

BYLAWS
of
THE GRAND VALLEY
IRRIGATION COMPANY

a Colorado Nonprofit Mutual Irrigation Company

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BYLAWS OF THE GRAND VALLEY IRRIGATION COMPANY

PREAMBLE

The Grand Valley Irrigation Company is a mutual irrigation nonprofit corporation formed under the laws of the State of Colorado to provide irrigation and domestic water to its users pursuant to its water rights decrees on the Colorado River and applicable Colorado statutes and case authorities. By the acquisition of shares in the Corporation, payment of assessments levied on shares issued by the Corporation, or by the ordering, accepting delivery of, or use of water delivered through the system of canals and related facilities owned, operated, controlled and maintained by the Corporation, each user of such water is deemed to have accepted and agreed to be bound by the following Bylaws:

ARTICLE I – ORGANIZATION, OFFICES and DEFINITIONS

1. Non-Profit Corporation. The Corporation is organized to be and constitute a non-profit mutual irrigation corporation pursuant to applicable Colorado law.
2. Principal Office. The principal office of the Corporation shall be located in Mesa County, Colorado, at 688 26 Road, Grand Junction, Colorado or at such other location determined by the Board of Directors.
3. Definitions. The Bylaws shall be interpreted using commonly accepted definitions of the words and terms used herein unless the context requires otherwise. The following words shall have the following meaning:
 - a. “Articles” or “Articles of Incorporation” shall mean the Articles of Incorporation for the Corporation duly adopted by the Board.
 - b. “Beneficial use” shall mean and include that amount of water diverted at the Corporation’s headgate which is necessary to transport and deliver water throughout the Canal system.
 - c. “Bylaws” shall mean the Bylaws of the Corporation as amended from time to time.

- d. "Board" or "Directors" shall mean the Board of the Directors of the Corporation, individually or collectively as the context requires.
- e. "Corporation" shall mean the Grand Valley Irrigation Company including any reference herein to "Company" or "GVIC."
- f. "Shares" or "stock" shall mean the shares of stock evidenced by the certificates of stock issued to any shareholder entitling the owner to receive water from the Corporation.
- g. "Shareholder" and "stockholder" shall mean any person or entity owning shares in the Corporation.
- h. "User" or "use of water" shall include any shareholder and any lessee or licensee of shares from a shareholder and any other person or entity receiving the delivery or use of water delivered to user through the Canal system. A user who is not a shareholder shall not have any voting or other governance rights in the Corporation.
- i. "Person" or "entity" shall mean a natural person and legal entities of every type as the context requires including, but not limited to, corporations, partnerships, associations, limited liability companies, trusts, estates and public and quasi-public entities, agencies or organizations that are recognized, organized or existing under any federal, state, or local law.
- j. "Days" shall mean calendar days.
- k. "Delivery point" shall mean any place or point on the Canal system where the Corporation's duty to deliver water to its shareholders ceases and shall include the Delivery structures. Nothing in this definition shall affect or limit the Corporation's right to the ownership, operation, maintenance or repair of the Canal easements, Easement areas, the Canal system, or any other provision of these Bylaws.
- l. "Delivery structure" means any device, thing or facility used as an outlet for the delivery of water from any of the canals to the point where the Corporation relinquishes control thereof including headgates, tap boxes, sumps, pipelines, headwalls, divider boxes, trash control devices, measuring and metering devices and all facilities related thereto or used in connection therewith.

- m. "Canal easement" means any easement, right of way or other right of use or access established by grant or the operation of law for the operation, maintenance, and repair of the Canal system. "Canal easement" shall be in addition to all interests in real or personal property owned in fee simple or otherwise by the Corporation.
- n. "Easement area" means the width of any Canal easement including that width which is reasonable or necessary (including exigent circumstances) to the operation, maintenance, or repair of the Canal system regardless of whether such width has been historically used and shall further include the beds, banks, embankments, access and maintenance roads and all structures of every kind or type in, under or on the Canal easement.
- o. "Canal system" shall mean and include all features and components of the water delivery system owned, operated, maintained and controlled by the Corporation from the upper reach of the diversion dam on the Colorado River until the final point of discharge near the Loma Boat Ramp and all canals, delivery points, headgates, canal easements and improvements, delivery and other structures, flumes, bridges, access roads, embankments and every facility or structure appurtenant thereto or used in connection therewith.
- p. "Rule" shall mean any rule or regulation promulgated by the Board.
- q. "Measuring device" means any device for the measurement or division of flowing water approved for use by the Superintendent.

ARTICLE II - SHAREHOLDERS

1. Annual Meeting. The annual meeting of shareholders shall be held on the first Saturday in December of each year, but if for any reason it should not be held on such day, it may be held on any day subsequent thereto as designated by the Board; provided, however, the annual meeting may be postponed or cancelled for good cause in the discretion of the Board. "Good cause" shall include, but not be limited to, public health circumstances. The place of the annual meeting of the shareholders shall be within Mesa County, Colorado as designated by the Board. The conduct of annual shareholders' meetings shall be governed by Robert's Rules of Order unless the Board dispenses with Robert's Rules of Order in advance of any such meeting.
2. Special Meetings. Special meetings of the shareholders, for any lawful purpose or purposes, unless otherwise prescribed by statute, may be called by the President or by the

Board, and shall be called by the President at the request of the holders of not less than 25% of all the issued and outstanding shares of the Corporation.

