

BY-LAWS OF THE CEDAR MESA DITCH COMPANY

Adopted Feb 29, 1992 In Cedaredge, Colorado

ARTICLE I

The name of the Company shall be the Cedar Mesa Ditch Company,  
a Non-Profit Corporation.

ARTICLE I I

PURPOSES

The purposes of this Company shall be the same as stated in the Articles of Incorporation and primarily to acquire, own, operate and maintain irrigation ditches. To appropriate or acquire by purchase, or otherwise, water rights for the use of the stockholders of the said Company, both from natural streams and from other ditches or reservoirs.

To acquire by purchase, or otherwise, all necessary or desired right of ways for ditches, reservoirs, and laterals to serve as carriers of water to the stockholders of said Company. To purchase or otherwise acquire water rights and ditch rights and to own and hold corporate stocks representing such rights.

To levy and collect assessments upon the issued stock of this company.

To do all acts and things necessary, expedient or usual to the carrying out of the business hereinbefore set forth and all things incidental to a mutual ditch company whether hereinbefore enumerated or not.

ARTICLE I I I

MEETINGS OF SHAREHOLDERS

Section 1. Annual meetings of the shareholders for the annual budget review/approval, establishment of assessments, review of upcoming projects, election of Directors and for other purposes shall be held in Cedaredge, Colorado, or at such other place as the Board of Directors may designate on the last Saturday in February of each year at the hour of 1:30 p.m. or as soon thereafter as said shareholders not less than 30 or more than 50 days before the date of the meeting. Said notice shall be signed by the President and Secretary-Treasurer and also published in the Delta County Independent , Delta County, Colorado.

Section 2. If for any reason an annual meeting should not be called within the time specified in Section 1, then a meeting of the shareholders may be called at any time thereafter by the notice provided for in Section 1, or by notice mailed to each of the shareholders signed by two or more of the shareholders given in accordance with the method described in Section 1.

Section 3. Special meetings of the shareholders of this Company may be called by the Directors at any regular or special meeting of the Directors by motion passed by a majority of the Board. Special meetings of the shareholders shall be called by the Directors upon written request signed by not less than one-tenth of all stock issued and published as required in Section 1; provided that such requests shall state the general nature of the business to be transacted and no other business shall be transacted at such special meeting.

Section 4. At all meetings of the stockholders a quorum shall be present upon showing made of the presence, either in person or by proxy, of at least fifty-one per cent of the outstanding capital stock, which quorum shall have full authority to transact all business of the stockholders except as required by the laws of the state of Colorado. If there is not a quorum present, those present may adjourn the meeting.

#### ARTICLE IV ELECTIONS

Section 1. Any shareholder shall be entitled to as many votes at an annual or special meeting of the shareholders as he holds shares of stock in this Company--cumulative voting not allowed.

Section 2. Any shareholder may appoint any reputable person to act as his proxy. Such proxy shall be in writing, designating the number of shares held and shall be signed by the shareholders so appointing the proxy. All such appointments shall also designate the duration of such authority.

Section 3. At the annual meeting of the shareholders of said corporation to be held on the last Saturday in February of each year, an election of five Board of Directors shall be held by and from the number of those who are shareholders in said corporation. The five candidates receiving the highest number of votes shall serve a one year term commencing with the date of their election and running up to the time their successors are elected at the annual meeting of said corporation to be held the next succeeding year.

Section 4. At any annual meeting the president, vice-president, or secretary in that order, or in their absence, any member shall call the meeting to order and thereupon the shareholders present shall elect one of them to preside as chairman of the meeting. If it is a meeting for the election of Directors, the chairman shall immediately appoint a committee of three for the purpose of examining and reporting upon the proxies present.

Section 5. This committee shall take the names of those voting and the authority of those voting as proxies, together with the number of votes held by each member or by each proxy, and shall count the ballots cast and keep a list of all names voted for and the number each receives, and shall report the results of the same to the chairman who shall declare the five shareholders receiving the highest votes duly elected.

Section 6. The report of such committee, as herein provided for, shall be entered upon the journal, such journal shall be a part of the Company's records , kept for that purpose by the Secretary-Treasurer of the Company.

Section 7. At the option of the holders of the majority of the stock represented at the meeting, elections shall be by written or printed ballot, on which shall be written the name of the person nominated and opposite each name voted for shall be the number of shares voted for that person, except when the Secretary is instructed by a majority vote of those present to cast a unanimous vote for any one or more Directors.

Section 8. In case any member offering to vote as proxy, or by his own stock, is challenged, the shareholders present shall decide by a majority vote the questions of allowing such vote to be cast.

## ARTICLE V

### OFFICERS

Section 1. Immediately after the annual election, as provided by these By-Laws, the Board of Directors shall elect by ballot, each Director being entitled to one vote in person, a President, Vice-President, Secretary, and Treasurer from their number of the Board of Directors, said officers to hold office for one year, or until their successors shall be elected and duly qualified. The Secretary-Treasurer may be assigned as either one position or separately as considered necessary.

Section 2. The Board of Directors may, at their option, require bond of Secretary / Treasurer commensurate with assigned responsibilities, with the expense of the bond to be paid by the Company.

