

MEMORANDUM

TO: LEFT HAND DITCH COMPANY BOARD OF DIRECTORS

FROM: CLARK EDWARDS

**RE: AMENDED AND RESTATED BYLAWS/ARTICLES OF
INCORPORATION**

DATE: NOVEMBER 23, 2016

You have asked that I review the Bylaws/Articles of Incorporation of the Left Hand Ditch Company and recommend changes. This memo summarizes the substantive changes made in the accompanying draft of Amended and Restated Bylaws/Articles of Incorporation. A comparison document showing the changes is also attached for your convenience.

General Comments

Throughout the document I have made non-substantive changes in formatting and grammar to provide consistency and clarity to the existing Bylaws/Articles last adopted on February 1, 2014. I will not attempt to describe those non-substantive changes in this memorandum, but, instead, refer you to the attached comparison document that highlights those changes.

Article III

This provision has been changed to expressly specify that the business purposes of LHDC include diversion, storage, measurement, and distribution of water allotments of Northern Colorado Water Conservancy District (“Northern Water”) or any other foreign water not owned by LHDC.

Article IV, Section 2:

This provision has been changed to comply with the provisions of CRS §§ 7-41-114 to 117 eliminate requirements for an indemnity bond for lost certificates.

Article VI, Section 1:

This provision has been changed to expressly include Crocker Ditch No. 2 in District 2 of LHDC and also to place a minimum age of 18 years upon any person serving as or nominating a director.

Article VI, Section 6:

This section was moved to Article VIII.

Article VII, Section 1:

This provision was added to assure that a meeting of the Directors would occur shortly after the annual meeting of the Stockholders so that new officers of LHDC can be chosen by the Directors.

Article VII, Section 9:

The provision clarified the interpretation of how a director has voted on a board action.

Article VII, Section 11:

This provision has been changed to allow for notices during emergencies to be given by posting on LHDC's website or by e-mail.

Article VII, Section 1:

This provision was moved from Article VI.

Article VII, Section 4:

This provision was changed to more accurately track the actual duties of the LHDC secretary.

Article VIII, Section 5:

This provision was changed to more accurately track the actual duties of the LHDC treasurer.

Article XI, Section 1:

This provision was revised to expressly authorize that the stockholders by majority vote shall levy an assessment for delivery to stockholders by LHDC of water allotted by Northern Water or any other foreign water not owned by LHDC.

Article XI, Sections 2 and 3:

The revisions to these sections clarify that assessments are deemed "delinquent" if unpaid by June 1 and, if such assessments remain unpaid for two years thereafter, LHDC shall commence the public sale process to advertise and sell the delinquent stock. The net proceeds of the sale

shall be paid to the former owner, and if no claim is made by the former owner, the net proceeds shall be delivered to the Great Colorado Payback Program.

Article XI, Section 5:

This section has been revised substantially to provide that no water owned or controlled by LHDC, Northern Water, or any other foreign water not owned by LHDC shall be delivered by LHDC to, or for, any lands upon which assessments have been delinquent for a period of one year or more. Thereafter, the delinquent stockholder shall not have the use of any ditches, headgates, or other facilities of LHDC until the delinquent account is paid in full.

In addition, the delinquent stockholder shall not be entitled to seasonally or otherwise transfer or lease the stockholder's water until the delinquent account is paid in full.

Article XI, Section 6:

This provision was added to authorize LHDC to withhold water deliveries to a stockholder of a member ditch if such member is delinquent in payment of assessments to the member ditch. In addition, the delinquent stockholder shall not be entitled to seasonally or otherwise transfer or lease to stockholder's water until the delinquent account is paid in full.

Article XVI:

This provision was added to address the situation in which a stockholder has constructed a temporary or permanent structure or barrier that blocks or restricts access to an easement of LHDC or would damage or impair any of LHDC's facilities. Any such structure or barrier shall be removed by the stockholder, at the stockholder's expense within three (3) business days after LHDC has given notice of the offending structure or barrier by mail or email to the stockholder, and, if the stockholder does not remove the structure or barrier, LHDC shall remove such structure or barrier, and charge the stockholder for any and all costs connected with the removal, including attorney fees and court costs incurred in defending or protecting its facilities or easements. The stockholder shall indemnify and hold harmless LHDC, its officers, directors, agents and employees from and against every claim, demand, liability, cost, charge, suit, judgment and expense of whatsoever kind or nature, including, but not limited to, interest, court costs and attorney fees that LHDC, its officers, directors, agents or employees may incur as a result of, or in any way arising out of, the removal of the structure or barrier and repairing any damage caused by the structure or barrier."

Left Hand Ditch Company

P.O. Box 229

Niwot, Colorado 80544

AMENDED AND RESTATED
BYLAWS/ARTICLES OF INCORPORATION

ADOPTED: February 6, 2010

as amended February 1, 2014

as amended February 4, 2017

AMENDED AND RESTATED
BYLAWS/ARTICLES OF INCORPORATION

LEFT HAND DITCH COMPANY

Adopted February 6, 2010
as amended February 1, 2014
as amended February 4, 2017

ARTICLE I

NAME AND DURATION

The name of the Corporation is the LEFT HAND DITCH COMPANY and its period of duration shall be perpetual.

ARTICLE II

PLACE OF BUSINESS

The place of business of the Corporation shall be the valley of Left Hand Creek and its tributaries and the area occupied and served by its reservoirs and ditches, in Boulder County, Colorado. The Service Area (“Service Area”) of the Corporation shall be identified and delineated on the official map adopted by the Board of Directors on October 21, 2009. Such map shall be maintained at the corporate office. Any proposed change to the map of the Service Area shall be submitted to the stockholders of the Corporation for approval by a two-thirds vote

of the stock represented at any annual meeting or a special meeting called for such purpose in accordance with Article V, provided a quorum is present and provided further that the notice to each stockholder for said meeting shall have contained specific information concerning the proposed change or changes.

