BY-LAWS
OF
MARSHALLVILLE DITCH COMPANY

January 24, 2015

ARTICLE I. NAME

Section 1. The name of this Ditch shall be Marshallville Ditch Company, in Boulder County, State of Colorado.

Section 2. The headgate is located in SW¼ of SE¼ Section 16, T1S, R70W.

Section 3. First decree No. 14. Enlargement No. 33. Decreed for 14.76 cubic feet per second from June 1, 1865. Decreed for 31.92 enlargement June 20, 1878. Capital stock $4,000 in 80 shares of $50.00 each. Corporation renewed and extended to June 3, 1938.

ARTICLE II. PURPOSE OF DITCH

Section 1. The Purpose of the Ditch is to transport irrigation water to farmland.

ARTICLE III. STOCKHOLDERS

Section 1. The annual meeting of the stockholders of the Company shall be held at a place designated by the Board of Directors, at ten a.m. on the fourth Saturday in January of each year, for the purpose of electing (5) five directors and for the transaction of such other business as may be brought before the meeting.

Section 2. Special meetings of the stockholders may be called by the Board of Directors, upon notice as required by law.

Section 3. A majority of the stock issued and outstanding shall be required to constitute a quorum at any meeting of the stockholders.

Section 4. At each meeting of the stockholders every stockholder shall be entitled to one vote in person or by proxy for each share of stock registered in his or her name.

ARTICLE IV. DIRECTORS/OFFICERS

Section 1. The property and business of the corporation shall be managed by a board of five (5) directors, who shall be elected from the stockholders or stockholder representative and shall hold office for one year or until their successors are elected and qualified. If the office of any director becomes vacant by death, resignation, disqualification, or otherwise, the remaining directors may by a majority vote, elect a successor, who shall hold office for the unexpired term of the director whose place shall be vacant, and until the election of his successor.

Section 2. Regular meetings of the Board of Directors shall be held quarterly in January, April, July and October of each year. No notice shall be required of any such regular quarterly meeting of the Board.

Section 3. A majority of the directors shall be necessary to constitute a quorum for the transaction of business.

Section 4. Special meetings of the Board shall be held whenever called by the President, or by a majority of the Board of Directors. Notice of each special meeting of at least five days shall be given to each director, but such notice may be waived by any director.

Section 5. At the first regular meeting of the Board of Directors in each year (at which a quorum shall be present) held next after the annual meeting of the stockholders, the Board of Directors shall proceed to the election of the executive officers of the Company, electing one person to each position of president, vice president, and that of secretary/treasurer.

Section 6. The Board of Directors may appoint such other officers as they shall deem necessary, who shall have such authority and shall perform such duties as from time to time may be prescribed by the Board of Directors.

Section 7. A Ditch Superintendent shall be chosen annually by the directors. Such Superintendent shall perform the duties usually assigned to Ditch Superintendent.

ARTICLE V. DUTIES OF DIRECTORS

Section 1. The President shall:

a. Be the chief executive officer and head of the Company;
b. In absence of the Board of Directors shall have general charge, control and management of its business and affairs, subject, however, to the right of the directors to delegate any specific power, except such as may by statute be exclusively conferred on the President, to any other officer or officers of the Company;
c. He shall preside at all meetings of the stockholders and of the Board of Directors.

Section 2. The Vice President shall be vested with all the powers and shall perform all the duties of the President in his absence or disability, and at any time during which the office or the President of the Company shall be vacant.

Section 3. The Secretary shall:

a. Keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the stockholders;
b. Record such minutes in books provided for that purpose;
c. Perform all duties usually incident to the office;
d. At all times be subject to the orders of the Board of Directors;
e. Keep an assessment book showing the number of shares of stock owned by each stockholder, the date and amount of any and all assessments levied thereon, the date when such assessments are due and payable, and the date of payment thereof by each stockholder;
f. The Secretary of the Company shall be custodian of the stock book.