Section 3. The Board of Directors may appoint for any time not longer than one year, any other officer or agent that in the discretion of the Board may be necessary.

Section 4. The Board of Directors shall have full control of all the Company's business, approve all bonds, direct the execution of all works, contract for the same, audit and pass upon all bills, direct the amount of force to be employed, determine when and what work shall be done, or the Board may appoint any agent, or agents, subject to the control of the Board, to do such of these things as may seem best.

Section 5. The Board may from time to time require faithful performance bonds of any of its officers or agents.

Section 6. The Board shall meet as often as it is necessary to properly and faithfully transact the business of the Company. Special meetings of the Board may be held at any time and called by the President or Secretary. A majority of the Board shall constitute a quorum for the purpose of doing business.

Section 7. All vacancies occurring in the Board of Directors by death, resignation or otherwise, shall be filled by a vote of a majority of the remaining members of the Board. If no consensus is reached by the remaining Board members, they shall be required to call a special meeting of the shareholders to resolve the vacancy question.

## ARTICLE VI

### PRESIDENT

Section 1. The President shall be the chief executive of the Company; he shall sign all official papers and documents of the company; preside at all meetings of the Board and attend to all the duties such as the Board of Directors may direct, and he shall make a full report of all his acts, as such officer for the Directors and shareholders and present same at the annual meeting of the stockholders. During adjournment of the Board, the President shall have all executive authority of the Board.

### VICE-PRESIDENT

Section 2. The Vice-President shall discharge all duties of the President in the absence of the President, or upon his failure to act. In case the President and Vice-President are absent or fail to act, the Board of Directors may elect a President pro tempore.

### SECRETARY-TREASURER

Section 3. The Treasurer shall be the custodian of all moneys, bonds and notes belonging to the Company and shall pay out the same with all checks to be signed by the President or Treasurer; shall keep an account with the Company and himself in a book provided for that purpose and shall make a full report of the accounts at each annual meeting. The Treasurer shall keep separate accounts between the shareholders and the Company, in which shall be shown the interest of the Company held by each member and the amount of assessments paid thereon, and shall give a report of any or all such matters at any time when directed to do so by the Board of Directors. The secretary-Treasurer shall allow or permit no offsets or exchange of accounts due to or from this Company but shall make all disbursements by check.

Section 4. The Secretary shall keep a book record of the proceedings of the Board of Directors and of meetings of the shareholders; shall keep the seal of the Company; he shall attest by his signature and Seal of the Company all official documents of the Company. The Secretary shall keep a complete set of records showing all the accounts, property and transactions of the Company; shall carefully examine all bills due or against the Company; shall collect and deliver to the Treasurer all assessments and moneys due the Company and shall annually make a report of this office, or oftener if so ordered, to the Board of Directors.

Section 5. The Secretary and Treasurer shall submit their books for audit after January 31 of each year and prior to the annual meeting and present the auditor's report at the Annual Meeting to be passed on by the stockholders and filed for record.

#### ARTICLE VI I

#### CERTIFICATES OF STOCK

Section 1. Certificates of stock shall, upon full payment therefore , be issued under the seal of the Company and shall be signed by the President and Secretary-Treasurer of the Company. No transfer of the stock shall be allowed except upon surrender and cancellation of the old certificate, and the Secretary- Treasurer shall have the old certificate cancelled before signing or issuing a new one; provided that no certificate of stock shall be transferred while the assignor of such certificate shall be indebted to the Company. A bond of sufficient security shall be required in replacement of lost stock. The responsibility for transfers, recording, completion of new certificates of stock may be assigned by Board majority vote to another person other than a board member.

Section 2 Stock in the Cedar Mesa Ditch Company will not be transferred in amounts of less than one full share, unless each transfer constitutes the entire ownership of stock in the company and is conveyed to a new owner in a single undivided transfer.

#### ARTICLE VI I I

#### TRANSFER AND ACCOUNT BOOKS

The transfer stock and account books shall be closed on and as of Monday preceding the Annual Meeting.

#### ARTICLE I X

#### ASSESSMENTS AND FORFEITURES

Section 1. All assessments upon shares of stock shall be levied by a majority vote of stockholders present at the Annual Meeting entitled to vote, or may be levied at a special meeting of the stockholders called for that purpose. All assessments shall be paid in cash/check, and all such assessments shall be demanded in a general call pro rata upon all shares of stock is sued or subscribed for, and/or by the proportionate levy determined by the amount of water delivered to the shareholder in the preceding season .

Section 2. The Secretary shall keep a record of the names of stockholders to whom such notice is given and record of the time and manner of serving notice, and if service is had by depositing notice in the post office, the address to which notice is directed shall be given in such records.

Section 3. In all cases of assessments levied, all stock, upon which such assessments remain due and unpaid, for a period of thirty days after notice given as provided for in Section 1 of this said Article may, at the option of the Board of Directors, bear a penalty of 10% and be declared forfeited by the Board of Directors and such forfeit of stock shall be advertised for sale in one of the newspapers published in or near said Delta, Colorado, at the cost of the delinquent stockholders, and if sold, the amount received therefor, over and above the assessments thereon and the amount due the Company, shall be returned to the owner of said stock. A notice to delinquent stockholders, and if sold, the amount received therefor, over and above the assessments thereon and the amount due the Company, shall be returned to the owner of said stock. A notice to delinquent stockholders shall be sent by registered mail.