ARTICLE III

PURPOSES

The objects and purposes of the business to be transacted by the Corporation, without pecuniary gain or profit, shall include, but not be limited to, the nature, objectives and purposes provided for in C.R.S. § 7-42-101 *et seq.*, and, in addition, shall include the following: ~~(i)~~ to own and operate an irrigation and water system in the Niwot region of Boulder County, Colorado, and, in connection therewith, to own, control, maintain and operate ditches, laterals, reservoirs, headgates, flumes, weirs, water rights and decrees, and other property of a complete irrigation and water system; (ii) to employ such secretaries, clerks, auditors, attorneys, water superintendents, ditch riders and laborers as may be needed; (iii) to divert, store, measure and distribute water under the water rights, priorities, and decrees owned or controlled by the Left Hand Ditch Company; ~~including water allotments of Northern Colorado Water Conservancy District (“Northern Water”) or any other foreign water not owned by the Corporation;~~ (iv) to provide water to its stockholders for irrigation, agricultural, stock water, domestic, industrial, commercial and all other beneficial uses or purposes; and, ~~(v)~~ in general, to carry on the business of providing such water to the stockholders of the Corporation.

ARTICLE IV

CAPITAL STOCK

Section 1. Authorized Shares.

The authorized Capital Stock of the Corporation shall be 16,800 shares of a par value of .3125 dollars each, of equal standing and of only one class.

Section 2. Transfers and Lost Certificates.

All transfers of stock shall be made upon the books of the Corporation upon surrender of the certificates covering the same, ~~in person~~ by the holder of the shares or by his legal representative. Transfer fees in an amount determined from time to time by the Board of Directors shall be paid by the transferor at the time of issuance of any stock certificate. Transfers shall be made only when the stockholder is free from indebtedness to the Corporation. Shares may be transferable to the Corporation itself.

~~———— In case of loss of stock certificate the Secretary of the Corporation shall require proof of loss before issuing a new certificate and may demand an indemnity bond with corporate surety in such amount as may be fixed by the Board of Directors before the issuance of a new certificate.~~

New stock certificates may ~~also~~ be issued in accordance with the procedure and provisions set forth in C.R.S. §§ 7-42-114 to 7-42-117, which provide, in general, that if a certificate has been lost or destroyed, the owner of the lost or destroyed certificate may file a statement under oath with the Secretary of the Corporation that the stock has been lost, mislaid or destroyed and request the issuance of a new stock certificate. Upon receipt of such request, the Secretary of the Corporation shall publish notice that a demand has been filed in accordance with the terms of the statute. If no claim of interest or ownership other than that made by the person filing such notice is filed with the Secretary of the Corporation, the Corporation shall issue a duplicate certificate. The costs of following the statutory proceedings shall be paid by the person requesting the new certificate. No bond shall be required when the statutory proceeding is followed.

Section 3. No Removal or Transfer.

No stockholder shall have any right to transfer or remove Left Hand Ditch Company water outside the Service Area of the Corporation.

ARTICLE V

STOCKHOLDERS MEETING

Section 1. Annual Meeting.

The regular annual meeting of the stockholders of this Corporation shall be held in or near the town of Niwot, Boulder County, Colorado, on the first Saturday ~~of~~in February of each year, or on such other date as the Board of Directors may designate. The Board of Directors shall designate the time and place of such meeting.

Section 2. Special Meetings.

Special meetings of the stockholders of this Corporation may be called at any time by a resolution of the Board of Directors, at which meetings no business shall be transacted except such as shall be mentioned in the notice of the special meeting.

Section 3. Meeting at the Request of Stockholders.

Whenever the stockholders of ten percent (10%) ~~in amount~~ of the Capital Stock of the Corporation ~~shall~~ request the President of the Corporation, in writing, to call a special meeting of the stockholders, giving the reasons for the special meeting, the President shall without delay call a meeting of the Board of Directors and present the request, and thereupon the Board of Directors shall call a special meeting of the stockholders to be held within thirty (30) days.

Section 4. Notice.

Notice of all meetings of stockholders shall be mailed or emailed to each stockholder of record not less than ten (10) nor more than sixty (60) days before such meeting, stating the time

and place of said meeting, and, in the case of a special meeting, stating the object and purpose of said meeting.

Section 5. Record Date.

Stockholders of record as of the previous December 31 shall be entitled to vote at each annual meeting. The record date for a special meeting of stockholders shall be the date on which the notice of the meeting is sent.

Section 6. Quorum.

~~At all stockholders' meetings, a~~ majority of all the stock of the Corporation must be represented in person or by proxy at all meetings of stockholders to constitute a quorum for the transaction of any business.

Section 7. Proxies.

At all meetings of stockholders, a stockholder may vote by proxy executed in writing by the stockholder 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 date of its execution, unless otherwise provided in the proxy. In the ~~case where~~ event a stock certificate is held in the name of two or more persons, ~~(such as joint tenancy, tenancy in common, or other common ownership);~~ any one of the owners listed on the stock book of the Corporation shall be deemed to have authority to sign the proxy on behalf of all the owners, unless and until such authority is proven to the contrary to the satisfaction of the Board of Directors.

Section 8. Voting.

Each outstanding share of stock shall be entitled to one vote on all matters properly placed before the stockholders.

