

**BYLAWS  
OF  
WIGWAM MUTUAL WATER COMPANY**

**ARTICLE I  
INCORPORATION, PRINCIPAL OFFICE AND CORPORATE SEAL**

Section 1. Incorporation. This Company has been organized as a mutual ditch company, not for pecuniary profit, under and by virtue of the laws of the State of Colorado, incorporated under and in accordance with the provisions of C.R.S. § 7-42-101 et seq. and the provisions of the Colorado Revised Nonprofit Corporation Act.

Section 2. Principal Office. The principal office and place of business of the Company in the State of Colorado shall be at 2454 Waynoka Road, Colorado Springs, Colorado 80918, or at such other location as the Board of Directors may from time to time determine.

Section 3. Corporate Seal. The corporate seal of the Company shall consist of two concentric circles, between which, in the form of a circle, shall be the name of the Company, and in the center the printed word "SEAL", and at the bottom, "COLORADO", and shall be in a form approved by the Board of Directors, which may alter the same in its discretion.

**ARTICLE II  
SHAREHOLDERS' MEETINGS**

Section 1. Annual Meetings.

(a) The annual meeting of the Shareholders of this Company shall be held at such hour and place as the Board of Directors may designate and which will be stated in the published and printed notices of annual meetings.

(b) If a quorum is not present at a properly called annual meeting of Shareholders, the meeting may be adjourned and rescheduled by those present. If a notice of the rescheduled meeting is sent to all Shareholders entitled to vote at such rescheduled meeting containing (1) the time and place of holding such rescheduled meeting, (2) a statement of the purposes of the rescheduled meeting, (3) that the previous meeting failed for lack of a quorum, and (4) under the provisions of this section it is proposed to hold the rescheduled meeting with a quorum of those present, then at such rescheduled meeting, except as may be otherwise required by law or provided in the Articles of Incorporation, any number of Shareholders entitled to vote at such rescheduled meeting, represented in person or by proxy, shall constitute a quorum, and the votes of a majority of those present in person and by proxy shall be sufficient to transact the business of the meeting.

Section 2. Special Meetings. Special meetings of the Shareholders may be called at any time by resolution of the Board of Directors, or upon written request of Shareholders holding twenty percent or more of the outstanding stock, to be held at such time and place as the Board of Directors or the Shareholders calling such meeting may designate.

Section 3. Notice of Meetings. Written or printed notices of Shareholder meetings shall be mailed to each Shareholder, at his address as shown on the Company's books no fewer than ten (10) days, or if notice is mailed by other than first class or registered mail, no fewer than thirty (30) days nor more than sixty (60) days before any regular or special meeting of Shareholders. Notices shall be mailed to persons becoming Shareholders after such mailing, but nevertheless entitled to vote thereat, at least ten (10) days before the meeting. The Company shall have no obligation to deliver notice to any person who becomes a Shareholder within ten (10) days of any regular or special meeting. Notice of a special meeting shall state the object or objects thereof.

Section 4. Delivery of Notice. Any written notice required to be given by law, the Articles of Incorporation, or these Bylaws, if mailed, shall be deemed given when deposited in the United States mail, with first class postage pre-paid, addressed to the Shareholder at such Shareholder's address as it appears on the stock transfer books of the Company. However, if three successive such notices mailed to the last-known address of any Shareholder of record are returned as undeliverable, no further notices to such Shareholder shall be required, until another address for such Shareholder is made known to the Company.

Section 5. Quorum. A quorum at any meeting of the Shareholders shall consist of twenty-five percent of the voting stock of the Company represented in person or by proxy, except as otherwise provided by law and except as to any adjournment of the annual meeting under the provisions of ARTICLE II, Section 1 (b) of these Bylaws.

Section 6. Election of Directors. In such years as the full term of office of a Director or Directors expires, the election of a Director or Directors for the ensuing term of office shall be by the Shareholders of the Company, at their annual meeting in such year.

Section 7. Voting of Shares by Shareholders.

(a) At each meeting of the Shareholders, except as otherwise provided by law or by the Articles of Incorporation, every holder of record of stock entitled to vote shall be entitled to one vote for each share of stock standing in such Shareholder's name on the books of the Company. Elections of Directors shall be determined by a plurality of the votes cast, and except as otherwise provided by law, the Articles of Incorporation, or these Bylaws, all other actions shall be determined by a majority of the votes cast at such meeting. Each proxy to vote shall be in writing and signed by the Shareholder or by his duly authorized attorney and shall not be voted or acted upon after eleven (11) months from the date of its execution, unless such proxy expressly provides for a longer period.

