

AMENDED BY-LAWS

OF

THE WOOD-PERRY DITCH COMPANY
A Colorado Non-Profit Corporation

At the annual meeting of the WOOD-PERRY DITCH COMPANY, a Colorado Non-Profit Corporation, on the _____ day of _____, 1984, at _____ .m. at Ridgway, Colorado, the following Amended By-laws were adopted by the Corporation's Board of Directors:

ARTICLE I: OFFICES

The Corporation shall have no fixed office, except its registered office, but it shall have a mailing address which is P.O. Box 51, Ridgway, Colorado 81432, and the official office of the Corporation, at any given time, shall be the residence of the Secretary-Treasurer of the Corporation. The corporation may have such other offices either within or outside the State of Colorado as the Board of Directors may designate or as the business of the Corporation may require from time to time.

ARTICLE II: SHAREHOLDERS

Section 1: Annual Meeting. The annual meeting of the shareholders shall be held during the months of March, April or May in each year beginning with the year 1981, for the purpose of electing directors, as set forth in Article III below, and for such other business as may come before the meeting.

Section 2: Special Meetings. Special meetings of shareholders for any purpose, unless otherwise prescribed by statute may be called by the President or a simple majority of the members of the Board of Directors. The President shall call such a meeting at the request of the shareholders of not less than twenty-five percent (25%) of all of the outstanding shares of the corporation entitled to vote at the meeting.

Section 3: Place of Meeting. The Board of Directors may designate any place either within or outside Colorado as the place for annual meetings, or for any special meeting called by the Board of Directors. A waiver of notice signed by all shareholders entitled to vote at a meeting may designate any place either within or outside Colorado as the place for such meeting. If a special meeting shall be called other than by the Board, the place of meeting shall be as designated by those calling such meeting.

Section 4: Notice of Meetings. Written or printed notice stating the place, day and hour of the meeting, and, in case of a special meeting, the purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than forty (40) days before the day of meeting, either personally or by mail, by or at the direction of the president, or the secretary, or the officer or persons calling the meeting, to each shareholder of record entitled to vote at such meeting, except that if the authorized capital stock is to be increased, at least thirty (30) days' notice shall be given. If mailed such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the shareholder at his address as it appears on the stock transfer books of the corporation, with postage thereon prepaid. If requested by the person or persons lawfully calling such a meeting, the Secretary shall give notice thereof at corporate expense.

Section 5: Closing of Transfer Books or Fixing of Record Date. 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 shareholders for any other proper purpose, the Board of Directors may provide that the stock transfer book shall be closed for any stated period not exceeding forty (40) days. If the stock transfer book shall be closed for the purpose of determining shareholders entitled to notice or to vote at a meeting of shareholders, such book shall be closed for at least ten (10) days immediately preceding such meeting. In lieu of closing the stock transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of shareholders, such date in any case not to be more than forty (40) days and, in case of a meeting of shareholders, not less than ten (10) days prior to the date on which the particular action, requiring such determination of shareholders is to be taken. If the stock 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 of 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 where the determination has been made through the closing of stock transfer books and the stated period of closing has expired.

Section 6: Voting Lists. The officer or agent having charge of the stock transfer books for shares of the corporation shall make, at least ten (10) days before each meeting of shareholders, a complete list of the shareholders entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order with the addresses of and the number of shares held by each, which list, for the period of ten (10) days prior to such meeting, shall be kept on file at the principal office of the corporation, whether within or outside the State of Colorado, and shall be subject to inspection by any shareholder at any time during the usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to any inspection of any shareholder during the whole time of the meeting. The original stock transfer book shall be prima facie evidence

as to who are stockholders entitled to examine such list or transfer books or to vote at any meeting of shareholders.

Section 7: Quorum. Fifty-one percent (51%) of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. If less than fifty-one percent (51%) of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. 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.

If a quorum is present, the affirmative vote of a majority of the shares represented at the meeting entitled to vote on the subject matter shall be the act of the shareholders, unless the vote of a greater number, or voting by classes, is required by law, or the Articles of Incorporation.

