to make sure that all of the Corporation's ditches are in adequate condition to carry water and that water is running in said ditches, unless an emergency exists.

C. **Vice President.** The Vice President shall perform duties of the President in case of his absence or inability to act and shall perform such other duties as the Board shall direct.

D. **Secretary and Treasurer.** The Secretary shall act as secretary of all shareholders' and directors' meetings and shall preserve the minutes thereof, unless a Secretary-Treasurer shall perform such duties. The Secretary or Treasurer shall maintain the stock ledger book of the Corporation, which ledger shall indicate the shares issued and transferred, the date of all transactions, and the names and addresses of all shareholders. The Secretary or Treasurer shall submit a full report of the activities of his/her office to the shareholders at their annual meeting. The Secretary shall give written notice of all shareholders' and directors' meetings as required by law or by the Board.

The Treasurer or the Secretary, if such has been designated, shall collect all monies due the Corporation and shall keep all corporate funds in an account of the Corporation in FDIC insured banking institutions as the Board of Directors may from time to time designate. After the appropriate authorization by the Board of Directors as set forth herein, any accounts of the Corporation shall be withdrawn to pay the Corporation's debts by check only, signed by any two (2) of the corporate officers. The Treasurer or the Secretary shall keep accurate accounts of all financial transactions of the Corporation, shall submit a complete financial statement and report to the Corporation for the past year, and shall keep the books available and open to inspection of all Directors or shareholders at their annual meeting, and to the Directors as they shall require. The Treasurer shall show in full all receipts and disbursements to the date thereof, and such other information of the Treasurer or Secretary's office as the Directors may require.

ARTICLE XI. INDEMNIFICATION

The Corporation shall indemnify, and may advance expenses to, its current and former officers and directors to the full extent permitted by Colorado law. The Corporation may indemnify and advance expenses to an employee, fiduciary or agent to the full extent permitted by Colorado law.

**ARTICLE XII.
LIMITATION OF LIABILITY**

A. **Breach of Fiduciary Duty.** The personal liability of a director or officer to the Corporation or its shareholders for monetary damages for breach of fiduciary duty as a director or officer is eliminated or limited to the full extent provided by Colorado law, except that the foregoing shall not eliminate or limit such director's or officer's liability to the Corporation or to its shareholders for monetary damages for the following: (a) any breach of such director's or officer's duty of loyalty to the Corporation or to its shareholders, (b) any of such director's or officer's acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) acts specified in C.R.S. § 7-128-403 or 7-128-501, as those sections now exist or hereafter may be amended (regarding a director's assent to a distribution made in violation of C.R.S. § 7-133-101 or participation in the making of any loan by the Corporation to any director or officer of the Corporation), or (d) any transaction from which such director or officer derived an improper personal benefit. If the Colorado Revised Nonprofit Corporation Act hereafter is amended to authorize the further elimination or limitation of the liability of directors or officers, then the liability of a director or officer of the Corporation, in addition to the limitation on personal liability provided herein, shall be further eliminated or limited to the fullest extent permitted by the Colorado Revised Nonprofit Corporation Act. Any repeal or modification of this Article XII shall be prospective only and shall not adversely affect any right or protection of a director or officer of the Corporation existing at the time of such repeal or modification.

B. **Obligations of Corporation.** The directors, officers, employees, and shareholders of the Corporation shall not, as such, be personally liable for its acts, debts, liabilities or obligations.

**ARTICLE XIII
INSURANCE**

A. **General Liability Insurance and Workman's Compensation Insurance.** The Corporation shall at all times maintain comprehensive general liability insurance in such amounts deemed sufficient in the judgment of the Board of Directors to protect the Corporation and its officers, directors, employees, fiduciaries, agents and shareholders from liability relating to the ownership and operation of the Water System and associated water rights, appurtenances and easements, and the diversion and storage of water in connection therewith. The Corporation shall make every effort to obtain said insurance from a company rated at least A+ in Best's Insurance Guide. To the extent insurance is available; it shall cover the Corporation and its officers, directors, employees, fiduciaries, agents and shareholders as additional named insureds.

The Corporation shall at all times maintain Workman's Compensation insurance that covers its employees.

B. **Directors and Others.** The Corporation may purchase and maintain insurance on behalf of a person who is or was a director, officer, employee, fiduciary or agent of the Corporation, against liability asserted against or incurred by the person in that capacity or arising from the person's status as a director, officer, employee, fiduciary or agent whether or not the Corporation would have the power to indemnify the person against the same liability under Colorado law.

ARTICLE XIV. SUPERINTENDENT/DITCHWALKER

A superintendent/ditchwalker shall be hired by the Board of Directors. Said superintendent/ditchwalker shall direct and control all labor and business pertaining the business and operation of the system of the ditches and reservoir of the Corporation, subject to the direction and control of the Board of Directors, who shall have the direct management of the Water System of the Corporation. The superintendent/ditchwalker shall divide the water from the ditches to all persons entitled to receive the same according to the rules and regulations of the Corporation as certified to him from time to time by the Secretary of the Corporation. The superintendent/ditchwalker shall discharge all such other duties as may be from time to time prescribed by the Board of Directors, and shall make correct returns to the Board of all persons hired and employed, with a statement of the wages, at such stated periods as may be prescribed by the rules of the Corporation or requested by the Board.

ARTICLE XV. COMPENSATION

Board members, the secretary, treasurer and the superintendent/ditchwalker shall receive such compensation for their services as the Board of Directors shall determine.