Any shares held in the name of two or more persons ~~;~~ (such as joint tenancy, tenancy in common, or other common ownership ~~;~~) may be voted by one of the record owners unless and until such authority is proven to the contrary to the satisfaction of the Board of Directors. In the event two or more of such common owners purport to vote the shares held in common, the vote of the common stockholder or proxy named in a notice signed by all the record owners and received by the Corporation on or before the record date shall be counted, to the exclusion of the vote of any other common owner or owners. If no such notice has been received by the Corporation, then no votes ~~on account~~ of the common stockholders shall be counted in the event two or more of such stockholders purport to vote the shares held as common.

Any shares held in the name of a corporation or other entity (~~for example, in e.g.,~~ a partnership, trust, limited liability company, municipal corporation, government entity, or district) or in a representative capacity (~~for example, by e.g.,~~ an administrator, executor, personal representative, guardian, or conservator) may be voted ~~;~~ in person or by proxy ~~;~~ by such representative ~~;~~ ~~officer, employee, or agent~~ as the bylaws or other authority of such entity or representative may prescribe. The person so acting on behalf of a stockholder shall be defined as a “representative” for purposes of these Bylaws/Articles of Incorporation.

Section 9. Manner of Acting.

If a quorum is present, 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 stockholders, unless the vote of a greater proportion or number is otherwise required by statute or by these Bylaws/Articles of Incorporation.

Section 10. Pledged Shares.

A stockholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred. In the case where shares of stock are shown on the corporate books to be owned by equity owners with other persons or parties shown as holding a security interest only, these shares shall be voted by the equity owner or owners.

ARTICLE VI

DIRECTORS ~~AND OFFICERS~~

Section 1. Number, Tenure and Qualifications.

The Board of Directors of the Corporation shall consist of five persons who shall be stockholders, or representatives of stockholders, in the Corporation. One director shall be elected from each of the five districts or divisions of the Left Hand Ditch Company irrigation and water system as follows:

District 1: to be comprised of the territory irrigated from the Haldi Ditch, the Lake Ditch, the North and South Toll Gate Ditches, the Crocker Ditch and the Table Mountain Ditch.

District 2: to be comprised of the territory irrigated from the Cro-John Ditch, Bader Ditch, the Johnson Ditch, the Star Ditch and the Hinman Ditch.

District 3: to be comprised of the territory irrigated from the Holland Ditch and the Williamson Ditch.

District 4: to be comprised of the area above the Boulder Supply Canal.

District 5: to be comprised of the area below the Boulder Supply Canal.

One or two directors shall be elected each year to fill the vacancy left by the director or directors whose term of office expires that year. Those nominated must be stockholders or representatives of stockholders in the district ~~which~~that they are to represent and may only be nominated by a stockholder, or representative of such stockholder, from that district. Those so nominated shall be voted on by all the stockholders as a body and the one receiving the highest number of votes in each district shall be declared elected for a term of three years.

For purposes of determining qualifications of a district stockholder, or representative of such stockholder, to nominate, or serve as, a director, the stockholder must be eighteen (18) years of age or older and must own land that is served by the Corporation's water system within the applicable district.

Notwithstanding the foregoing provisions, no stockholder shall be allowed to have more than one representative serving as a director.

Section 2. Election of Directors.

All elections shall be by ballot of the stockholders for the persons nominated. Each stockholder shall have the right to vote in person or by proxy the number of shares owned by him and standing in his name on the books of the Corporation; and the person or persons receiving the highest number of votes shall be declared to be elected to the Board of Directors.

Section 3. Term and Vacancies.

Directors shall serve until their successors are duly elected and have qualified. Vacancies on the Board of Directors caused by death, resignation, or inability to act; of any member of the Board of Directors shall be filled by the remaining members of the Board to serve until the next regular or special meeting of the stockholders.

Section 4. Removal.

Any or all of the directors may be removed with or without cause by vote of the stockholders.

Section 5. Resignation.

A director may resign at any time by giving written notice to the Board of Directors, and the President or the Secretary of the Corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt of the resignation by the Board or such officer, and the acceptance of the resignation shall not be necessary to make it effective.

Section 6. ~~Officers.~~ MOVED

ARTICLE VII

DUTIES OF DIRECTORS

Section 1. Annual Meetings.

A meeting of the Board shall be held within a month following the annual meeting of Stockholders each year.

Section 2. Regular Meetings.

Regular meetings of the Board of Directors shall be held once a month with time and place to be determined by the President with the consent of the directors. Meetings shall be open to the stockholders or to others by invitation of the Board or the Vice President of Maintenance and Operations, but the Board may go into executive session at such times as it deems appropriate.

Section ~~2~~3. Special Meetings.

Special meetings of the Board of Directors may be held upon the call of the President, the time and place to be fixed by the President, provided twenty-four (24) hours' notice is given each director of such special meeting. Special meetings of the Board shall be called by the President at any time or upon the request of two or more directors.

Section 34. Quorum.

At ~~the meeting~~ meetings of the Board of Directors, three members shall constitute a quorum for the transaction of business.

Section 45. 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 directors.

Section 56. General Powers.

The business and affairs of the Corporation shall be managed by its Board of Directors. The directors shall in all cases act as a Board, and they may adopt such rules and regulations for the conduct of their meetings and the management of the Corporation as they may deem proper, not inconsistent with these Bylaws/Articles of Incorporation and the laws of this State.

Section 67. Performance of Duties.