Section 8: Proxies. At all meetings of shareholders, a shareholder may vote by a proxy executed in writing by the shareholder or by his duly authorized attorney-in-fact. Such proxy shall be filed with the secretary of the corporation before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the day of its execution, unless otherwise provided in the proxy.

Section 9: Voting of Shares. Each outstanding share shall be entitled to one vote, and each fractional share shall be entitled to a corresponding fractional vote on each matter submitted to a vote at a meeting of shareholders. At the election of directors, each record holder of stock entitled to vote at such election shall have the right to vote the number of shares owned by him for as many persons as there are directors to be elected and for whose election he has the right to vote. Cumulative voting shall not be allowed.

Shares standing in the name of another corporation may be voted by such officer, agent or proxy as the By-laws of such corporation may prescribe, or, in the absence of such provisions, as the Board of Directors of such corporation may determine.

Shares held by an administrator, executor, guardian or conservator may be voted by him either in person or by proxy, without a transfer of such shares into his name. Shares standing in the name of a trustee may be voted by him, either in person or by proxy, but no trustee shall be entitled to vote shares held by him without a transfer of such shares into his name.

Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his name if the

authority so to do be contained in an appropriate order of the court by which such receiver was appointed.

Corporate stock held in joint tenancy or in tenancy in common shall be voted by dividing the number of shares so held equally among the respective owners thereof, and allowing each such owner to vote the number of shares so apportioned to him for such purpose.

Section 10: Informal Action by Shareholders. Any action required to be taken at a meeting of shareholders, or any other action that may be taken at a meeting of shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of shareholders and may be stated as such in any articles or document filed with the Secretary of State of Colorado under the Colorado Non-Profit Corporation Code.

ARTICLE III: BOARD OF DIRECTORS

Section 1: General Powers. The business and affairs of the Corporation shall be managed by its Board of Directors except as otherwise provided under the Colorado Non-Profit Corporation Code or the Articles of Incorporation.

Section 2: Number, Tenure and Qualification. The number of directors of the corporation shall be three (3). The initial Board of Directors named in the Articles of Incorporation shall serve until the first annual meeting of the shareholders in April, 1981. At that time, three (3) directors shall be elected, one of whom shall be designated as a Class I director, one of whom shall be designated as a Class II director, and one of whom shall be designated as a Class III director. The Class I director shall be elected to hold office until the annual meeting of the shareholders in April of 1982; the Class II director until April of 1983; and the Class III director until April of 1984. As their respective terms expire, their successors shall each be elected for a term of three (3) years, it being the intention of this Section to provide for staggered three-year terms with election of one-third (1/3) (or in case the number of directors is altered, approximately one-third) of the total of the number of board members each year.

The Board of Directors shall have the power to increase or decrease the number of the Board from time to time by amendment to these by-laws, provided, however, that the number thereof shall not be decreased to less than three (3) members and such amendment shall not have the effect of shortening the term of any director who is serving at the time such amendment is made.

Subject to the terms of the next preceding paragraph, each director shall serve until his successor shall have been elected and qualified. Directors need not be residents of Colorado, but shall be shareholders of the corporation. Directors shall be removable in the manner provided by the Colorado Non-Profit Corporation Code.

Section 3: Vacancies. Any director may resign at any time by giving written notice to the president or secretary of the corporation. Such resignation shall take effect at the time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of the majority of the remaining directors though less than a quorum. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of shareholders called for that purpose.

Section 4: Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than by this by-law immediately after, and at the same place as, the annual meeting of shareholders. The Board of Directors may provide, by resolution, the time and the place, either within or outside Colorado, for the holding of additional regular meetings without other notice than such resolution.

Section 5: Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the president or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or outside Colorado, as the place for holding any special meeting of the Board of Directors called by them.