Section 4. The Treasurer shall:

a. Have custody of all the funds and securities of the Company which may come into their hands;
b. Keep full and accurate accounts of all receipts and disbursements in books belonging to the Company;
c. Deposit all moneys and other valuable effects in the name and to the credit of the Company in such depositories as may be designated by the Board of Directors;
d. He shall disburse the funds of the Company, taking proper vouchers for such disbursements;
e. Sign all checks made by the Company;
f. Render to the directors, at the regular meeting of the Board or whenever they may require it, a full account of all transactions and a report of the financial condition of the Company.

ARTICLE VI. STOCK

Section 1. Certificates of stock shall:

a. Be signed by the President and countersigned by the Secretary;
b. Shall be numbered and registered in the order in which they are issued;
c. Shall be bound in a book and shall be issued in consecutive order therefrom; the record shall show names of the persons owning the shares therein represented, the number of shares and the date thereof.

Section 2. All certificates exchanged or returned to the Company shall be marked "Canceled" with the date of the cancellation, and each canceled certificate shall be preserved. No new certificate shall be issued until the old certificate has been itself canceled; provided, however, that in case any certificate shall be lost, the directors may order a new certificate to be issued in its place upon receiving such proof of loss and such security therefor as may be satisfactory to them.

Section 3. In case of the sale of any shares of stock for nonpayment of assessments, in case the delinquent stockholder fails to surrender his certificate or certificates of stock to the Secretary of the Company upon demand, then the Secretary may issue a new certificate to the purchaser of said stock at such sale, and shall make proper entries in the books and records of the Company showing that said stock has been sold to pay assessments and that a new certificate or certificates have been issued, therefor; thereupon all outstanding certificates held by such delinquent stockholder shall be void and of no effect.

Section 4. Transfer of shares shall be made only on the books of the Company by the holder in person, or by Attorney duly authorized, upon surrender of the certificate properly endorsed and upon payment of all assessments previously levied.

Section 5. On or after January 27, 1996, a share certificate shall not be divided so as to result in a share certificate for less than one-half of a share nor representing a fractional number of shares, except for one-half (½) a share or multiples thereof. If a share certificate representing a number of shares which is not a multiple of one-half is to be divided, one or more of the share certificates must be for one-half of a share or multiples of one-half and no certificate may be less than one-half of a share. For example, if a share certificate representing 1½ shares is to be divided, one share certificate must be issued for 1 share and the other must be for ½ share. Existing nonconforming share certificates are grandfathered, and may be transferred and divided, but the number of nonconforming share certificates may not be increased. For example, if an existing share certificate for 1¼ shares is to be divided, it may only be divided into one certificate for 3/4 of a share and one certificate for ½ of a share since that neither results in a certificate for less than one-half nor does it increase the number of nonconforming certificates. Neither certificate issued in this example can be further divided. The Directors of the Company may except certain transfers from this by-law for good cause shown.

ARTICLE VII. ASSESSMENTS AND TRANSFERS

Section 1. The stockholders may, at any annual meeting or at any special meeting duly called, make an assessment on the capital stock of the Company for the purpose of raising funds for the care, management, maintenance, operation or repair of the property of the Company, or to raise funds to pay any indebtedness of the Company, or any interest thereon, and may fix the date when such assessment shall become due and payable. All such assessments shall be levied pro-rata on the shares of stock and shall be payable in money only. In case said stockholders fail to make an assessment prior to the first day of April in any calendar year, then the directors of the Company shall have power to make any such assessment with the same force and effect as though it had been made by the stockholders.

Section 2. Interest at the rate of one percent per month shall be paid on all delinquent assessments, from the date when the same becomes due until paid. In case of the failure, neglect or refusal of any stockholder to pay any such assessment on or prior to the date when the same becomes due and payable, all stock standing on the books of the Company in the name of the delinquent stockholder may be sold by order of the Board of Directors at public sale, and the proceeds of such sale applied in payment of the costs and expenses of such sale and to the payment of such delinquent assessment or assessments, with interest; the balance of such proceeds, if any, shall be paid over to such delinquent stockholder. No sale of stock under this provision shall be made until thirty days prior written notice, stating the time and place of such sale, shall have been duly delivered in person to such delinquent stockholder, or duly mailed to the last known address of such stockholder. A first and prior item shall be, and is hereby, reserved by the Company on all stock to secure the payment of any such assessment.