A director of the Corporation shall perform the director's duties, including the duties as a member of any committee of the Board upon which the director may serve, in good faith, in a manner the director reasonably believes to be in the best interests of the Corporation, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. In performing the director's duties, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by persons and groups listed in paragraphs (a), (b), and (c) of this Section 6; but the director shall not be considered to be acting in good faith if the director has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A person who so performs the director's duties shall not have any liability by reason of being or having been a director of the Corporation. Those persons and groups on whose information, opinions, reports, and statements a director is entitled to rely upon are:

(a) One or more officers or employees of the Corporation whom the director reasonably believes to be reliable and competent in the matters presented;

(b) Counsel, public accountants, engineers, or other persons as to matters ~~which~~that the director reasonably believes to be within such person's professional or expert competence; or

(c) A committee of the Board upon which the director does not serve, duly designated in accordance with the provision of these Bylaws/Articles of Incorporation, as to matters within the committee's designated authority, which committee the director reasonably believes to merit confidence.

Section 78. Informal Action by Directors.

Any action required by law to be taken at a meeting of the Board of Directors, or any committee thereof, or any other action ~~which~~that may be taken at a meeting of directors, or any committee thereof, may be taken without a meeting if every member of the Board in writing either: (i) ~~votes~~ for such action; or (ii) ~~votes~~ against such action or abstains from voting and waives the right to demand that a meeting be held. Action is taken only if the affirmative votes for such action equal or exceed the minimum number of votes that would be necessary to take such action at a meeting at which all of the directors then in office were present and voted. The action shall only be effective if there are writings ~~which~~that describe the action, signed by all directors, received by the Corporation, and filed with the minutes. Any such writings may be received by ~~electronically transmitted~~hand, mail, facsimile or ~~other form of wire or wireless communication~~email providing the Corporation with a complete copy of the document, including a copy of the signature. Actions taken shall be effective when the last writing necessary to effect the action is received by the Corporation unless the writings set forth a different date. Any director who has signed a writing may revoke it by a writing that is signed, and dated and ~~stating~~states that the prior vote is revoked. However, such writing must be received by the Corporation before the last writing necessary to effect the action is received. All such actions shall have the same effect as action taken at a meeting.

Section 8-9. Presumed Consent. ~~Committees.~~

A director who is present at any meeting of the Board at which corporate action is approved and has not affirmatively voted in favor of such corporate action shall be deemed to have voted in favor of such action unless such director: (i) objects at the beginning of such meeting to holding such meeting or transacting business at such meeting and does not thereafter vote in favor of such action; (ii) contemporaneously votes against such action or otherwise requests that his or her dissent or abstention to such action be recorded in the minutes of such meeting; or (iii) delivers written notice of his or her dissent or abstention to such action to the presiding officer of such meeting prior to adjournment or to the Secretary (or another director if such director is also the Secretary) promptly after adjournment of the meeting.

Section 10. Committees.

The Board, by resolution, may designate from among its directors or officers an executive committee and other committees, each consisting of one or more directors or officers. Each such committee shall serve at the pleasure of the Board.

Section 911. Emergency Powers and Bylaws.

An “emergency” exists for the purposes of this Section if a quorum of the directors cannot readily be obtained because of some catastrophic event. In the event of an emergency, the Board of Directors may: (i)-_modify lines of succession to accommodate the incapacity of any director, officer, employee or agent; and (ii)-_relocate the principal office, designate alternative principal offices or regional offices, or authorize officers to do so. -During an emergency, notice of a meeting of the Board of Directors ~~need~~ only ~~needs to~~ be given to those directors whom it is practicable to reach, and may be given in any practicable manner, including by ~~publication~~posting on the website of the Corporation, via email, or over the radio. One or more officers of the Corporation present at a meeting of the Board of Directors may be deemed directors for the meeting, in order of rank and within the same rank in order of seniority, as necessary to achieve a quorum. Corporate action taken in good faith during an emergency binds the Corporation and may not be the basis for imposing liability on any director, officer, employee or agent of the Corporation on the ground that the action was not authorized. The Board of Directors may also adopt emergency bylaws, subject to amendments or repeal by the stockholders, which may include provisions necessary for managing the Corporation during the emergency, including: (i)-_procedures for calling a meeting of the Board of Directors; (ii) _quorum requirements for the meeting; and (iii)-_designation of additional or substitute directors. The emergency bylaws shall remain in effect during the emergency and shall not continue after the emergency ends.

ARTICLE VIII

DUTIES OF OFFICERS

Section 1. Officers.

The officers of the Corporation shall consist of a President, a Vice-President, a Secretary and a Treasurer, who shall be members of the Board of Directors, and who shall be chosen annually by the Board of Directors. The Board of Directors may, in addition, appoint as an officer of the Corporation a Vice-President of Maintenance and Operations and an Assistant Secretary. The Vice-President of Maintenance and Operations shall have such duties and responsibilities as the Board of Directors may from time-to-time establish. The Assistant Secretary may be an individual or a corporation and shall have such practical and ministerial functions as the Board of Directors may from time-to-time determine. Vacancies occurring in any office shall be filled by the Board of Directors.

Section 2. President.

The President of the Corporation shall preside at the meetings of the stockholders and the Board of Directors.

Section ~~2-3~~ 3. Vice-President.

The Vice-President shall preside at meetings in the absence of the President.

Section ~~34~~ 3. Secretary.

The Secretary shall ~~attend the~~ keep accurate minutes of all meetings of the ~~Board of Directors~~ Stockholders and shall ~~prepare and put into permanent form accurate and complete minutes of the same, the Board.~~ The Secretary shall ~~act as directed~~ keep, or cause to be kept, a register of the Stockholders of the Company and shall be responsible for the delivering of notices of meetings of the Stockholders and of the Board. The Secretary shall be custodian of the records and of the seal of the Company and shall attest the affixing of the seal of the Company when so authorized. The Secretary shall perform all duties commonly incident to the office of Secretary and such other duties as may from time to time be assigned to him or her by the President.