Section 6: Notice. Notice of any special meeting shall be given at least seven (7) days previously thereto by written notice delivered personally or mailed to each director at his business address or by notice given at least two (2) days previously by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 7: Quorum. A majority of the directors fixed by Section 2 shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 8: Manner of Acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 9: Compensation. By resolution of the Board of Directors and approval by a majority of the stockholders, any director may be paid any one or more of the following: His expenses, if any, of attendance at meetings; a fixed sum for attendance at each meeting; or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Section 10: Presumption of Assent. A director of the corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the corporation immediately after adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 11: Executive Committee. The Board of Directors by resolution adopted by a majority of a number of directors fixed by Section 2 may designate two or more directors to constitute an executive committee, which shall have and may exercise all of the authority of the Board of Directors or such lesser authority as may be set forth in said resolution. No such delegation of authority shall operate to relieve the Board of Directors or any member of the Board from any responsibility imposed by law.

Section 12: Information Action by Directors. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as the unanimous vote of the directors, and may be stated as such in any articles or documents filed with the Secretary of State of Colorado under the Colorado Non-Profit Corporation Code.

ARTICLE IV: OFFICERS AND AGENTS

Section 1: General. The officers of the corporation may be a president, one or more vice-presidents, a secretary and a treasurer. The Board of Directors may appoint such other officers, assistant officers, committees and agents, including a chairman of the Board, assistant secretaries and assistant treasurers, as they consider necessary, who shall be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the Board of Directors. The salaries, if any, of all of the officers of the corporation shall be fixed by the Board of Directors. One person may hold any two offices, except that no person may simultaneously hold offices of president and secretary. The corporation may also appoint or employ a ditch tender and his appointment shall be made by the president and his duties supervised by the president or the Water Administration Committee. The said ditch

tender shall have the care and custody of the ditch and all diversions of water therefrom. He shall make periodic inspections during the irrigating season to insure proper delivery of water to each shareholder. He shall perform the labor necessary and incidental to operation of the ditch from its headgate to the end of the ditches, including removal of debris, minor ditchbank repairs, and adjustment of flow from diversion boxes. He shall immediately report to the president or Water Administration Committee any emergency repairs which may become necessary or any unauthorized diversion of water from the ditch.

Section 2. Election and Term of Officers. The officers of the corporation shall be elected by the Board of Directors annually at the first meeting of the Board held after each annual meeting of the shareholders. If the election of the officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first of the following occurs: Until a successor shall have been duly elected and shall have qualified; or until his death; or until he shall have been removed in the manner hereinafter provided.

Section 3: Removal. Any officer or agent may be removed by the Board of Directors or by the executive committee whenever, in its judgment, the best interests of the corporation will be served thereby, and in the case of the ditch tender, may be removed by the president. Such removal shall be without prejudice to the contract rights, if any, of the persons so removed. Election or appointment of an officer or agent shall not in itself create contract rights.

Section 4: Vacancies. A vacancy in any office, however occurring, may be filled by the Board of Directors for the unexpired portion of the term, or, in the case of the ditch tender, may be filled by the president.

Section 5. President. The president shall, subject to the direction and supervision of the Board of Directors, be the chief executive of the corporation and shall have general and active control of its affairs and business and general supervision of its officers, agents and employees. He shall, unless otherwise directed by the Board of Directors, attend in person or by substitute appointed by him, or shall execute on behalf of the corporation written instruments appointing a proxy or proxies to represent the corporation, at all meetings of the stockholders of any other corporation in which the corporation shall hold any stock. He may, on behalf of the corporation, in person or by substitute or by proxy, execute written waivers of notice and consent with respect to such meetings. At all such meetings and otherwise the president, in person or by substitute or proxy as aforesaid, may vote the stock so held by the corporation and may execute written consents and other instruments with respect to such stock and may exercise any and all rights and powers instant to the ownership of said stock, subject, however, to the instructions, if any, of the Board of Directors. The president shall have custody of the treasurer's bond, if any.

Section 6: Vice-Presidents. The vice-presidents, if any, shall assist the president and shall perform such duties as may be assigned to them by the president or by the Board of Directors. In the absence of the president, the vice-president designated by the Board of Directors, or, if there be no such designation designated in writing by the president, shall have the powers and perform the duties of the president. If no such delegation shall be made, all vice-presidents may exercise such powers and perform such duties.