Section 3. Fractional shares in amounts less than one share shall be treated as if they were full shares.

Section 4. Transfer fees shall be determined annually by the Board of Directors.

ARTICLE VIII. DIVISION OF WATER, BOXES AND BRIDGES

Section 1. The water at any time flowing in the main ditch shall be divided among the stockholders pro-rata according to the shares held by each stockholder, respectively.

Section 2. All water taken from the main ditch shall be taken out only through division boxes as set in the side of the main ditch for that purpose, securely fixed so as to prevent any washing of the banks of the ditch, so arranged that the water can be measured, and with a proper sliding gate so as to shut off or let on the water, as the case may require.

Section 3. Said box, in each case, shall be securely attached to another box laid in the main ditch, which main box shall be six feet wide inside, and not less than fourteen feet long, the lumber and material of which shall be not less than two inches in thickness; provided, that all such boxes may be constructed of cement in accordance with such specifications as may be prescribed by the Board of Directors.

Section 4. The bottom of said main ditch box in no case shall be higher or lower than the bottom of the ditch at the upper end of the box where the water enters same, and the bottom of said main ditch box shall be level crosswise and lengthwise.

Section 5. As to all the division boxes hereafter constructed, the upper side of the division shall be at least six feet from the upper end of the main box; and a two inch thick division board shall be set in said main box, parallel with the side of the box, to turn the water into the division box.

Section 6. Immediately above the division boards, touching the same and extending entirely across the box at right angles with the sides, shall be placed a check at least six inches high, so placed that it can be raised from time to time to allow the sediment to wash away from it.

Section 7. All main ditch boxes must be so placed that their sides are in line with the ditch above, and said ditch must be substantially straight for a distance of at least fifty feet above the box.

Section 8. In each instance the entire expense for the material and construction of said main box and said division box, and the maintenance and repair of the same, shall be paid by each stockholder using the same.

Section 9. Bridges shall be constructed so as not to obstruct the natural flow of the water through the ditch and no lower than three feet above the bottom of the ditch. All bridge abutments shall be constructed no less than six feet apart. All plans for such bridges shall be submitted and approved by the directors before construction is commenced. When wing walls are required they must be a minimum of six (6) feet long and as high as the bridge, the angle and depth into the bank to be determined by the Board of Directors.

Section 10. On or before April 1st of each year any stockholder desiring to make any change in the place or manner of drawing water from said ditch to which he is entitled shall be make request for such change to the Superintendent in writing, stating therein the division boxes through which he desires to draw said water and the number of shares he desires to draw through each box.

Section 11. Before the irrigation season begins the Superintendent may set all division boxes so as to deliver to each stockholder the water to which he is entitled through the box or boxes requested by him, and may reset the boxes at any time during the irrigation season if the same can be done without injury to any other stockholders or through the boxes through which he has theretofore drawn his water where no request for change is made as above provided, and therefore no change shall be made during that irrigation season in any division box, or in the place or manner of drawing water from said ditch.

Section 12. The Board of Directors may grant to any stockholder of said ditch, the privilege to run water from other sources through the channel of said Marshallville Ditch at times only when said ditch is not carrying Company water as by its decree provided stockholder so using said channel shall pay the Superintendent of said ditch for his services and all other expenses incurred by this use of channel of said Marshallville Ditch.

ARTICLE IX. SALE OF SHARES OF STOCK

Section 1. Any stockholder (the “offering stockholder”) desiring to sell any shares of stock in the Company to a non-stockholder separate from the sale of the land on which those shares are used can only accept cash offers in United States dollars and must first offer to the Company and to the other stockholders the opportunity to purchase said shares (the “offered shares”) on the same basis as offered to the offering stockholder by a non-stockholder (the “offered basis”). The offered basis must be forwarded by certified mail, return receipt requested, or by hand delivery to the Company in care of the Secretary and copy to the President, whose names and addresses can be obtained from any Company officer.