(b) At all elections of Directors, the voting shall be by ballot or in such other manner as may be determined by the Shareholders present in person or by proxy entitled to vote at such election. With respect to any other matter presented to the Shareholders for their consideration at a meeting, any Shareholder entitled to vote may, on any question, demand a vote by ballot. The cumulative system of voting for the election of Directors or for any other purpose shall not be allowed.

(c) A complete list of the Shareholders entitled to vote at each such meeting, arranged in alphabetical order, with the address of each, and the number of shares registered in the name of each Shareholder, shall be prepared by the Secretary and shall be open to the examination of any Shareholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any Shareholder who is present.

(d) The Board of Directors in advance of any meeting of Shareholders may appoint one or more inspectors of election to act at that meeting or any adjournment thereof. If inspectors of election are not so appointed, the chairman of the meeting may, and on the request of any Shareholder entitled to vote shall, appoint one or more inspectors of election. Each inspector of election, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector of election at such meeting with strict impartiality and according to the best of his ability. If appointed, inspectors of election shall take charge of the polls and, when the vote is completed, shall make a certificate of the result of the vote taken and of such other facts as may be required by law.

Section 8. Meeting Governance. The proceedings at all meetings of Shareholders shall be governed by Robert's Rules of Order, subject to provisions or requirements of law or of the Company's Articles of Incorporation or Bylaws.

### ARTICLE III DIRECTORS

Section 1. Qualifications; Tenure. All business and property of the Company shall be managed and controlled by its Board of Directors. The number of Directors of the Company shall be fixed from time to time by the Board of Directors, within a range of no less than three (3) or more than five (5). Each Director shall be at least 18 years of age, and shall either be a Shareholder of the Company or a duly authorized representative of entities that are Shareholders. The initial Board of Directors shall be comprised of five (5) Directors as appointed at the formation of the Company. From that initial Board of Directors, one Director shall serve a two-year term of office, one Director shall serve a three-year term of office, and three Directors shall serve a five-year term of office. Thereafter, any successor elected at the regular annual meeting of Shareholders shall be elected for a five-year term of office. Directors shall serve until the

election of their duly qualified successors provided, however, that any Director may resign at any time. Vacancies on the Board of Directors, however occurring, may be filled by the Board for the unexpired term of the Director being replaced, such appointee to serve until the successor has been duly elected and qualified.

Section 2. Director Compensation. Directors may be compensated for each meeting of the Board of Directors attended, whether a regular or special meeting; plus, a quarterly retainer, payable in advance. The compensation per meeting, and quarterly retainer, if any, shall be determined by the Board of Directors. Except for such compensation, no Director, Officer, or Attorney shall receive any compensation for service rendered, except the same shall first have been approved by the Directors.

Section 3. Regular Meetings. The regular meeting of the Board of Directors shall be held at such hour and place as the Board of Directors may designate. Unless otherwise specified in the Notice of the meetings, all meetings of the Board of Directors shall be held at the principal office of the Company.

Section 4. Special Meetings. Special meetings of the Board of Directors may be held at any time on call of the President or any Director by giving proper notice thereof. Notice of such meeting shall be given (1) by mail to the last-known address of each Director at least five (5) days before the date fixed for the meeting, or (2) in person or by telephone, radio, or other method capable of instantaneous transmission of voice communications or by a plain language document copy, facsimile or by electronic mail transmitted at least forty-eight (48) hours before the time fixed for the meeting. Special meetings of the Board may be held without notice at any time that all Directors or members are present in person, and presence of any Director at a meeting constitutes waiver of notice of such meeting except as otherwise provided by law. Unless specifically required by these Bylaws, neither the business to be transacted at, nor the purpose of, any meeting of the Board or any committee designated by the Board need be specified in the notice or waiver of notice of such meeting.

Section 5. Meetings by Telephone. The Directors may participate in any meeting by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

Section 6. Quorum. A quorum at any meeting of the Board of Directors shall consist of a majority of the entire membership of the Board. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law, the Articles of Incorporation, or these Bylaws.

Section 7. Election of Officers. Officers of the Company shall be elected by the Board of Directors at their first meeting after the annual meeting of Shareholders each year, and if any office becomes vacant during the year, the Board of Directors shall fill the same for the unexpired term.