3. Notice. 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 or more than fifty days before the date of the meeting, either personally or by mail, by or at the direction of the President or the Secretary, to each shareholder of record. Such notice shall be deemed to be delivered by mail when deposited in the United States Mail addressed to the shareholder at such shareholder's most current address as it appears in the records of the Corporation, postage thereon prepaid.
4. Transfer Books. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or in order to make a determination of the shareholders of the Corporation for any other purpose, the Board may provide that the share transfer books shall be closed for a stated period but not to exceed, in any case, ten (10) calendar days. If the share transfer books shall be closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of the shareholders, such books shall be closed for at least seven (7) calendar days immediately preceding such meeting. In lieu of closing the stock transfer books, the Board may fix in advance a date as the record date for any such determination of shareholders, such date in any case to be not more than twenty (20) calendar days and, in case of a meeting of shareholders, not less than seven (7) days prior to the date on which the particular action requiring such determination of shareholders is to be taken. If the share transfer books are not closed, and no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, the date on which notice of the meeting is mailed shall be the record date for such determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof.
5. Shareholder List. The Secretary shall keep and maintain a list of shareholders on file at the principal office of the Corporation and such list shall be subject to inspection by any shareholder at any time during usual business hours prior to the meeting. The Secretary shall make the list available for inspection by any shareholder during the time of the meeting. The shareholder list maintained by the Corporation shall be the official list of the shareholders entitled to examine such list or transfer books or to vote at the meeting of shareholders.
6. Quorum. A quorum of shareholders for the election of Directors and all other business coming before the shareholders shall be not less than ten percent (10%) of the issued and

outstanding shares of the Corporation. If less than a quorum is present at a meeting, a majority of the shares present may adjourn the meeting to another place and time without further notice of such meeting. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally called. The shareholders present at a duly called meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

7. Voting. Each shareholder shall have one vote for each share of stock owned in the Corporation; provided, however, a shareholder shall have as many votes to cast for the election of Directors as the shareholder shall own shares in the Corporation multiplied times the number of Directors to be elected. The affirmative vote of the majority of the shares represented at the 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 otherwise required by the Articles, Bylaws, or applicable law. In the election of Directors, votes shall be cast equally among the three vacancies being filled. The three nominees for Director receiving the highest number of votes shall be elected to the Board of Directors.
8. Balloting and Proxies. Shareholders may cast their votes in person or by written proxy executed by the shareholder or by the shareholder's duly authorized representative. Such proxy shall be filed with the Secretary before or at the time of the meeting.
9. Who May Vote Shares.
 - a. Shares standing in the name of a natural person may be voted by the person whether in person or by proxy or by the execution and delivery of a power of attorney designating who may vote such person's shares.
 - b. Shares standing in the name of a deceased or protected person may be voted by the duly appointed personal representative upon presentation to the Secretary of letters of appointment of such personal representative.
 - c. Shares standing in the name of a trustee may be voted by the trustee, either in person or by proxy, but no trustee shall be entitled to vote shares held by the trustee without a transfer of such shares into the trustee's name on the records of the Corporation.
 - d. Shares under the control of a receiver may be voted by such receiver without the transfer thereof into the receiver's name upon presentation to the Secretary of a court order of appointment.
 - e. A shareholder whose shares are pledged as security for a debt or other obligation

shall be entitled to vote such shares until the shares have been transferred into the name of the secured party.

- f. Shares held as cotenants shall be voted by only one individual as determined by the cotenants; and the Corporation may rely on the vote of any one of the cotenants whose name appears to correspond to the name of one of the cotenants on the records of the Corporation.
 - g. Shares owned by a legal entity may be voted on by a natural person only upon presentation to the Secretary of satisfactory evidence of such natural person's authorization to vote the shares standing in the name of the entity. Shares whose voting rights are vested in the Secretary or any other officer of the Corporation by agreement, court order or otherwise, shall be voted for by the Secretary as directed by the Board.
 - h. Users of water who are not shareholders may not vote shares held by them pursuant to an agreement, express or implied, with the shareholder of record unless the authority to vote the shareholder's shares is evidenced by a duly executed proxy or power of attorney.
10. Shareholder Agreement to Comply with Articles, Bylaws and Rules. To the extent not otherwise provided by law, each shareholder shall be deemed by the ownership of shares and in consideration of the delivery of water represented by such shares, to agree to and be bound to comply with the terms and conditions of the Articles, Bylaws and all rules, regulations and policies promulgated by the Board.
11. Implied Easement. In the event a shareholder constructs, installs or erects any building, structure, roadway, driveway or device in, under or upon the Canal system, or plants any shrub, tree or other planting upon the Canal system or covers any portion of the Canal system that hinders or interferes with the Corporation's access to the Canal system, then such shareholder is deemed to grant an easement to the Corporation over and across the shareholder's property interests, including easements, licenses, fee title or other property rights held by the shareholder, for reasonable and necessary access to and from the Canal system to operate, maintain and repair the Canal system.

ARTICLE III – BOARD OF DIRECTORS

1. Board. The business and affairs of the Corporation shall be managed by its Board of Directors.
2. Election: Qualifications. The Board shall be elected at the annual meeting of the shareholders in the manner provided in these Bylaws. The members of the Board shall be natural persons owning shares in the Corporation or the designated representative of an entity owning shares in the Corporation, shall be residents of Mesa County, Colorado and shall be in good standing as a shareholder of the Corporation by the payment of assessments and without any pending violation of the Bylaws or any rule, regulation or

policy promulgated by the Board.

3. Quorum. A majority of the Board shall constitute a quorum for the transaction of business, but a lesser number may adjourn to a subsequent day upon giving notice to absent members of said Board of such adjournment.
4. Meetings. The regular meeting of the Board shall be held at the office of the Corporation on the first Thursday of each month, unless said day falls upon a legal holiday, in which case the meeting shall be held upon the call of the President within three days of the regular meeting date. Special meetings of the Board may be called by the President by giving one day's notice of such proposed meeting to each Board member.
5. Powers. The Board shall have all powers conferred by law and those implied from law to manage the business and affairs of the Corporation including, but not limited to, the following:
 - a. To call special meetings of the shareholders.
 - b. To appoint and remove all officers, 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.
 - c. To make such rules and regulations for the conduct of the Corporation's business consistent with the Articles, Bylaws, and applicable law.
 - d. To determine and recommend to the shareholders assessments on the issued and outstanding shares of the Corporation to conduct the objects and purposes of the Corporation and to provide the time of payment of such assessments and the manner of collecting the same.
 - e. To sell the shares of any shareholder failing or refusing to pay assessments, or so much thereof as may be necessary to satisfy the unpaid assessments in the manner and form hereinafter provided.
 - f. To incur such indebtedness as the Board may deem necessary for conducting the objects and purposes of the Corporation and to authorize the President and Secretary to execute and deliver such documents and instruments to evidence the same.
6. Duties. It shall be the duty of the Board of Directors:
 - a. To keep a record of all their meetings and the meetings of shareholders.
 - b. To provide financial information to the shareholders at the regular annual meetings reflecting the assets and liabilities of the Corporation and such other information as the Board determines to reflect the condition of its affairs in

general.