## ARTICLE X

### AMENDMENT OF BY-LAWS

Section 1. These By-Laws shall not be amended or altered except at a regular meeting of the stockholders and then only upon notice of the proposed amendment having been offered in writing and filed with the Secretary-Treasurer at least 30 days before the Annual Meeting.

## ARTICLE XI

### RECALL

Section 1. At any time after a Director has served for more than 60 days, a Petition for his recall may be filed with the Secretary-Treasurer. If the Petition contains signatures representing at least 25% of the shareholders, the Board shall schedule an election to determine whether the challenged member shall retain office. This election shall be held within 30 days of the filing of the Petition. If the Director is recalled, the vacancy will be filled as provided in Article V, Section 7.

## **Article XII Amendment to the By-Laws - Adopted February 24, 1996**

Stock in the Cedar Mesa Ditch Company will not be transferred in amounts of less than one full share, unless each transfer constitutes the entire ownership of stock in the company and is conveyed to a new owner in a single undivided transfer.

## **Article XIII**

### **Amendment to the By-Laws-Adopted February 26, 2000**

The minimum turn will be for no less than .25 cfs, (1/4) of water.

### **Amendments to the By-Laws-Adopted February 28, 2026**

#### Article IX, Assessments and Forfeitures

Deleted – Section 4            No stockholder shall carry in the Cedar Mesa Ditch more water than the ratio of the number of shares owned by him to the total outstanding shares of the Company bears to the carrying capacity of the ditch.

#### Article II, Purposes

~~To levy and collect assessments upon the issued stock of this company or issue and sell additional stock for the purpose of maintenance, repair, operation, reconstruction and relocation of ditches, reservoirs and irrigation facilities owned by or in which this company shall acquire an interest.~~

#### Article VII , Certificates of Stock

Added - Section 2    Stock in the Cedar Mesa Ditch Company will not be transferred in amounts of less than one full share, unless each transfer constitutes the entire ownership of stock in the company and is conveyed to a new owner in a single undivided transfer.

## Article XII

### Ditch Operation and Maintenance

#### SECTION 1. Ditch Lateral Diversion Gate Operation:

Once a headgate is set (open/closed) by the Ditch Rider, the gate will not be readjusted without prior permission of the Ditch Rider.

The Ditch Rider's headgate setting is determined by decree water availability, ditch evaporation/seepage, individual shareholdings (ratio of owned shares over total company stock), and/or reservoir orders.

In case of emergencies (flooding/delivery system problems), a gate owner may immediately close their gate with notice to the Ditch Rider. Any unauthorized gate operation/adjustments may result in a permanent closure/locking of the gate by the Ditch Rider.

SECTION 2. Lateral diversion Structure Maintenance: As the employed company ditch rider's primary responsibility is to operate and control delivery flows, routine structure maintenance shall be done by owner(s) of structure.

Pipeline diversion structures and headgates: All maintenance performed on pipeline structures will be performed by either Ditch Company employees or Company hired contractors. Depending on the nature of required maintenance, routine and/or repair, costs may be borne by the structure shareholder.

Open Main Ditch Diversion Structures: These structures include the concrete headgate structure, slide/channel gate, spill boards, Parshall flume and ditch channeling. Routine maintenance includes weed/trash removal, spill board replacement, minor concrete repairs, gate repairs/replacement, diversion board replacement, lateral ditch channeling, and Parshall Flume repairs/replacement.

#### SECTION 3. Lateral Diversion structures (Headgates) construction/installation:

Concrete Structures: No new or replacement ditch diversion structure shall be installed without written BOD approval. For approval, the shareholder shall submit a detailed drawing of the proposed new or replacement structure. Structure designs shall conform to NRCS specifications for adequate flow rate/control/operation, reinforcements, concrete specifications, and trash/debris removal. All costs associated with structure design and construction will be the sole responsibility of the shareholder.

Pipeline Headgate (valve and concrete boxes): Any changes (replacement/upgrade) to currently installed structures or new installations will be subject to BOD written approval. All changes/new installations will be conducted by an approved contractor and paid for by the shareholder.

Upon BOD review and approval of design drawings the BOD will give preliminary written permission as to when construction shall commence, to not interfere with water delivery. This preliminary approval will allow the excavation (including removal of any old structures) and installation of concrete forms.

After completion of the project, a final inspection and approval of the structure shall be conducted by the BOD prior to use/water delivery. Of special note: The CMD BOD has the sole discretion and approval authority for all diversion structures in the CMD, regardless of design or intended use.

Note: Pumping or syphoning of ditch water is not an authorized means of diversion and shall not be employed.

SECTION 4. Headgate sharing: As several headgates historically serve more than one shareholder, new sharing of headgates may not be done without written permission from the original shareholder (owner) and BOD