Section 8. Vacancies. Any vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board. In the event the entire Board is vacated, a new Board shall be filled by an election at the next Shareholders' annual meeting, or at a special meeting of Shareholders called for that purpose. A Director elected to fill a vacancy shall be elected for the unexpired term of such person's predecessor in office and shall hold such office until such person's successor is duly elected and qualified. Any Directorship to be filled by reason of an increase in the number of Directors shall be filled by the affirmative vote of a majority of the Directors then in office or by an election at an annual Shareholders' meeting, or at a special meeting of Shareholders called for that purpose. A Director chosen to fill a position resulting from an increase in the number of Directors shall hold office until the next annual meeting of Shareholders and until such person's successor has been duly elected and qualified.

#### ARTICLE IV OFFICERS

Section 1. Officers and Tenure. The Officers of the Company shall be a President, one or more Vice Presidents as may be determined by the Board of Directors from time to time, a Secretary, and a Treasurer. All Officers shall be natural persons of the age of 18 years or more, and shall be elected by the Directors annually following the annual meeting of Shareholders and shall hold office until their successors are duly elected and qualified. The Board of Directors may also provide for and appoint such additional officers as the Board shall deem necessary, to serve at the pleasure of the Board and who shall perform such duties as may be delegated or assigned to them. Officers may be but need not be chosen from among the Directors. Any person may hold more than one such office except that the same person may not be both President and Secretary.

Section 2. Powers and Duties. The officers of the Company shall exercise and perform the respective powers, duties, and functions as are stated below, and as may be assigned to them by the Board.

(a) The President shall be the chief executive officer of the Company and shall, subject to the control of the Board, have general supervision, direction, and control of the business and officers of the Company. Such person shall preside at all meetings of the Shareholders and of the Board. The President shall sign all stock certificates and he or a Vice-President, unless some other person is specifically authorized by the Board or by these Bylaws, shall sign all bonds, deeds, mortgages, leases, and contracts of the Company. The President shall perform all the duties commonly incident to such office and such other duties as the Board shall designate.

(b) In the absence or disability of the President, the Vice-President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions on, the President. The Vice-President shall have such other

powers and perform such other duties as may from time to time be assigned to such person by the President or the Board.

(c) The Secretary shall keep accurate minutes of all meetings of the Shareholders and the Board of Directors. Such person shall keep, or cause to be kept, a register of the Shareholders of the Company and shall be responsible for the giving of notice of meetings of the Shareholders or of the Board of Directors. 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 such office and such other duties as may from time to time be assigned to such person by the President or the Board.

(d) The Treasurer, subject to the order of the Board of Directors, shall have the care and custody of the money, funds, valuable papers, and documents of the Company. Such person shall keep accurate books of account of the Company's transactions, which shall be the property of the Company, and shall render financial reports and statements of condition of the Company when so requested by the Board or President. The Treasurer shall perform all duties commonly incident to such office and such other duties as may from time to time be assigned to such person by the President or the Board.

Section 3. Absence or Inability to Act; Vacancies. In the event of absence or inability of any Officer to act, the Board may delegate the powers or duties of such Officer to any other Officer, Director, or person whom it may select. Any vacancy occurring in the elective offices of the Company may be filled by vote of the Board of Directors. An Officer elected to fill a vacancy shall be elected for the unexpired term of such person's predecessor in office and shall hold office until such person's successor is duly elected and qualified.

## ARTICLE V FINANCES

Section 1. Not for Profit. This Company shall not be operated for profit. It shall deliver water, or provide services under contract, only to Shareholders of the Company.

Section 2. Schedule of Charges. Delivery of water to Shareholders shall be at a schedule of charges (to be determined by the Board of Directors) calculated to return the actual cost of purchase or production of water, its treatment and distribution, and the operation of the Company. "Cost" shall also include a reasonable charge for depreciation and depletion, interest on indebtedness, and the expense of maintaining the corporate existence of the Company.