- c. To require the Treasurer to keep full and accurate books of account and prescribe the form and mode of keeping such books.
 - d. To cause to be issued to the persons entitled thereto certificates of shares according to the several interests not exceeding in the aggregate, the capital shares of the Corporation.
7. Contracts. No contract by any officer of the Corporation shall be valid without the previous authorization or subsequent ratification of the Board.
8. Construction Committee. The President shall appoint a construction committee from the members of the Board at their first meeting after the election of the Board. The Board members appointed to the construction committee shall serve with the President and Superintendent as the construction committee. The construction committee shall review and recommend to the Board construction and repair work on the Canal system and such other matters that come to their attention, or which are delegated to the construction committee by the Board.
9. Standard of Care and Liability. Each member of the Board shall serve in good faith and comply with the standards of conduct applicable to board members of non-profit corporations according to applicable Colorado law. To the fullest extent provided by law, each Board member shall not have any personal liability for any act or omission as a Board member solely by reason of being or having been a Director of the Corporation. To the fullest extent provided by applicable law, the Board may rely on information, opinions, reports, or statements including financial statements and other financial data provided to the Board by others including, but not limited to, employees and agents of the Corporation and professional and other consultants and committees of the Board. Those persons and groups on whose information, opinions, reports, and statements a Director is entitled to rely upon are, without limitation by enumeration, the following:
- a. One or more officers or employees of the Corporation whom a Director or the Board of Directors believe to be reliable and competent in the matters presented.
 - b. Attorneys, public accountants, or other persons as to matters which the Director reasonably believes to be within such person's professional or expert competence.
 - c. A committee of the Board upon which the Director does not serve, duly designated in accordance with the provision of the Articles or the Bylaws, as to matters within the committee's designated authority, which committee the Director believes to merit confidence.
10. Terms. The Board shall be elected at the annual meeting of the shareholders to serve staggered terms of three years each. Commencing with the annual shareholder's meeting

of December 1978, the positions held by the following Directors shall be elected for terms as follows:

- a. The positions held by Vern Meek, Lehman Pond and Richard Fry shall be elected for a term of one year;
- b. The positions held by Frank Bulla, Jack O'Connor and Art Guccini shall be elected for a term of two years; and,
- c. The positions held by Edward Currier, Edward E. Swim and Reo Peach shall be elected for a term of three years.

After the expiration of the terms above stated, succeeding Directors shall be elected to serve a term of three years such that in any year only three Directors shall be elected.

11. Removal and Vacancies. Any Director may be removed by a majority vote of the Directors excluding the Director being removed. Any Director may be removed by majority vote of the shareholders at any meeting called for such purpose. Any vacancy occurring in the Board shall be filled by appointment by the remaining members of said Board to serve for the remaining term of the vacancy.
12. Action by Consent; Participation by Telephone. Any action required or permitted to be taken by the Board or by a committee thereof may be taken without a meeting if consent in writing setting forth the action so taken is signed by all the Directors or all of the committee members entitled to vote with respect to the subject matter thereof. Any member of the Board or any committee designated by such Board may participate in a meeting of the Board or committee by means of telephone conference or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence at the meeting.
13. Presumption of Consent; Objections to Action or Meeting. A Director shall be deemed to consent to any action of the Board or the calling of any meeting of the Board unless the Director objects to such action or the calling of the meeting at or before the action is taken or meeting is commenced and causes such objection to be made in writing or entered in the minutes of the meeting.
14. Executive and Other Committee. The Board may appoint from among its members an executive committee and such other committees, each consisting of one or more Directors, as the Board determines in its discretion. Each such committee shall serve at the pleasure of the Board.

ARTICLE IV – OFFICERS

1. Appointment of Officers. The Board shall, at their first regular meeting after their election, appoint a President, Vice-President, Secretary and Treasurer from among their number, who shall be subject to removal at any time by the Board, and all of said officers

shall hold office for one year and until their successors are elected and qualified. The offices of Secretary and Treasurer may be combined. The Secretary and Treasurer may delegate the Secretary's and Treasurer's duties to one or more employees of the Corporation.

2. Bond. The Treasurer shall give a surety bond in such sum and with such security as the Directors may require, conditioned on the faithful performance of the duties of the Treasurer and to turn over to the successor in office, all papers, money, funds and property of whatever kind or nature belonging to the Corporation, upon the expiration of term of office or upon being removed or with such other conditions as may be proper.
3. President and Vice President. The President shall preside at all meetings of the Directors and shareholders. The President may delegate to another person the chairing of the meeting of Directors or shareholders provided a majority of the Board consents. The President shall sign as President all certificates of stock and all contracts and other instruments in writing, which have been approved or ordered by the Board. The President shall oversee the Superintendent and report to the Board any negligence or misconduct of the Superintendent or the officers or employees as may be brought to the President's attention. The President shall be informed from reports that ditches are in repair for carrying water and that water is running in the Canal system approximately April 1 through November 1 of each year, unless there is an emergency. In the absence or disability of the President, the Vice-President shall perform the President's duties.
4. Secretary. The Secretary shall keep a record of the proceedings by the Board, and also of the meetings of the shareholders. The Secretary shall keep a book of blank certificates of stock, fill out and countersign all certificates issued and make corresponding entries upon the marginal stub of each of the certificates issued. The Secretary shall keep a stock ledger showing the number of shares issued to and transferred by any shareholder and the date of issuance and transfer. The Secretary shall have charge of the corporate seal and affix the same to all instruments requiring a seal.
5. Treasurer. The Treasurer shall keep, in the manner prescribed by the Board, all the accounts of the Corporation in books provided for such purpose. The Treasurer shall collect all money due the Corporation, shall keep safely all monies belonging to the Corporation and shall disburse the same under the direction of the Board. At each annual meeting of the shareholders, the Treasurer shall submit a complete financial statement and report of the Corporation for the past year. The Treasurer shall perform such other duties pertaining to the office as shall be prescribed by the Board. The Treasurer is authorized to deposit the funds of the Corporation in such bank as the Board may from time to time designate.

6. Approval of Expenses. The bills, payrolls, and items of expense against the Corporation shall be submitted for allowance and approval to the Board at their monthly meeting. Upon approval, the Treasurer shall issue payment for the same.
7. Compensation. The Board members, Superintendent, Secretary, Treasurer, and employees shall receive such compensation for their service as the Board shall determine.