Section 7: Secretary. The secretary shall: (a) keep the minutes of the proceedings of the shareholders, executive committee and the Board of Directors; (b) see that all notices are duly given in accordance with the provisions of these by-laws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and affix the seal to all documents when authorized by the Board of Directors; (d) keep at its registered office or principal place of business within or outside Colorado a record containing names and addresses of all shareholders and the number and class of shares held by each, unless such records shall be kept at the office of the corporation's transfer agent or registrar; (e) sign with the president, or a vice-president, certificates for shares of the corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of stock transfer books of the corporation, unless the corporation has a transfer agent; and (g) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the Board of Directors. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

Section 8: Treasurer and Assistant Treasurers. The treasurer shall be the principal financial officer of the corporation and shall have the care and custody of all funds, securities, evidences of indebtedness, and other personal property of the corporation; and shall deposit the same in accordance with the instructions of the Board of Directors. He shall receive and give receipts and acquittances for money paid in on account of the corporation, and shall pay out of the funds on hand all bills, payrolls and other just debts of the corporation of whatever nature upon maturity. He shall perform all other duties incident to the office of the treasurer and upon the request of the Board shall make reports forthwith as may be required at any time. He shall if required by the Board, give the corporation a bond in such sums and with such sureties as shall be satisfactory to the Board, conditioned on the faithful performance of his duties and for the restoration to the corporation of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation. He shall have such other powers and perform such other duties as may be from time to time prescribed by the Board of Directors or the president. Assistant treasurers, if any, shall have the same powers and duties subject to the supervision of the treasurer.

ARTICLE V: STOCK

The shares of stock shall be represented by consecutively

numbered certificates signed in the name of the corporation by its president or a vice-president and the secretary or an assistant secretary, and it shall be sealed with the seal of the corporation, or a facsimile thereof. Certificates of stock shall be in such form consistent with law as shall be prescribed by the Board of Directors. No certificates shall be issued until the shares represented thereby are fully paid. All certificates issued shall show on the face thereof, the quantity of water represented thereby. Each share shall represent the right to use of 1/40 cubic foot per second of water from the Wood-Perry Ditch, such use to be subject to all limitations of the Articles and By-laws of this Corporation and of the laws and regulations of the State of Colorado.

Section 1. Issuance and Transfer of Shares. The shareholders of this Corporation shall, initially, be the owners of Lots 1 through 14, inclusive, Lots 21 through 23, inclusive, and Lots 27, 35, 37 and 38 of the Dallas Meadows Planned Unit Development, Ouray County, Colorado. Each certificate of stock issued shall be endorsed as follows and subject to the conditions of such endorsement:

The shares of stock represented by this Certificate are appurtenant to Lot _____, Dallas Meadows Planned Unit Development, Ouray County, Colorado, and, subject to the lien rights of the Corporation, shall not be transferred except to a subsequent owner of such lot. Use of the water represented by these shares shall be subject to all limitations imposed by the Articles and By-laws of the Corporation and the laws and regulations of the State of Colorado.

Notwithstanding any other provision of these By-laws to the contrary, the limitations on transfer and use may not be altered or amended except by unanimous approval of all shareholders of the Corporation.

Subject to the limitations set forth above, upon surrender to the Corporation of a certificate of stock, duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto and cancel the old certificate. Every such transfer of stock shall be entered on the stock book of the Corporation which shall be kept at its principal office. The Corporation shall be entitled to treat the holder of any shares of stock as a holder in fact thereof, and accordingly, shall not be bound to recognize any equitable claim to or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, except as may be required by the laws of the State of Colorado.

Section 2: Lost Certificates. In case of the alleged loss, destruction or mutilation of a certificate of stock the Board of Directors may direct the issuance of a new certificate in lieu thereof upon such terms and conditions in conformity with law as it may

prescribe. The Board of Directors may in its discretion require a bond in such form and amount and with such surety as it may determine, before issuing a new certificate.