Section 5. Treasurer.

~~Board of Directors~~ Subject to any limitations set forth in ~~connection~~ any resolutions adopted by the Board in accordance with all ~~official~~ these Bylaws, the Treasurer shall have the care and custody of the money, funds, valuable papers and documents of the Company. The Treasurer shall keep accurate books of accounts of the Company's transactions ~~and~~, which shall be the property of the Company, and shall render financial ~~business of the Corporation, including transfers and records of stock, and shall make accurate and complete reports and statements of all transactions~~ condition of the Company when so requested by the Board or the President. =

Section 4. Treasurer.

— The Treasurer ~~or, in his absence,~~ shall perform all duties commonly incident to the office of Treasurer and such other ~~person~~ duties as may from time to time be designated by the ~~Board of Directors, shall countersign all checks of the Corporation, as directed~~ assigned to him or her by the ~~Board~~ President.

Section 56. Vice President of Maintenance and Operations.

The Vice President of Maintenance and Operations shall manage the day-to-day operations of the ~~office of the~~ Corporation, and shall have charge of the waters carried by the Corporation's system under the direction of the Board of Directors.

Section 67. Assistant Secretary.

The Assistant Secretary shall act as directed by the Board of Directors in connection with all official transactions and financial business of the Corporation, and, in the absence of the Secretary, shall perform the duties of the Secretary.

Section 78. Authority of the Board of Directors.

The Board of Directors may assign such additional duties and responsibilities to each of the officers as may be deemed necessary. The Board of Directors shall have general management of (i) the irrigation and water system of the Corporation and of all water flowing therein or impounded therefor, ~~and of;~~ (ii) the proper division of the water into the ditches and reservoirs of the Corporation, and ~~of~~ (iii) the proper division and distribution of the said water to the stockholders. All ditch riders, water superintendents, the Vice President of Maintenance and Operations, and assistants shall be under the supervision of the Board of Directors.

Section 89. Contracts, Loans and Official Documents.

All notes, leases, deeds, contracts, and other documents, including new certificates of stock, shall be approved by the Board of Directors, signed by the President or Vice-President, and attested to by the Secretary or Assistant Secretary with seal affixed.

ARTICLE IX

SALARIES AND COMPENSATION

The members of the Board of Directors shall each receive a monthly stipend or honorarium during his term of office in an amount approved by the stockholders each year at the annual meeting. In addition, each member of the Board of Directors shall be entitled to be reimbursed for all expenses actually incurred in performance of his duties as a member of the Board of Directors.

ARTICLE X

CORPORATE DOCUMENTS AND RECORDS

Section 1. Corporate Records.

The Corporation shall keep ~~asin its~~ permanent records: ~~(i)~~ minutes of all meetings of its stockholders and Board of Directors; ~~a record of;~~ ~~(ii)~~ all actions taken by the stockholders or Board of Directors without a meeting ~~and of;~~ ~~(ii)~~ actions taken by a committee in place of the Board of Directors; ~~;~~ and ~~a record of~~ ~~(iv)~~ all waivers of notices of meetings of stockholders, the Board of Directors, or any committee. The Corporation shall also maintain the following records: (i) ~~appropriate~~ accounting records; (ii) ~~a record~~ list of its stockholders ~~which~~ that permits preparation of a list of the names and addresses of all stockholders in alphabetical order ~~which, and that~~ shows the number of votes each stockholder is entitled to cast; (iii) ~~its~~ Bylaws/Articles of Incorporation; (iv) ~~Board~~ resolutions relating to the characteristics, qualifications, rights, limitations and obligations of stockholders or any class or category of stockholders; (v) ~~minutes~~ of all stockholders' meetings and records of all actions s taken by stockholders without a meeting for the past three years; (vi) ~~all~~ written communications within the past three years to stockholders; (vii) ~~a~~ list of the names and business or home addresses of its current directors and officers; and (viii) ~~all~~ financial statements prepared ~~for periods~~ during the last three years.

Section 2. Inspection and Copying of Corporate Records.

Upon written demand delivered at least five (5) business days before the date on which a stockholder wishes to inspect and copy any of the corporate records identified in Section ~~1~~ of this Article, a stockholder, its agent or attorney is entitled to inspect and copy such records during regular business hours at the Corporation's principal office. The Corporation may impose a reasonable charge, covering the costs of labor, material, and time spent ~~by the officer~~ for copies of the documents requested. The charge must be paid in advance prior to the release of the copied documents and may not exceed the sum of the previously referenced costs. A stockholder may also inspect any other records at a reasonable location specified by the Corporation upon the same terms and conditions. Stockholders entitled to inspect these other records must also meet the following requirements: (i) ~~the~~ stockholder must have been a stockholder at least three (3) months immediately preceding the demand or must hold at least five percent (5%) of the voting power as of the date of the demand; (ii) ~~the~~ demand must be made in good faith and for a proper purpose; (iii) ~~the~~ stockholder must describe with reasonable particularity the purpose and the records the stockholder desires to inspect; and (iv) ~~the~~ records must be directly connected

with the described purpose. The decision with respect to a request conforming to the above intent shall reside with the directors.

ARTICLE XI

ASSESSMENTS

Section 1. Approval by Stockholders.

At the regular annual meeting of this Corporation, or at a special meetings called for that purpose, the stockholders shall by a majority vote of the stock represented at the meeting, levy an assessment on the Capital Stock of the Corporation for the purpose of providing funds for operation of the Corporation, keeping the ditches and reservoirs and other property in good repair, and for the payment of claims against the Corporation. In addition, the stockholders by majority vote shall levy an assessment for delivery by the Corporation of water allotted by Northern Water or any other foreign water not owned by the Corporation for delivery to stockholders of the Corporation.