ARTICLE V – SUPERINTENDENT

The Superintendent shall be appointed by the Board and shall be subject to the direction and control of the President and the Board. The Superintendent shall oversee, direct, and control the business of the Corporation and the operation, maintenance, and repair of the Canal system. The Superintendent shall provide accurate reports to the Board regarding all aspects of the operation, maintenance and repair of the Canal system and the status of the Corporation's employees. The Superintendent shall divide the water from the Canal system to all persons entitled to receive the same according to the respective shares as certified to the Superintendent from time to time by the Secretary, and to discharge all such other duties pertaining to the Superintendent's office as may be from time to time prescribed by the Board. The Board may appoint an Assistant Superintendent to assist the Superintendent who shall report to the Superintendent or the Board in the absence of the Superintendent.

ARTICLE VI – SHARES OF STOCK

1. Certificates. Certificates of shares shall be signed by the President and Secretary, and each certificate shall express upon its face, its number, the date of issuance, the number of shares and the person or entity owning such shares. The certificate book shall contain a marginal stub upon which shall be entered the number, date, number of shares, class of shares and the names of the person or entities expressed in the corresponding certificate.
2. Par Value. Certificates of shares representing Class A shares and Class B shares, when issued, shall be issued as fully paid shares of a par value of \$5.00 per share, and such shares of stock may be transferred at any time by the holders thereof, or by their attorney in fact, or by legal representatives. Such transfers shall be made provided that such transfer shall not be valid, except as between the parties thereto, until the same shall have been noted in the books of the Corporation. No certificate of shares shall be issued for less than one share and no fractional share shall be issued.
3. Lost Certificates. In case the owner of record of any certificate of shares claims the same to have been stolen, destroyed or otherwise lost and demands a new certificate, such new certificate shall be issued only after satisfactory proof has been made to the Board that the owner is the owner of record of such shares and that the original

certificate has in fact been stolen, destroyed or otherwise lost; and before issuing a new certificate the Directors shall demand a bond, with good and sufficient surety, from the claimant of the shares, indemnifying the Corporation against liability from the holders of the original certificate, in an amount double to the actual value of the shares as determined by the average sale price at the most recent auction of shares. The lost, stolen or destroyed certificate shall be canceled and a new certificate issued in lieu thereof and no transfer of the lost, stolen or destroyed shares shall thereafter be valid or allowed upon the books of the Corporation.

4. Transfer Fee. A transfer fee of an amount determined by the Board from time to time shall be charged for each single transfer of any shares of the Corporation and the same shall be collected by the Secretary at the time of such transfer. The transfer fee may be increased or decreased from time to time by resolution of the Board.
5. Entitlement to Water. Each share shall entitle the owner to receive four-tenths (4/10ths) of a statute inch of water from the Corporation provided that water may be delivered to third persons upon the written order of the owners of shares, and further provided that water deliveries may be curtailed by order of the Superintendent in the event water supplies are insufficient to make full delivery. The water represented by such shares shall be turned out in any of the canals the Company operates, subject to the shareholder's timely payment of assessments.
6. Assessments. The Board shall, at the annual shareholders meeting, present an assessment for approval of the shareholders for levy against all of the issued and outstanding shares of the Corporation to provide revenue for the purposes of paying any indebtedness of the Corporation and the costs and expenses of the Corporation's business and operations for the ensuing year and for the purpose of creating such reserves, contingent or sinking funds as the Board may from time to time deem necessary and proper for the financial stability and welfare of the Corporation.
 - a. An affirmative vote of a majority of shares represented in person or proxy at an annual meeting at which a quorum is present shall be required to authorize any such assessments levied as provided above.
 - b. In the event the shareholders shall fail to authorize such assessments at an annual meeting or at a special meeting called by the shareholders for that purpose within ninety (90) days following the close of the Corporation's fiscal year, the Directors shall have power to make any such assessments at any regular or special meeting called therefore for such purpose.
 - c. Upon authorization of assessments by either the shareholders or the Board, the Secretary shall notify all of the shareholders of such assessment not later than the ensuing January or, in the event the assessment is not authorized by the

shareholders, not later than thirty (30) days following a special meeting of the Board.

- d. In the event the assessment is authorized by the Board, such notice shall state the time and manner of payment, the amount due and shall be deposited in the United States Mail, postage prepaid, directed to the last known mailing address of the shareholders.
7. Payment of Assessments. Assessments authorized by the shareholders at the annual meeting shall be due and payable in full on or before April 30 of the year for which such assessment shall be made. Assessments authorized by the Board shall be due and payable as determined by the Board. No interest will be charged on assessments paid in full on or before the due date. If the assessment is not paid in full by the due date, then interest will accrue at the rate of 1½% per month or such other rate as is determined by the Board not to exceed 1½% per month on any unpaid balance from the due date until such assessment shall be paid in full. Interest charges shall be collected in the same manner as prescribed in these By-laws for the non-payment of assessments levied against the shares of the Corporation.
 8. Enforcement. In the event a shareholder shall fail or refuse to pay any such assessment within the time, and in the manner set forth in the notice thereof, without limitation on any other remedy available to the Corporation for collection of the same, the collection of such assessment may be enforced in any one or all of the following methods:
 - a. Refusal to deliver water to the defaulting shareholder until such assessment has been paid, and if at any time, the water is being used by such shareholder on his shares, water may be shut off and kept shut off until such assessment is paid.
 - b. Commencement of suit against the defaulting shareholder to recover the amount of such assessment provided not less than twenty days advance written demand has been mailed to the last known address of the defaulting shareholder reflected in the books of the Corporation.
 - c. Sale at public auction of as many of the defaulting shareholders shares as are necessary to pay the defaulted assessments provided thirty days advance written notice of such sale at public auction is mailed to the defaulting shareholder at such shareholders last known address reflected on the books of the Corporation. If such assessment shall not have been paid at the end of said thirty days, the Board of Directors may declare said shares forfeited and order the same sold and, upon such order being made, the Secretary shall publish a notice of the sale of such shares giving the time and place of the sale in a newspaper published at or near the principal place of business of the Corporation by two insertions in a weekly newspaper; provided, however, that no greater number of shares shall be sold than an amount necessary to pay the amount of the assessment and costs of sale; and the proceeds derived from such sale over and above the amount due on said shares

and the expenses incident to and occasioned by the sale thereof, shall be paid over to the delinquent shareholder. If the shareholder with the credit balance does not pick up the excess money gained from the sale of shares, after the first year the account will be charged an annual service charge of the maximum amount permitted by applicable law.