ARTICLE VI: INDEMNIFICATION OF OFFICERS AND DIRECTORS

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 its personal representatives, shall be indemnified by the corporation against all costs and expenses actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding in which he may be involved or to which he may be made a party by reason of his being or having been such director or officer, except in relation to matters as to which he shall be finally adjudged in such suit or proceeding to be liable for negligence or misconduct in the performance of duty. Such costs and expenses shall include amounts reasonably paid in settlement for the purpose of curtailing the costs and litigation, but only if the corporation is advised in writing by its counsel that in his opinion the person indemnified did not commit such negligence or misconduct. The foregoing right of indemnification shall not be exclusive of other rights to which he may be entitled as a matter of law or by agreement.

ARTICLE VII: STOCK ASSESSMENTS

Section 1. Necessity Therefor. In order to keep its ditch in good repair, or if it is deemed necessary to raise funds to pay any indebtedness owed by the corporation for corporate purposes, the corporation shall have power to make an assessment on the capital stock to be levied pro rata on the shares of stock payable in money or labor or both, but payment in labor shall only be at the discretion of the Board of Directors. Any assessments aggregating more than Twenty Dollars (\$20.00) per share per calendar year shall require approval of the holders of a majority of the shares of the corporation. All assessments, whether made by the Board or with the approval of the shareholders, shall be due fifteen (15) days from the date on which notice of assessment is sent to shareholders.

Section 2. Methods of Collecting Assessments. The Corporation shall have available to it the following procedures for collection of unpaid assessments:

- (a) May sue the delinquent owner in any court of competent jurisdiction and, in such event, shall also be entitled to collect interest from the time of such delinquency at the rate of two percent (2%) per month for a total charge of twenty-four percent (24%), and may also recover in such proceeding, court costs and a reasonable attorney's fee.

(b) Each shareholder in the Corporation shall, by the acceptance of the shares of the Corporation or by signing a contract or agreement to purchase a lot in Dallas Meadows Planned Unit Development which has shares of Wood-Perry Ditch Company appurtenant thereto, whether from owners or a subsequent owner of said lot and shares, bind himself, his heirs, personal representatives and assigns to pay all charges determined and levied upon said shares as are appurtenant to said lot, including interest thereon, and collection costs thereof, if any, including reasonable attorney's fees; and the obligation to pay such charges, interest and cost thereby creates an obligation running with the land to which said shares are appurtenant. Sale or transfer of any lot shall not affect any liens or charges provided herein.

Section 3. Enforcement of Liens. If the Corporation elects to enforce its lien for the nonpayment of assessments, interest and costs, it shall cause a notice of said lien to be recorded in the Office of the Clerk and Recorder of Ouray County, Colorado and a copy of said notice to be mailed to the owner of the land and stock, such mailing to be by certified mail, return receipt requested at the last address of said owner shown on the books of the Corporation. All liens herein provided for shall be enforceable by foreclosure proceedings in the manner provided by law for the foreclosure of mortgages and/or deeds of trust; provided, however, that no proceeding for foreclosure shall be commenced except upon the expiration of four (4) months from and after the date the charge giving rise to such lien becomes due and payable. Liens created by first mortgages and/or first deeds of trust placed upon any lot for the purpose of constructing a residence or other improvements thereon which are recorded in accordance with the laws of the State of Colorado, shall be, from the date of recordation of such, superior to any and all liens provided for herein. No liens for unpaid charges or assessments shall be valid as against innocent good faith purchasers for value, mortgagees or holders of deeds of trust unless and if said liens have been first placed of record prior to the recordation of the instruments of conveyance or mortgage.

ARTICLE VIII: DIVISION OF EXPENSES

Section 1. Description of Ditch. The Ditch and its easements to be administered by the Corporation shall be the Wood-Perry Ditch from its point of diversion on the south bank of Dallas Creek, thence running in a northeasterly line, more or less, to a point on the west boundary of the Dallas Meadows P.U.D. according to the master plan thereof on file in Ouray County public records, the Ditch then splits, the first section of Ditch running in an easterly line, more or less, to the west boundary of Lot 14 (henceforth referred to as the South Ditch). The second section of Ditch running in a northerly line more or less, within the west boundary of the Dallas Meadows P.U.D., thence running in a northeasterly line, more or less, within the east boundary of Dallas Meadows P.U.D. to the west boundary of Lot 5 (henceforth referred to as the West Ditch). The last section of Ditch trends in an