ARTICLE XVI. DELIVERY OF WATER

A. **Persons Entitled to Water.** Each share of stock shall entitle the holder to receive water from the Corporation under such rules and regulations as the Board of Directors may prescribe; provided, however, that water may be delivered to third persons for use on lands normally irrigated by the Corporation's water upon written order of the holders of stock under such rules and regulations as may be made by said Board.

B. Operation of Water System. The Corporation intends to use its best efforts to operate the Water System in such a manner that the shareholders will receive and be entitled to use water consistently with that they received and used under the historical operation of the system before the consolidation of MHIC and Mountain Meadow. The owners of Class A capital stock shall remain the beneficial owners and users of the water rights historically associated with Mountain Meadow (the Mountain Meadow Ditch on Cattle Creek), and the owner of Class B capital stock shall remain the beneficial owners and users of the water rights historically associated with MHIC (Spring Park Reservoir and the associated fill right, and Landis Canal). The Corporation may adopt such rules and regulations as may be helpful or necessary to provide for an aid in the administration of the Water System and distribution of water to the Class A and Class B shareholders.

C. Future Transfer of Water and Subdivision of Lands. In the event a shareholder subdivides or conveys to a third party less than all of his/her/its property that is served by the Water System, the water rights and Corporation shares associated therewith must be conveyed to a homeowners' association and cannot be split or divided among the resulting parcels or lots.

D. Completed Transfer of Water. The Corporation intends to use its best efforts to operate the Water System in a manner consistent with its historic operation, including implementation or administration of any prior change and/or augmentation decrees involving the Water System. Holders of shares associated with or dedicated to any change and/or augmentation decrees shall continue to be responsible for their pro rata share of the assessments to operate, maintain, improve, and administer the system (see, e.g., Article VII). The Corporation may adopt such rules and regulations as may be helpful or necessary to provide for and aid in the administration of the Water System with respect to such changes or transfers.

E. Operation of the Water System. The Board of Directors may adopt such rules and regulations as may be helpful or necessary to provide for and aid in the administration of the Water System and distribution of water to the shareholders.

F. Water May Be Leased. Water may be leased and delivered to third persons for use on lands normally irrigated by the Corporation's water upon written notice to the Board by the holders of the stock. Such notice shall be given to the Corporation at its principal place of business and shall include a complete description of where the leased water will be delivered and used. Prior written consent of the Board is required before the leased water will be delivered to the lessee. If modifications to the Water System structure and/or changes to the administration of the Water System are deemed necessary, in the discretion of the Board of Directors, in order to accommodate such lease (hereinafter "modifications and/or changes"), the lessee shall: (1) submit detailed plans for the proposed ditch modifications and/or changes necessary to

accommodate such lease to the Board and request approval for the modifications and/or changes; (2) reimburse the reasonable costs incurred by the Corporation, up to a total maximum payment of \$5000.00, for legal and engineering analysis which the Corporation determines is necessary to evaluate the effect of the proposed ditch modifications and/or changes on the Water System, the water rights associated with the Water System, the Corporation or other shareholders; (3) leave a sufficient share of water in the Water System to cover ditch losses associated with the lease modifications and/or changes; and (4) perform the Water System modifications and/or changes at the lessee's sole cost and expense. The said maximum payment of \$5000.00 shall be adjusted every five years in accordance with the formula described in Article VI.H.5 hereof.

The Corporation may condition consent to the lease upon the lessee's compliance with limitations or conditions deemed reasonably necessary by the Corporation to protect the Water System, the water rights associated with the Water System, the Corporation or other shareholders.

G. Payment of Corporation's Attorneys' fees and costs. In the event any shareholder of the Corporation files, or allows a third party to file or participates with a third party directly or indirectly in such filing, an application in the District Court in and for Water Division No. 5, or any other court of competent jurisdiction, to change any of the Corporation's water rights in contravention of Amended and Restated Article VI.D. of the Articles of Incorporation of the Corporation, adopted on March 16, 2011, said shareholder shall pay any and all attorneys' fees and costs incurred by the Corporation in objecting to said application.

ARTICLE XVII ASSETS

A. Ownership of Assets. The Water System and all water rights and appurtenances thereto, and all other property and assets of the Corporation, including without limitation the reservoirs and ditches specifically described herein, shall constitute the assets of the Corporation and not of the shareholders, and the shareholders shall have no right to the partition of such assets.

ARTICLE XVIII. CORPORATE SEAL

The design of the corporate seal shall be in the usual form, containing the words, "Missouri Heights-Mountain Meadow Irrigation Company" and the word "Colorado" around the margin of the circle, with the word "Seal" in the middle thereof. Said seal is to be kept with the record books to be maintained by the Secretary.

**ARTICLE XIX
AMENDMENTS**

A. **Bylaws.** Except as otherwise provided herein, the Board of Directors shall have the power to alter, amend or repeal the Bylaws of the Corporation as provided in the Articles of Incorporation. These Bylaws may also be amended or repealed by the affirmative vote of the owners of a majority of the shares of stock of the Corporation.

B. **Articles of Incorporation.** Amendments to the Articles of Incorporation shall only be by the affirmative vote of seventy-five percent (75%) of the outstanding shares at any meeting called for the purpose of amending the Articles of Incorporation.

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CERTIFICATE

I, Andrea Traul, the Secretary of the MISSOURI HEIGHTS-MOUNTAIN MEADOW IRRIGATION COMPANY, do hereby certify that the above and foregoing is a true, correct and complete copy of the Amended and Restated Bylaws and the Operating Rules and Regulations of the MISSOURI HEIGHTS-MOUNTAIN MEADOW IRRIGATION COMPANY as of the 7th day of February, 2024.



Andrea Traul
Secretary