9. Special Assessments. In the event the annual assessment made by the Board shall prove to be insufficient to meet the requirements of the Corporation, the Board may at any time levy a further assessment in like manner as the annual assessment for the purpose of providing for such deficiency in revenue. The Board may take any one or all of the above methods to enforce the payment of assessments as they may deem fit.

ARTICLE VII – CHANGE OF WATER RIGHTS

1. Statement of Intent. This Article is intended to apply to any change in the use of water decreed to the Corporation including, but not limited to, changes that are not a beneficial use, a change in the point or place of diversion of the Corporation's decreed water rights other than the Corporation's decreed headgate on the Colorado River, any change in the method or manner of delivery of water to the lawful users of such water other than from or through the Canal system owned and operated by the Corporation and any other change in the method, manner, or type of use or non-use of water causing or likely to cause in the Board's discretion the inability of the Corporation to divert its decrees at the Corporation's decreed headgate, or any act or omission causing a decrease in the water available for delivery water to shareholders or water necessary to transport water through the Corporation's Canal system to the persons having the lawful use of such water consistent with the Corporation's water decrees. Excluded from this Article are turn out orders by shareholders changing the existing headgate to which such shareholder's shares of water are delivered to another headgate within the Canal system. It is the intent and policy of the Corporation that no change in the point or place of diversion, method of delivery and/or the place or type of use or non-use of water decreed to the Corporation for use within its Canal system for lands irrigated under the Canal system shall be permitted that will, or is likely to injure, any shareholder or the Corporation or the Canal system for any reason. Injury includes, but is not limited to, any decrease in the amount of diversions at the Corporation's main headgate on the Colorado River, any decrease or loss of water levels or volume in the Corporation's Canal system, any decrease or loss in the quantity or quality of water delivered or deliverable to its shareholders, any decrease in the Corporation's ability or capacity to deliver water to its shareholders and any increase or additional burden to the Corporation or its shareholders in operating, maintaining or repairing the Canal system.
2. No Injury to Shareholders or Corporation. No shareholder shall, with respect to water represented by such shareholder's shares of stock in the Corporation or decreed to the

Corporation, change or attempt to change the decreed point of diversion, method of delivery and/or place or type of use or non-use of such water, including, but not limited to, any substitute water supply plan, exchange or plan of augmentation, or water conservation, banking or fallowing program if such change will, or is likely, to cause injury to any shareholder or the Corporation as determined by the Board.

3. Corporation's Consent Required. No shareholder shall, with respect to water represented by such shareholder's shares of stock in the Corporation or decreed to the Corporation, change or attempt to change the decreed point of diversion, method of delivery and/or place or type of use of such water, including, but not limited to, any substitute water supply plan, exchange or plan of augmentation or water conservation, banking or fallowing program unless and until such shareholder shall obtain authorization to do so from the Board in accordance with the procedures set forth in this Article.
4. Procedure. Any request subject to this Article shall be in writing and shall be delivered to the Board at the principal office of the Corporation specifying in reasonable and sufficient detail the nature, extent, and effect of the request so as to fully advise the Board.

The Board may, in its discretion, require the requesting shareholder to provide written notice of such request by mail to any one or more or all shareholders in the Corporation. The request shall include, but not be limited to, the following:

- a. A complete and reasonably detailed description of the action, activity, or project the shareholder proposes to undertake, including a specific and detailed description of any change sought in the point of diversion, or place or type of use or nonuse.
- b. In the case of any conservation, banking, or fallowing program proposed, funded, or administered by any federal, state, or local government, true and correct copies of any application and all documents related to the conservation, banking, or fallowing program including any proposed compensation to the shareholder for participating in the program.
- c. The identity of all water rights directly or indirectly related to such proposal, including the identification of the shareholder's shares in the Corporation affected, directly or indirectly by the proposal.
- d. An explanation setting forth facts with reasonable detail and with supporting data as to how such proposal will affect the operation, maintenance and repair of the

Canal system including how it will affect deliveries of water to other shareholders in the Corporation.

- e. A written description of all measures the shareholder proposes to implement to prevent, mitigate or eliminate any injury to the Corporation and other shareholders in the Corporation.

5. Board Consideration. A written request under this Bylaw shall be considered by the Board at the regularly scheduled meeting following the request subject to the regular business of the Board at the time of submission of the request, the complexity of the request and any continuances sought by the requesting shareholder. Notwithstanding the foregoing, no request will be considered unless the request is received not less than twenty (20) days in advance of a regularly scheduled Board meeting. At the meeting of the Board wherein the shareholder's request is considered, the shareholder shall present the request to the Board, may present such other pertinent information as such shareholder desires, and shall be available to answer questions from the Board. The Board may table the proposal for consideration the information presented at the meeting in order to evaluate such information. The Board may question or seek additional information from the shareholder or from any person participating in the presentation. The Board may seek and obtain independent evaluation of the proposal and/or additional information by such consultants and from such sources as the Board determines appropriate.
6. Board Determination; Continuances. The Board may approve, deny, or approve with qualification, the shareholder's request. The Board may, in lieu of the foregoing, table its consideration and discussion of the written request for as long as the Board determines to be reasonable to allow the Board to discuss and fairly consider the merits of the request, to obtain such additional consultation or information as the Board may deem appropriate, or to obtain from the requesting shareholder supplemental data or information to that submitted to the Board. The decision of the Board shall be reflected in the regularly kept minutes of the Board. The Board's determination shall in no event relieve the shareholder from continuing to pay all assessments of the Corporation levied against the shareholder's shares in the Corporation.
7. Limitations on Legal Action.
 - a. No shareholder may commence or maintain any legal or administrative proceeding in water court or any other forum or tribunal for any purpose involving, directly or indirectly, a change of Corporation's water rights subject to this Article without first complying with the procedures set forth in this Article. Failure to comply with this Article shall constitute a bar to the commencement of

any legal or administrative action or proceeding and shall entitle the Corporation to dismiss the same and to exercise the remedies in this Article.