Section 2. The Secretary shall mail copies of the offered basis to all Company stockholders at the expense of the offering stockholder. The Company and the stockholders shall have thirty (30) days after mailing of the offered basis by the Secretary to accept the offer. To be valid, an acceptance must be equal to or greater than the offered basis. Acceptance by a stockholder shall be accomplished by certified mail or by hand delivery of the written notice of acceptance to the Company and offering stockholder. The Company shall accept an offer by mailing or delivering written notice of acceptance to the offering stockholder. The offering stockholder may withdraw the offer to sell at any time during the process; an accepting stockholder may withdraw an acceptance at any time during the process.

Section 3. A stockholder has preference to purchase the offered shares if both the Company and a stockholder accept at the same price. If more than one stockholder accepts at the offered basis or higher, the accepting stockholder offering the highest price shall purchase the shares. If more than one stockholder accepts at the same offered basis or same higher price, those stockholders shall be notified and shall have ten (10) days to improve their offers and the accepting stockholder offering the highest price shall purchase the shares. If more than one stockholder improves their offering by the same amount, the process shall be repeated. If none of the accepting stockholders improve their offers, the offering stockholder shall determine which stockholder to sell to.

Section 4. If no written notice of acceptance is received by the offering stockholder within the time period outlined above, the offer shall be deemed to have been rejected and the offering stockholder may sell the offered shares to a non-stockholder according to the offered basis. Copies of the closing documents of the sale must be delivered to the Company showing that the sale occurred according to the offered basis.

ARTICLE X. NOTES

Section 1. Unless the Board of Directors shall otherwise order all notes and acceptances shall be signed by the President and Treasurer.

ARTICLE XI. FISCAL YEAR

Section 1. The fiscal year of the Company shall begin January first of each year.

ARTICLE XII. AMENDMENT TO BY-LAWS

Section 1. The by-laws may be amended at any called meeting by a two-thirds (2/3) vote of the stockholders. Ten days' notice shall be given to all stockholders prior to any called meeting of the stockholders.

ARTICLE XIII. GOVERNING RULES OF ORDER

Section 1. The rules contained in Robert's Rules of Order Newly Revised shall govern in all cases to which they are applicable, and in which they are not inconsistent with the by-laws of the Marshallville Ditch Company, Inc.

ARTICLE XIV. CHANGES OF COMPANY WATER RIGHTS

Section 1. Any stockholder ("applicant") desiring a change of water right, including, but not limited to, a change in point of diversion or place of use of any water that the applicant is entitled to receive as a result of stock ownership must first make a written application therefor to the Directors of the Company. A change of water right shall include the use of water the shareholder is entitled to as a result of stock ownership as augmentation water in a plan for augmentation or exchange. The request should detail the requested change and include adequate terms and conditions to prevent injury to the Company and its shareholders. If, in the reasonable opinion of the Directors, such change may be approved without injury to the Company and all of its stockholders, the Directors shall then approve the change application subject to necessary terms and conditions. In evaluating whether the requested change of water rights can be made without injury to the Company and its shareholders, the Company may obtain an engineering and legal analysis of the requested change by the applicant and the terms and conditions offered by the applicant.

Section 2. The Company shall evaluate the application for change of water right with diligence and reach a decision within a reasonable amount of time.

Section 3. No application for approval of a change of water right or plan for augmentation as described above may be made to the District Court for Water Division No. 1, State of Colorado ("Water Court"), unless the same has been approved by the Company. If an application has been approved by the Company, the applicant must include terms and conditions at least as stringent as those approved by the Company in an application to the District Court for Water Division No. 1, State of Colorado.

Section 4. An applicant for a change of water right must reimburse the Company for the Company's reasonable costs and fees in analyzing the application to the Company and in any judicial litigation that follows, including a challenge to the Company's denial of an application. Prior to obtaining legal and engineering analyses of the proposed change, the Company shall obtain an estimate of the costs. The Company shall obtain said estimates of cost within 30 days of submission of an application and the applicant shall have 30 days after receipt of the estimate from the Company to make the deposit. The Company shall not take action on any application until, and unless, the applicant makes said deposit. If the estimate and deposit needs to be adjusted by further payment or reimbursement, said adjustment shall be made upon the completion of the analysis. In no event shall the Company be required to finally approve or disapprove the application until all fees incurred by the Company are reimbursed.