Section 2. Notice of Assessments; Lien for Assessments.

When such ~~assessment shall~~ assessments have been ~~made, it~~ levied, they shall become due and payable June-1 of each year; and any assessments not paid by June 1 of each year shall be deemed to be "delinquent," and the Secretary or Assistant Secretary shall notify each stockholder ~~by written or printed notice thereof, and of such delinquency by~~ mail or email ~~the same to each stockholder~~, or serve the said notice personally on such stockholders as he may decide. The record date for assessment of stockholders shall be March-31 of each year. The Corporation shall have a first lien on each share of ~~capital stock~~ Capital Stock of the Corporation for payment of any indebtedness due to the Corporation by the holder thereof until such indebtedness has been paid.

Section 3. Delinquent Assessments.

Such assessments, if not paid when due and payable, shall include interest from June 1 of the year in which ~~it is~~ they are levied; at the rate of one ~~per cent~~ percent (1%) compounded monthly until paid, unless a different interest rate is approved by the stockholders at the annual meeting, ~~and if~~. ~~If such assessments are~~ not paid within two (2) years after the same became due and payable, it shall be the duty of the Secretary to advertise for sale and to sell such stock so delinquent, in the manner following:

The Secretary shall give written notice to the owner or the legal representative of the owner of the stock on which the ~~assessment is~~ assessments are delinquent, by mailing such notice certified mail, return receipt requested, properly sealed in an envelope, and addressed directly to the last known address of the said owner or his representative, at least ~~(30)~~ thirty (30) days before the time set for said sale, which time shall be set by the Board of Directors ~~and which information~~. ~~The notice shall be included in the said notice, notifying~~ notify the said owner or his legal representative that the said stock shall be sold at public auction on the said date unless prior to that time payment is made to the Secretary of all assessments made against the stock, any interest on ~~the~~ unpaid assessments, ~~and~~ together with all costs of the procedure to sell stock; ~~and~~ a. A like notice shall be sent in the same manner to any person claiming or holding a lien on the said stock, as shown by the records of the Corporation or by the records at the office of the ~~County~~ Clerk and Recorder of Boulder County, Colorado. The Secretary shall also publish a like notice in a newspaper published in Boulder County, Colorado, once ~~each~~ week for four successive weeks or for five issues of said newspaper, preceding the date of the said sale. ~~Upon the date set for the sale of the said stock, the~~ The stock on which the ~~assessment is~~ assessments are delinquent and unpaid shall be sold at ~~the scheduled~~ public auction to the highest bidder, for cash. At such sale the Corporation may ~~become the purchaser of~~ purchase the stock, and the transfer shall be made to the ~~purchaser as in other cases~~ Corporation. Out of the proceeds of the sale shall be paid all costs of the sale, including attorneys' fees and other expenses incident thereto, ~~and the amount of~~ all assessments against the stock, together with interest, and the balance shall then be paid to the person legally entitled to the money. The old certificate outstanding shall thereupon become ~~absolutely~~ null and void.

Section 4. Minimum Assessment.

The stockholders may set a minimum assessment applicable to all stockholders.

Section 5. Denial of Water Deliveries.

In addition to any other of the remedies provided above, the Board of Directors may deny delivery of no water owned or controlled by the Corporation, Northern Water, or any other foreign water not owned by the Corporation shall be delivered by the Corporation to, or for, any lands upon which assessments have been delinquent for a period of one year or more. Thereafter, the delinquent stockholder, and, in addition, may deny to such stockholder shall not have the use of any ditches, headgates, or other facilities of the Corporation until the delinquency is cured. The officers and directors of the Corporation are hereby instructed and directed to withhold delivery of water in accordance with the provisions of this Section 5 until the delinquency is cured.

Section 6. Denial of Water Deliveries to Stockholders of Member Ditches.

Upon request of the president or authorized representative of any of the member ditches of the Corporation, the Corporation and its officers and directors shall cooperate to deny delivery of water owned or controlled by the Corporation or Northern Water or any other foreign water not owned by the Corporation to a stockholder of a member ditch who is delinquent in payment of assessments to such member ditch.

ARTICLE XII

AMENDMENTS

These Bylaws/Articles of Incorporation may be amended at any regular, special or annual meeting of the stockholders of this Corporation, by a two-thirds vote of the stock represented at the meeting, provided a quorum is present, and provided further that the notice to each stockholder for said meeting shall have contained specific information concerning the proposed amendment or amendments.

Amendments may be proposed by the Board of Directors, a committee appointed by the Board of Directors for this purpose, or a group of stockholders representing at least ten percent (10%) of the Capital Stock of the Corporation.

~~These Bylaws/Articles of Incorporation may also be amended at any special meeting of the stockholders of this Corporation by a two-thirds vote of the stock represented at the meeting.~~

~~provided a quorum is present, and provided further that the notice for the special meeting contains specific information concerning the proposed amendment or amendments.~~

ARTICLE XIII

LIABILITY OF DIRECTORS

A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability arising from (i) ~~any~~ breach of the director's duty of loyalty to the Corporation or its stockholders; (ii) ~~acts or omissions not in good faith or~~ ~~which~~that involve intentional misconduct or a knowing violation of law; (iii) ~~any~~ transaction from which the director derived any improper personal benefit; or (iv) ~~any~~ other act expressly proscribed or for which directors are otherwise liable under the Colorado Corporation Code or statutory law. If Colorado statutory law is subsequently amended to authorize corporate action further limiting or eliminating the personal liability of directors, then the liability of a director of the Corporation shall be limited or eliminated to the fullest extent permitted by Colorado statute, as so amended.