- b. In the event an application for change of water right subject to this Article is approved by the Board and submitted to the applicable water court, administrative agency, or other forum with legal jurisdiction over the same, such application and any resulting decree or other determination shall contain terms and conditions no less restrictive than the approval of the request by the Board, or such decree or agency approval shall be deemed void and of no legal force or effect.
8. Reimbursement of Expenses. The requesting shareholder shall pay to or reimburse the Corporation for all costs and expenses paid or incurred by the Corporation to consider any request within the scope of this Article including, but not limited to, consulting fees paid to engineers, attorneys or other consultants in reviewing, evaluating and considering the request and the internal administrative wages and salaries of the Corporation's officers and employees charged at the then prevailing rate the Corporation charges for their time.
9. Violation and Remedy. A violation of this Article shall be deemed to have occurred if any shareholder commences any legal action, or engages in any other activity, project or conduct subject to the provisions of this Article, without first complying with the requirements of this Article and the procedures set forth herein. In the event any shareholder shall violate this Article, and without limitation on any other remedy available to the Corporation as provided elsewhere herein or at law or in equity, such shareholder shall be liable to the Corporation to enforce this Article by injunction or specific performance. Further, such shareholder shall be liable to the Corporation for any and all loss, liability, injury or damage arising from, or in connection with, such violation including, but not limited to, all costs, expenses, reasonable attorneys' fees and expert witness fees incurred for the purpose of investigating, negotiating, settling or litigating any such violation.

ARTICLE VIII – DRAINAGE AND DISCHARGE OF SUBSTANCES INTO THE CANAL SYSTEM

1. No Discharge Substances. No person, entity or shareholder shall drain, discharge, dump, spill or otherwise introduce into the Canal system, including the waters flowing therein, any substance or material of any type, including, but not limited to, surface water runoff from any source including, without limitation, subdivisions, commercial and industrial property, construction sites, municipal separate storm sewer systems (MS4 water), trash, refuse, garbage, petroleum products, chemicals, any substance or material defined or

regarded by state, federal or local law or ordinance as hazardous and any other foreign material, substance or waste of any type except as specifically authorized by this Article.

2. No Alteration of Natural Drainage. No person, entity or shareholder shall drain naturally occurring surface water into the Canal system in a quantity, quality, location, point of discharge or rate of flow in a manner that is different from naturally occurring precipitation or different from historic surface water drainage conditions as determined by the Superintendent or in any other manner that may cause injury or harm to the Canal system or to adjacent landowners or shareholders. Excepted from this Article is tail water from agricultural operations so long as such tail water is exempt from any permitting requirements or compliance regulations under federal, state, or local statute, ordinance, rule, or regulation as determined by the Superintendent, and surface water drainage from naturally occurring precipitation flowing in its natural watercourse, provided:
 - a. That, unless there is a written agreement to the contrary with the Corporation, the drainage of natural precipitation of water shall not be in a quantity, quality, rate of flow, at points of discharge, or in any other manner different from that which is naturally occurring or established by historical drainage conditions and patterns as determined by the Superintendent; and
 - b. That, in any event, no water shall be discharged into the Canal system that contains any foreign material or any substance deemed or regarded as a hazardous substance or material, or otherwise subject to regulation or permitting as determined by the Board in its sole and absolute discretion.
3. Discharge Agreements. The Corporation may, in its sole and absolute discretion, condition the discharge or drainage of any water into the Canal system upon (a) the execution of an agreement in a form and in substance acceptable to the Corporation providing for the terms and conditions of the drainage of any water into the Canal system as the Board determines in its sole and absolute discretion, and/or (b) the obtaining of a permit or proof of compliance with any applicable governmental authority regulating the discharge of such water, and/or (c) require treatment of any water to be drained or discharged into the Canal system and related facilities to a water quality standard acceptable to the Corporation, as determined by the Board in its sole and absolute discretion.
4. Shareholder Devices and Structures. Subject to the terms of this Article and these Bylaws, no shareholder shall install, construct, erect, or place any building or other improvement or structure including trees, plants, and shrubs, pipelines, pipes, drainage

structures, flumes, sumps, pumps, syphons, measuring devices or other structure or device in the Canal system without written approval of the Superintendent. Each shareholder shall be solely responsible to maintain and repair any pipeline, pipe, drainage structure, flume, sump, pump, syphon, measuring device and any other structure or device installed by a shareholder for the delivery of water to the shareholder's property from the point that the Corporation relinquishes control of the water and downstream therefrom. The Corporation may require the installation of one or more measuring devices as approved by the Superintendent to measure the amount and/or division of water at or prior to the point the Corporation relinquishes control of the water. The Corporation may remove, at a shareholder's expense, any devices installed in violation of this Article or install at a shareholders expense any devices required by this Article without liability to the shareholder or property owner.

5. Remedy. Any person, entity or shareholder violating this Article shall be subject to the remedies set forth in these Bylaws.

ARTICLE IX – CONTROL AND OWNERSHIP OF CANAL SYSTEM

1. Control and Ownership. The Canal system shall be under the exclusive ownership and control of the Corporation acting by and through its Superintendent. The Superintendent shall have the sole authority to determine the location of all delivery points, approve the installation, construction, reconstruction, restoration, alteration, operation, repair, and maintenance of all delivery structures and supervise administration of the delivery of water including the setting and adjustment of any delivery point control devices such as headgates, meters, flumes or other devices.
2. New Delivery Points. Any person who desires to establish a new delivery point, or change the location of an existing delivery point or to install a new or modify any existing delivery structure shall:
 - a. Submit a written request to the Board describing the nature of the request including supporting maps, diagrams and/or designs;
 - b. Sign such agreements as the Board may require including headgate installation and maintenance agreements and/or agreements for the reimbursement of the Corporation's external and internal costs and expenses, including consulting fees, to review the request and any maps or designs submitted in support thereof;
 - c. Sign an agreement to pay for or reimburse the Corporation for the costs of any material or supplies used in the construction, installation, or modification of

any delivery structure; and,

- d. Execute such easements or rights of access as the Board may require to install or modify the delivery structure.