east-northeasterly line, more or less, splitting within Lot 21 with one section of the Ditch running east-northeasterly, more or less, to the south end of Lot 9, and the second section of Ditch running in a northeasterly line, more or less to the south boundary of Lot 5 (henceforth referred to as the Diagonal Ditch). The responsibility of this Corporation for administration and maintenance of the Ditch ends at said points. Operating and maintenance expenses incurred on the various laterals of the Ditch below this point shall be paid by the individuals benefitting therefrom and shall not be charged to the Wood-Perry Ditch Association. By accepting stock in the corporation, each shareholder agrees to share, in an equitable manner, the expense of conveying water through the various laterals to his property. In the event any dispute arises concerning such costs, each shareholder, by accepting stock, agrees that such dispute shall be submitted to the Water Administration Committee for informal arbitration and that such informal arbitration shall be binding for all purposes. Failure by a shareholder to comply with the decision of the Water Administration Committee in these matters may be treated by the Corporation as a failure to pay assessments and the decision of the Water Administration Committee may be enforced in the same manner as enforcement of assessments as set forth in Article VII.2 and 3 above.

ARTICLE IX: WATER ADMINISTRATION

Section 1. Water Administration Committee. There shall be appointed, by the Board of Directors, a Water Administration Committee, consisting of at least five (5) shareholders of the Corporation, each member to serve for a term of one (1) year. The Administration Committee shall have the responsibility of developing and implementing a plan for conveyance of water from the Wood-Perry Ditch to the various properties owned by the shareholders of the Corporation. In accepting stock in the Corporation, each shareholder agrees to do nothing to interfere with such reasonable plan of water distribution as may be developed by the Water Administration Committee. Each shareholder further agrees to do nothing to interfere with the flow of water over or across his property in the manner in which said water has historically flowed or in such other manner as the Water Administration Committee may determine is necessary to convey water to other properties, provided that the plan developed by the Water Administration Committee shall not unreasonably interfere with the shareholder's right to use such property.

The Water Administration Committee shall act as the liaison between the Corporation and the ditch tender. The ditch tender shall be responsible for day-to-day administration of the water in the Ditch and his decisions shall be appealable to the Water Administration Committee. Failure of a shareholder to comply with the decisions of the Water Administration Committee shall subject that shareholder to nondelivery of the shareholder's entitlement of irrigation water until such shareholder comes into compliance. In addition, any aggrieved shareholder or the Corporation may enforce the decisions of the Water Administration Committee in any other manner which may be provided by law, including, but not limited to, injunctive action or actions for damages.

ARTICLE X: OTHER OWNERS OF WATER IN WOOD-PERRY DITCH

Section 1. The Corporation shall coordinate, whenever possible, with the holders of other interests in the Wood-Perry Ditch, in order to insure the overall maintenance and administration of water within the Ditch. The Water Administration Committee shall have initial responsibility for such coordination.

ARTICLE XI: MISCELLANEOUS

Section 1: Waivers of Notice. Whenever notice is required by law, by the certificate of incorporation or by these laws, a waiver thereof in writing signed by the shareholder or other person entitled to said notice, whether before, at or after the time stated therein, or his appearance at such meeting in person or (in case of shareholders' meetings) by proxies shall be equivalent to such notice.

Section 2: Seal. The corporate seal shall be circular in form and shall contain the name of the corporation and the words "seal, Wood-Perry Ditch Company, Colorado".

Section 3: Fiscal Year. The fiscal year of the corporation shall begin on the first day of January, and end on the last day of December.

Section 4: Amendments. Subject to limitations set forth above, the Board of Directors shall have the power to make, amend and repeal the by-laws of the corporation at any regular meeting of the Board of Directors or at any special meeting called for that purpose. Any amendment made by the Board of Directors may be overruled by vote of the holders of the majority of the shares of stock in the Corporation at a subsequent regular meeting of the shareholders or at a special meeting called for that purpose.

Director

Director

Director