ARTICLE XIV

INDEMNIFICATION

Section 1. Definitions.

For purposes of this Article:

(a) The term "director or officer" shall include any officer or director of the Corporation or any employee or agent serving at the request of the Corporation.

(b) The term "proceeding" shall mean any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, whether formal or

informal, any appeal in such an action, suit or proceeding, and any inquiry or investigation that could lead to such an action, suit or proceeding.

(c) The term “party” includes an individual who is, was, or is threatened to be made a named defendant or respondent in a proceeding.

(d) The term “liability” shall mean any obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable expense incurred with respect to a proceeding.

(e) When used with respect to a director, the phrase “official capacity” shall mean the office of director in the Corporation, and, when used with respect to a person other than a director, shall mean the office in the Corporation held by the officer or the employment, fiduciary or agency relationship undertaken by the employee or agent on behalf of the Corporation, but in neither case shall include service for any foreign or domestic corporation or for any other person, employee benefit plan, or other enterprise.

Section 2. General Provisions.

The Corporation may indemnify any person who is or was a party or is threatened to be made a party to any proceeding by reason of the fact that such person is or was a director or officer of the Corporation, against expenses, including attorney fees, liability, judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such proceeding if such person: (i) acted in good faith; (ii) reasonably believed, in the case of conduct in an official capacity with the Corporation, that the conduct was in the best interest of the Corporation, and, in all other cases, that the conduct was at least not opposed to the best interests of the Corporation; and (iii) with respect to any criminal proceeding, had no reasonable cause to believe that the conduct was unlawful. However, no person shall be entitled to indemnification under this Section 2 ~~either~~: (i) in connection with a proceeding brought by or in the right of the Corporation in which the director or officer was adjudged liable to the Corporation; or (ii) in connection with any other proceeding charging improper personal benefit to the director or officer, whether or not involving action in that person's official capacity, in which the officer or director is ultimately adjudged liable on the basis that the director or officer improperly received personal benefit. Indemnification under this Section 2 in connection with a proceeding brought by or in the right of the Corporation shall be limited to reasonable expenses incurred in connection with the proceeding. The termination of any action, suit, or proceeding by judgment, order, settlement, ~~or~~ conviction, or upon a plea of *nolo contendere* or its equivalent, shall not of itself be determinative that the person did not meet the standard of conduct set forth in this Section ~~2~~.

Section 3. Successful Defense on the Merits; Expenses.

To the extent that a director or officer of the Corporation has been wholly successful on the merits in defense of any proceeding to which he was a party, such person shall be indemnified against reasonable expenses, including attorney fees, actually and reasonably incurred in connection with such proceeding.

Section 4. Determination of Rights to Indemnification.

~~Any~~ Except as provided in Section 3 of this Article, any indemnification under ~~Section 2~~ of this Article (, unless ordered by a court), shall be made by the Corporation only as authorized in each specific case upon a determination that indemnification of the director ~~or~~ /officer is permissible under the circumstances because such person the director/officer met the applicable

standard of conduct set forth in Section 2. ~~Such determination shall be made: (i) by the Board of Directors by a~~ of this Article by one of the following:

(a) ~~A~~ A majority vote of a quorum consisting of disinterested directors who ~~at the time of the vote~~ are not ~~threatened to be made~~ parties to ~~the~~ such proceeding; ~~or (ii) if such~~

(b) If a quorum cannot be obtained, by a vote of a majority of the members of a committee ~~of created by~~ the Board of Directors ~~designated by the Board, which committee shall consist,~~ consisting of two or more directors who are not parties to the proceeding ~~(directors who are parties to the proceeding may participate in the designation of directors to serve on such committee); or (iii) if such a quorum of the Board of Directors cannot be obtained or such a committee cannot be established, or even if such;~~

(c) If a quorum is obtained, or ~~such~~ a committee is so designated, but such quorum or committee so directs, then by independent legal counsel selected by the Board of Directors in ~~accordance with the preceding procedures~~ a written opinion, or by the voting stockholders (other than ~~the voting stockholders~~ those who are directors and are, at the time, seeking indemnification). ~~Authorization of indemnification and evaluation as to the reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that, if the determination that indemnification is permissible is made by independent legal counsel, authorization of indemnification and evaluation of legal expenses shall be made by the body that selected such counsel.);~~

(d) If a quorum of directors who are not parties to such a proceeding is not available, and a committee has not been formed, by independent legal counsel in a written opinion;

(e) The affirmative vote of a majority of shares of the Corporation entitled to vote represented at a duly held meeting at which a quorum is present, or the written consent of holders of a majority of the outstanding shares entitled to vote (for purposes of this subsection 4(e)), and shares owned by the person to be indemnified shall not be considered outstanding or entitled to vote thereon; or

(f) The court in which the proceeding is or was pending, on application made by the Corporation or the director/officer or the attorney or other person rendering services in

connection with the defense, whether or not such application by the director/officer, attorney, or other person is opposed by the Corporation.

Section 5. Advance Payment of Expenses; Undertaking to Repay.

The Corporation may pay for or reimburse the reasonable expenses, including attorney fees, incurred by a director or officer who is a party to a proceeding in advance of the final disposition of the proceeding if:

(a) the director-~~or~~/officer furnishes the Corporation a written affirmation of the ~~director's or director~~/officer's good faith belief that the ~~person has met the~~ standard of conduct set forth in Section-~~2~~; has been met;

(b) the director-~~or~~/officer furnishes the Corporation with a written undertaking, executed personally or on the ~~director's or director~~/officer's behalf, to repay the advance if it is determined that the person did not meet the standard of conduct set forth in Section-~~2~~, which undertaking shall be an unlimited general obligation of the director-~~or~~/officer, but ~~which~~ need not be secured, and ~~which~~ may be accepted without reference to financial ability to make repayment; and

(c) a determination is made by the body authorizing indemnification that the facts then known to such body would not preclude indemnification.