All requests shall be subject to approval of the Board of Directors or a committee of the Board in the event such a request is delegated to a committee of the Board.

3. Installation. All new delivery structures and any modification to any existing delivery structures requested by a shareholder and approved by the Board shall be constructed by the Corporation at such time, in such manner, and according to type and design as the Corporation determines in its sole discretion. All means, methods and sequences of construction or installation shall be subject to the control and supervision by the Superintendent in his sole and absolute discretion. The requesting shareholder shall be personally and solely responsible for the payment of any and all materials used in the installation, including preparatory materials and materials necessary to restore adjoining areas disturbed or damaged by the installation. The Corporation may condition its performance of the installation on the provision of adequate security for the cost of materials. No requesting shareholder is authorized to oversee, supervise, perform, or contract for the performance of construction.
4. Remedies. Without limitation upon any other remedy available to the Corporation, in the event that any shareholder installs any new or who modifies, tampers, damages or otherwise alters any new or existing delivery structure, regardless of whether installed or modified at any new or existing delivery point without the express authorization of the Corporation such shareholder shall be subject to the following remedies:
 - a. A special assessment against the violating shareholder's shares in the Corporation in the amount of any unpaid materials for the work and/or for any damages to the Corporation including any removal, restoration or modification expense and any expenses of litigation including court costs, reasonable attorney's fees, and the fees of any consultant or expert witness;
 - b. A suit for judgment in the amount of any unpaid materials used in or provided to the work and/or for any damages to the Corporation including any removal, restoration or modification expense and all expenses of litigation including court costs, reasonable attorney's fees and the fees of any consultant or expert witness; and/or,

- c. A suit for equitable relief in the nature of injunction, specific performance or other equitable remedies including court costs, reasonable attorney's fees and the fees of any consultant or expert witness.

ARTICLE X – TRESPASS AND USE OF CORPORATION'S CANAL SYSTEM

1. No Trespass. No person or entity is permitted to enter or remain in, under, over or upon the Canal system and Canal easements for any purpose except officers and employees of the Corporation and consultants, agents and other persons specifically authorized to do so by the Superintendent or the Board. Any person or entity that enters or remains in, under, over or upon the Canal system or Canal easements without authorization under this Article is deemed a trespasser against the Corporation's property rights.
2. Prohibited Activities. Prohibited activities include, but are not limited by enumeration to, the following activities and events occurring in, under, over or upon the Canal system and Canal easements:
 - a. Dumping, depositing, discarding, abandoning, or placing of any kind or type of personal property, trash, garbage, refuse, dead animals, or any other item or thing;
 - b. Placing, storing, or maintaining any kind or type of personal property, item, device or thing;
 - c. Installing, placing, constructing or maintaining any type of building, structure or improvement including, but not limited to, houses, trailers, mobile and modular homes and structures, garages, sheds, barns, outbuildings, fences, gates, utility cables, above ground or buried utilities and related facilities, bridges, sidewalks or walkways, asphalt or other type of surfacing material and trees, shrubbery and other plantings;
 - d. Obstructing, hindering, or impeding the Corporation's operation, maintenance and repair of the Canal system or Canal easements;
 - e. Damaging, vandalizing, altering, tampering, or modifying the Canal system or Canal easements including any feature, device, or appurtenance thereof;
 - f. Altering or tampering with the setting of any headgate after setting or locking of the headgate by the Superintendent or adjusting the headgate after adjustment or locking of a headgate by the Superintendent so to receive more water than the shareholder is entitled to receive or to prevent water from being delivered to other shareholders taking water from the same headgate.

- g. Swimming, boating, kayaking, water skiing, tubing, or other water activity in, under, over or upon the water flowing in the Canal system.
 - h. Using the Canal system and Canal easements for driveways or other access to or from or for the benefit of any property by pedestrians, livestock or motorized or non-motorized vehicles, equipment, or other types of devices except that, provided the following activities do not damage or adversely affect the Canal system whether temporarily or permanently, or interfere with the operation, maintenance and repair of the Canal system:
 - i. A shareholder may temporarily use canal access roads to check, adjust and maintain delivery structures for irrigation purposes.
 - ii. A shareholder owning the land burdened by a Canal easement may temporarily use canal access roads on such shareholder's land for the irrigation and cultivation of crops, provided the shareholder shall not allow irrigation runoff from the shareholder's land to flow onto or over the canal access roads.
 - i. Granting, conveying, transferring, delegating, assigning or dedicating or purporting or attempting to grant, convey, transfer, delegate, assign or dedicate any right, title, interest or use of the Canal system, Canal easements and land burdened by Canal easements for any purpose not authorized by the Board including, but not limited to, public recreational trails or systems, public transportation, and any other category of public use; provided, however, this section shall not apply to a shareholder giving a deed of trust or mortgage to secure a debt on such shareholder's lands.
3. **Enforcement.** For any violation of this Article, or in order to protect the Canal system or easements or any feature thereof, the Corporation may exercise self-help remedies to remediate a violation where possible or exercise any other remedy provided in these Bylaws.

**ARTICLE XI – LIMITATION ON LIABILITY, LIMITATION OF ACTIONS,
ALTERNATIVE DISPUTE RESOLUTION, AND INDEMNIFICATION**

1. **Limitation on Liability.** Neither the Corporation, the members of the Board, the Superintendent or any officer, employee or agent of the Corporation shall have any liability to any shareholder for any loss, liability or damage for personal injury, property

damage or death caused by or arising from or in connection with any acts or omissions by such Board member, Superintendent or any officer, agent or employee that occurs within the course and scope of their office, employment or duties with the sole exception of acts or omissions intentionally or recklessly taken; provided, however, as to intentional or reckless acts or omissions, the liability of the Corporation, Board member, Superintendent or any officer, employee or agent shall be limited to the most current assessment against the claiming shareholder's shares.