Section 5. If any portion of this Article XIV is declared void by a court of law, the remaining portions of this by-law shall remain in full force and unaffected.

Section 6. This Article XIV shall take effect as of January 23, 1993.

ARTICLE XV. MODIFICATION TO THE DITCH OR ENCROACHMENT ON DITCH EASEMENT

In order to provide assistance to owners of property through which the Marshallville Ditch flows, this memorandum is intended to set forth those matters of concern to the Ditch Company which should be addressed by such property owner should the property owner desire to change the course of the ditch or encroach upon the ditch easement with buildings or other improvements or desire to place a bridge across the ditch or pipes underneath the ditch, or do anything else that would change the historic use.

Before any of the above can be accomplished, the Ditch Company would insist upon a written agreement between the owner of the property and the Ditch Company. This agreement should address the following matters:

The Ditch Company and the property owner should be clearly identified.

The ditch easement should be conveyed by a deed which is clearly described with an appropriate description that describes not only the center line of the ditch but a sufficient distance from the center line of the ditch on either or both sides to allow the ditch to be maintained and kept in good repair.

Whatever the property owner wishes to do in changing the historic use of the ditch should be clearly described. This description can be placed upon plans and specifications attached to the written agreement itself.

It should be clear to both parties what, if anything, is to be allowed on the Ditch Company's easement.

The property owner must provide plans and specifications prepared by a registered engineer and accomplish all of the work to be done at the property owner's expense. Before the Ditch Company will grant approval, the Ditch Company will have the plans and specification reviewed by an engineer of its choice and expense of such review shall be borne by the property owner, including an inspection fee.

The property owner must agree to hold the Ditch Company harmless from any damages that might occur as a result of the work that the property owner does.

The parties should expect the agreement to be recorded with the Boulder County Clerk and Recorder.

The Ditch Company will be represented by an attorney of its choice to assist it in drafting the necessary documents and the attorney’s fees shall be paid by the property owner.

The Ditch Company recognizes that its ditch flows through and ever increasing urban area and it will do whatever is reasonable under the circumstances to assist the property owner in accomplishing its purpose.

If the property owner intends to store water and such storage requires approval of the Water Court, then the property owner agrees to file appropriate documents with the Water Court and secure approval before storing any water. Further, if municipal or county approval is also required before water is stored, such approval shall likewise be obtained from the appropriate authorities.

Any applicant shall pay the Ditch Company a non-refundable fee of $150.00 as an application fee for the approval of construction within the Ditch Company easement.

If the application is approved by the Board of Directors and an agreement to the construction or crossing is signed, the applicant shall pay the Ditch Company a construction or crossing fee of at least $600.00. The amount of this fee may be increased at the discretion of the Board of Directors, based upon the magnitude and complexities of the construction or crossing project. This fee must be remitted to the Ditch Company prior to starting the project. All or a portion of this fee may be refunded to the applicant if the project is not started as planned or is terminated at some point prior to completion.

ARTICLE XVI. DIVERSION AND USE OF WATER

Except as specifically set forth in an agreement approved by the shareholders, all water diverted pursuant to the priorities adjudicated to the Marshallville Ditch shall be diverted into and carried in the Marshallville Ditch for the irrigation of lands owned by the shareholders from said ditch as stated in Article 2 of the Articles of Incorporation. From the effective date of this amendment, no change of water rights which allows water to be diverted at other points of diversion or for uses other than irrigation shall be permitted.

BY-LAWS CERTIFICATE

The undersigned certifies that she is the Secretary of the Marshallville Ditch Company, a Colorado nonprofit corporation, and that, as such, is authorized to execute this certificate on behalf of said corporation, and further certifies that attached hereto is a complete and correct copy of the presently effective by-laws of said corporation.

DATED: __January 24, 2015_______

Linda Anderson-Bell

Secretary