Section 6. Other Employees and Agents.

The Corporation may indemnify such other employees and agents of the Corporation to the same extent and in the same manner ~~as is provided above~~ in Section 2 with respect to directors and officers, by adopting a resolution by a majority of the members of the Board of Directors specifically identifying by name or position the employees or agents entitled to indemnification.

Section 7. Insurance.

The Board of Directors may exercise the Corporation's power to purchase and maintain insurance, including, without limitation, insurance for legal expenses and costs incurred in connection with defending any claim, proceeding, or lawsuit on behalf of any person who is or was ~~a director, officer, employee, or was~~ serving as a director, officer, or employee, of the Corporation against any liability asserted against the ~~person~~director, officer or employee or incurred by the person in any such capacity or arising out of the person's status as such, whether or not the Corporation would have the power to indemnify that person against such liability under the provisions of this Article.

Section 8. Nonexclusivity of Article.

The indemnification provided by this Article shall not be deemed exclusive of any other rights and procedures to which one indemnified may be entitled under the Bylaws/Articles of Incorporation, any agreement, resolution of disinterested directors, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director or officer, and shall inure to the benefit of such person's heirs, executors, and administrators.

Section 9. Notice to Stockholders of Indemnification.

If the Corporation indemnifies or advances expenses to a director or an officer, the Corporation shall give written notice by mail or email of the indemnification to the stockholders with or before the notice of the next stockholders' meeting.

ARTICLE XV

DISTRIBUTION OF WATER

Section 1. No Withdrawal without Permission.

No stockholder shall draw water from the system without prior permission or agreements approved by the Board of Directors.

Section 2. Transportation of Foreign Water.

All transportation of and orders for water allotted by Northern ~~Colorado~~-Water ~~Conservancy District~~ or any other foreign water not owned or controlled by the Corporation for persons or entities who are stockholders or non-stockholders of the Corporation for delivery within the Service Area utilizing the Corporation's ditches, headgates, facilities or receiving ditches shall be made in compliance with policies adopted by the Board of Directors.

Section 3. Checks, Headgates, and Other Diversion Structures.

The Board of Directors shall have the unrestricted discretion to control the location and construction of checks, headgates and other diversion structures installed in the system, and, as a condition for permitting any such checks, headgates or diversion structures, to require compliance with such structural or engineering specifications as are reasonably necessary to ensure the safety and structural integrity of the system and the unimpeded and undiminished flow of water therein.

Section 4. Requests for Permanent Changes in Distribution.

Each stockholder or person receiving water through the Corporation's system desiring (i) ~~to change~~ permanently change the place of use ~~for of~~ any water to which the stockholder or person may be entitled, or (ii) to make any permanent change in distribution of any kind or nature, including, without limitation, plans of augmentation, changes in the nature of ~~the~~ use, time of use, purpose of use, and point of diversion, shall make prior written request therefor to the Board of Directors and to the governing body of any receiving ditches impacted by such change. If, in the opinion of the Board of Directors, such change can be made without injury to the Corporation's water system or the receiving ditches, the Corporation or other stockholders, the Board of Directors shall provide written approval of such change. Upon receipt of a similar written approval from the governing body of any receiving ditch impacted by the change, such water may be delivered to such place or places as requested upon such terms and conditions imposed by the Board of Directors and/or the governing body of any receiving ditch.

Section 5. Availability and Distribution.

Water delivered to the headgates of the Corporation's ditches shall be made available to stockholders only in proportion to the amount of water of Left Hand Ditch Company ~~water~~, Northern ~~Colorado~~ Water ~~Conservancy District~~ ~~water~~, or any other foreign water not owned by the Corporation, to which the stockholders are entitled based on their ownership. It is the duty of the Vice President of Maintenance and Operations to ascertain and deliver the amount of water available at the headgates of the Corporation's ditches for the benefit of the stockholders. It shall be the responsibility of the stockholders to notify the Corporation of shares owned and rented.

ARTICLE XVI

REIMBURSEMENT OF COSTS FOR CHANGE OF USE

AND FOR SPECIAL REQUESTS

Except as authorized by the Board of Directors, any stockholder or other person receiving water through the Corporation's system desiring to make any changes described in Section ~~4~~ of Article ~~XVI~~ shall reimburse the Corporation for all its reasonable costs, damages, and expenses in connection therewith, including, but not limited to, attorney~~s~~ fees, engineering fees, court costs, fees and costs of employees, contractors, or consultants of the Corporation, costs of measuring

devices, additional or new headgates, division boxes, flumes, outlet structures, storage and carriage fees, costs or damages from seepage, shrinkage, evaporation, additional maintenance, and any other reasonable expenses associated with hearings, contract negotiations, objections or protests to water applications and trials involving water rights, priorities, and decrees owned or controlled by the Corporation. In addition, any stockholder that makes a request of the Corporation of a type not described in Section-4 of Article-XV shall, in the discretion of the Board of Directors, reimburse the Corporation for all costs and expenses in connection therewith to the extent that the request does not apply to the other stockholders of the Corporation.

CERTIFICATE

The foregoing Amended and Restated Bylaws/Articles of Incorporation were adopted as the Bylaws/Articles of Incorporation of Left Hand Ditch Company by vote of the stockholders, effective February 6, 2010, as amended February-1, 2014, and as amended February 4, 2017.

//Joel Schaap//

Joel Schaap, Secretary