2. Limitation of Actions. Any action by any shareholder against the Corporation, members of the Board, the Superintendent or any officer, employee or agent of the Corporation shall be brought no later than six (6) months following the date when such action accrued, or the action be forever barred. A cause of action accrues when the aggrieved shareholder knew or should have known of such cause of action in the exercise of reasonable diligence.
3. Alternative Dispute Resolution. Any claim, complaint, or cause of action by any shareholder against the Corporation, members of the Board, the Superintendent or any officer, employee or agent of the Corporation shall first be submitted to the Board for determination and resolution. In the event a claim, complaint or cause of action is not resolved after submission to the Board, then, at the election of the Board, any claim, complaint, or cause of action by any shareholder against the Corporation, members of the Board, the Superintendent or any officer, employee or agent of the Corporation shall be submitted to binding arbitration pursuant to the Colorado Uniform Arbitration Act, §13-22-201, et seq, C.R.S. In the event of arbitration, the parties shall each bear their own expenses and legal costs and fees without contribution from the other. The arbitrator is specifically prohibited from shifting fees based on any prevailing party law or standard.
4. Indemnity. Each Director and officer of this Corporation, and each person who shall serve at its request as a director or officer of another Corporation in which this Corporation owns shares of capital stock or of which it is a creditor, whether or not then in office, and his personal representatives, shall be indemnified by the Corporation against all costs and expenses actually and necessarily incurred by him or her in connection with the defense of any action, suit or proceeding in which he or she may be involved or to which he or she may be made a party by reason of his or her being or having been such Director or officer, except in relation to matters as to which he or she shall be finally adjudged in such action, suit or proceedings to be liable. Such costs and expenses shall include amounts paid in settlement, but only if the Corporation is advised in writing by its counsel that in counsel's opinion the person indemnified did not commit an act or omission for which liability may be imposed. The foregoing right to indemnification shall not be exclusive of other rights to which he or she may be entitled

as a matter of law or by agreement.

5. Not a Limitation on Defenses. Nothing contained in this Articles is intended and shall not be interpreted as a waiver, release, or estoppel to assert any defense available to the Corporation and its officers, and Directors.

ARTICLE XII - ENFORCEMENT AND REMEDIES

1. Scope of this Article. Notwithstanding anything in these Bylaws to the contrary, this Article XII shall supplement and be cumulative of any other rights or remedies provided to the Corporation or the Board in these Bylaws; provided, however, in the event of a conflict between any provision in this Article XII and any other provision of the Bylaws, then this Article XII shall govern to the extent of such conflict.
2. Violations. If a user of water delivered to the user by the Corporation fails to comply with, or violate any term or provision of these Bylaws or any rule or regulation promulgated by the Board, then the Board may exercise the rights and remedies herein.
3. Remedy for Non-Payment of Assessments. Any shareholder who fails to pay such shareholder's assessment on his stock shall be subject to the remedies as set forth in these Bylaws. In addition, a shareholder who has failed to pay his or her assessment shall have his voting power suspended until the assessment is paid in full.
4. Remedies at Law. In the event a shareholder fails to comply or violates any term of provision of these Bylaws, or any rule or regulation promulgated by the Board, then the Board may undertake such legal action against such user of water as the Board deems reasonable or necessary to recover any damages or losses incurred or suffered by the Corporation. Damages may include the Corporation's internal costs for the use of its equipment and personnel for self-help remedies or for the repair, restoration or protection of the Canal system or removal of unauthorized items on or within the Canal system and Canal easements.
5. Equitable Remedies. In the event a user of water fails to comply or violates any term of provision of these Bylaws or any rule or regulation promulgated by the Board, then the Board may undertake legal action asserting equitable remedies including, but not limited to, injunction, specific performance or other equitable remedies as are appropriate in the circumstances to prevent further violations of the Bylaws, to compel compliance with the Bylaws or to fashion an appropriate remedy for any violation of the Bylaws.

6. Self-Help. The Corporation may, but shall not be obligated to, undertake self-help to repair, restore, construct, reconstruct, remedy, or cure any user of water's violation of the Bylaws as determined in the sole and absolute discretion of the Board. Nothing contained herein is intended and shall not be construed to limit the Corporation's exercise of any other remedies at law, in equity or as provided elsewhere in these Bylaws.
7. Limitations on Voting and Holding Office. Any shareholder who fails to comply with or who violates the Bylaws, or any rule, regulation or policy of the Corporation shall have such shareholder's voting rights suspended and may not hold any office in the Corporation for the duration of time such shareholder fails to comply or is in violation of the Bylaws or any rule, regulation or policy of the Corporation.
8. Legal and Other Expenses. The Corporation may specially assess any user of water failing to comply with or violating these Bylaws or the rules and regulations promulgated by the Board for the Corporation's reasonable attorney's fees, court costs and expert witness fees for consulting, investigating, negotiating, settling, or litigating such user of water's failure to comply with or violation of these Bylaws or the rules and regulation promulgated by the Board. The Board may also assess against such user of water the internal costs of the Corporation for the costs of its employees and the reasonable value of the use of the Corporation's equipment in connection with such failure to comply or violation of these Bylaws or the rules and regulations promulgated by the Board. In any legal proceedings brought to enforce or defend any action involving a user of water's failure to comply with or violation of these Bylaws or the rules and regulations promulgated by the Board, the Corporation shall be entitled to an award of its reasonable attorney's fees, court costs, and expert witness fees and, additionally, the internal costs of the Corporation for the use of its employees and the reasonable value of the use of the Corporation's equipment.

ARTICLE XIII – MISCELLANEOUS

1. Amendments to Bylaws. These Bylaws may be amended by the affirmative vote of a majority of the Board at any general meeting, but in case of the proposed amendment of the Bylaws, notice of such proposed amendment or amendments having been given at the regular meeting preceding the meeting when the adoption of said amendment is to be considered.
2. Accounting Years. The fiscal year of the Corporation shall begin on the first day of October and end on the thirtieth day of September of each year.

THE FOREGOING AMENDED BYLAWS were adopted at a regular meeting of the Board of Directors of the Grand Valley Irrigation Company on December 4, 2025 after notice of the proposed amendments was given at the preceding regular meeting when the adoption of said amendments were considered.

The GRAND VALLEY IRRIGATION COMPANY
a Colorado nonprofit mutual irrigation company

By: John Justman
John Justman, Vice President

CERTIFICATE

I, Shirley E. Llewellyn, Secretary of the Grand Valley Irrigation Company, certify that the foregoing a Bylaws constitute the Bylaws of the Grand Valley Irrigation Company adopted by the Board of Directors on December 4, 2025.

Shirley E. Llewellyn
Shirley E. Llewellyn, Secretary