## ARTICLE VI ASSESSMENT OF SHARES

Section 1. Whenever it is deemed necessary by the Company to raise money to keep its pipelines or other assets in good repair, or it is deemed necessary to raise funds to pay any indebtedness theretofore contracted or the interest thereon, including but not limited to any water

transportation fees assessed against the Company, the Company shall have power to make an assessment on the shares of capital stock thereof, to be levied pro rata on the shares of stock payable in money, for the purpose of keeping the property of the Company in good repair, and for the payment of any such indebtedness or interest thereon. No such assessment shall be made, however, unless the question of making such assessment shall be first submitted to the Shareholders of the Company at an annual meeting, or at a special meeting called for that purpose, and owners of a majority of the shares of stock issued and outstanding, represented either by the owner in person or by proxy, voting thereon, shall vote in favor of making such assessment. In the event that said Shareholders shall fail to make or authorize any such assessment within ninety days after the close of the Company's fiscal year, then the Directors shall have power to make any such assessment at any regular or special Directors' meeting called therefor for any such year. The Company may maintain an action in the name of the Company to recover any assessment which shall remain due and unpaid for the period of twenty days after written demand therefor, or, in a case where personal demand is not made, within thirty days after written or printed demand has been deposited in the post office, properly addressed to the post office address of such delinquent Shareholder. The Directors shall proceed to sell the shares of stock of such delinquent Shareholder on failure to pay the installments or assessments that may from time to time become due, but no sale of shares of stock shall be declared as against any estate or against any Shareholder before demand shall have been made for the amount due thereon, either in person or by written or printed notice duly mailed to the last known address of such Shareholder at least thirty days prior to the time when such forfeiture is to take effect. Upon such sale any proceeds over and above the amount due on said shares shall be paid to the delinquent Shareholder. The Company shall have a perpetual lien on such shares of stock and the water rights represented thereby, for any and all such assessments and all parts thereof, until the same are fully paid. Further, the Board of Directors may by resolution or motion duly made and carried provide that no water shall be delivered to such delinquent Shareholders until all assessments shall have been paid. The Company shall not be liable in damages for any damages resulting from any refusal to deliver said water during such delinquency.

## ARTICLE VII AMENDMENTS

Section 1. These Bylaws may be amended, repealed, added to, or altered in whole or in part, by a majority vote of the Board of Directors at any regular or special meeting of the Board, provided notice of such proposed amendment, repeal, addition, or alteration has been given to each Director in writing at least five (5) days prior to said meeting setting forth such proposed amendment, repeal, addition, or alteration.

## ARTICLE VIII CONDUCT OF BUSINESS

Section 1. The Board of Directors may, from time to time, establish such rules as may be required for the orderly conduct of the affairs of the Company, and to define the respective responsibilities of the Company and its Shareholders each to the other. To assure a ready understanding on the part of each Shareholder of the nature of such Shareholder's

responsibilities as a water user, the following provisions are hereby adopted as a part of these Bylaws:

(a) Each stock certificate shall evidence a commercial, industrial, or residential water tap right within the service area of the Company only for the premises and structure or structures to be identified in a tap permit issued by the Company as a prerequisite to furnishing service to any such structure or structures. Notwithstanding the foregoing, stock certificates may be issued and effective (including specifically voting rights) without issuance of a corresponding tap permit, according to rules and regulations adopted by the Company. Any division in ownership of the described premises, major alteration, or any enlargement or change in use of a structure or structures served shall be promptly reported to the Company in writing by the Shareholder and/or owner and shall require, as a condition for continued service, compliance with the Company's rules and regulations then applicable, including any requirements for the purchase of additional shares of stock. Application for the purchase of additional shares of stock, where involved, shall be made in the same manner and on the same terms as application for new service, with no obligation on the part of the Company to approve the same or furnish service to any new or enlarged or changed structure or structures.

(b) Transfer of the stock certificate to a new owner shall be made only upon the transfer books of the Company upon surrender of the certificate, duly endorsed, and upon payment of the required transfer fee. No transfer of the water tap right represented by the stock certificate to a new location shall be permitted unless specifically authorized by the Company in its sole discretion and reflected upon the transfer books of the Company. The stock certificate and water tap right shall be deemed appurtenant to the premises for which issued, and any Company authorized transfer to a new location shall only be effective upon the surrender of the original certificate and issuance by the Company of a new stock certificate specifying the new premises location.

(c) Water shall be delivered to qualified users under a system of meters, which meters shall be easily accessible for the purpose of reading and repairing and shall be absolutely under the control of the Company. Authorized representatives of the Company shall have the right to enter upon the premises for the purpose of reading meters, repairing, replacing, or removing the same for testing.

(d) A separate meter and service line shall be required for each separate structure served. This rule may, however, be varied where separate meters and service lines are clearly not feasible as, for example, in the case of campus type schools, shopping centers, and other larger commercial installations where larger size service lines and meters larger than 5/8 inch, are used. There shall be no waiver of the general rule, however, except by specific agreement between the Company and the user arranged in advance of the installation of water service. Subsequent division of ownership of the property served, the construction of additional structures, major alterations, or change in use shall require, as a condition of continued service, the negotiation of a new agreement with the Company and installation of additional service lines and meters as the Company may require.



(e) Water waste will not be permitted. The maintenance of service lines between the Company mains and structures served shall be the responsibility of the Shareholder and property owner, who shall also be responsible for the repair of damage to meters, meter pits and covers, stop boxes and other fittings and devices appurtenant to such property owner's water service. Upon the property owner's failure to have damage repaired promptly after notification by the Company or upon failure to keep meters readily accessible for reading and repair, the Company shall have the right to have the necessary work done at the expense of the property owner.

(f) Shareholders are responsible for unpaid water bills incurred by a tenant or other user (such as under a purchase contract) of the tap right represented by this certificate, and any unpaid sums, whether for water or otherwise, due the Company incident to service under such tap right shall constitute a paramount lien in favor of the Company against the stock represented hereby. No stock representing a tap right can be transferred until any delinquency in connection therewith is paid in full.

(g) The Company does not warrant the delivery of specific quantities of water nor does it undertake to maintain water pressures sufficiently high to operate sprinkling systems, automatic household appliances, or other equipment depending on water pressure for their operation. No allowance will be made by way of reduction in demand, contract, readiness to serve, or minimum charges, for reduction in quantities of water normally delivered caused by failure of supply, line breaks, or restrictions placed on use of water during times of shortage, or low pressure. During periods of short supply the Company will act as an agent for all of its users and endeavor to ensure each a fair and equal share of the water available. To this end, it may impose sprinkling restrictions or other water conservation measures, enforcing the same by providing penalties for the violation of its rules.

(h) All water furnished to Shareholders by the Company is furnished on a single-use basis only. Neither a Shareholder, nor a special district (including metropolitan districts) treating effluent resulting from a Shareholder's primary use of the Company's water, shall have the right to make a re-use or a succession of uses of such water; and upon completion of the primary use, and any treatment thereof, all dominion and control over the water furnished by the Company shall revert completely to the Company. Except as herein specifically provided, all property rights to the water furnished to Shareholders are reserved to the Company. Specifically, the Company retains all ownership, dominion, and control of return flows resulting from Shareholders' use of water furnished by the Company, including (but not limited to) return flows in the forms of surface run-off, groundwater returns, and returns through a wastewater treatment plant.

(i) This Company is not organized for pecuniary profit and no dividend or other form of cash return on investment shall be paid to Shareholders except in case of distribution of assets upon dissolution of the Company. Upon dissolution of the Company, after all liabilities and obligations of the Company have been paid and discharged, or adequate provision made therefor, all remaining assets shall be distributed to the Shareholders.

(j) In connection with enforcement of its Bylaws and other lawful rules and regulations covering the furnishing of water service and to collect delinquent accounts, the Company may, after reasonable notice, discontinue water service without incurring any liability therefor.

(k) The Company expressly reserves the right from time to time to amend or to revise the existing Bylaws, rules and regulations, or to adopt new and different ones to the full extent permitted by law.

(l) The Company may become subject to the rules, restrictions, and requirements of certain competent public authority. Such rules, restrictions and requirements, as they may exist at any time and from time to time, are hereby incorporated herein, to the extent applicable.

(m) Acceptance of a stock certificate shall constitute an agreement on the part of the holder thereof to abide by all provisions of the Articles of Incorporation, By-Laws, and rules and regulations of this Company.

## ARTICLE IX STOCK

Section 1. Stock Certificates; Records. From time to time the Company shall issue an “Notice of Wigwam Mutual Water Company Designation and Issuance of Company Shares, Services and payment Policy”, as revised from time to time, with Schedule A attachments representing stock certificate serial numbers issued in numerical order, as represented in the records of the Company, signed by the President, and sealed by the Secretary with the corporate seal of the Company. A record of each certificate serial number issued shall be kept in a Company database, and all canceled certificate serial numbers shall be marked canceled and stated in the database of the Company.

Section 2. Transfers. Stock serial numbers shall not be transferred, unless abandonment of the property originally assigned to and with approval by the Company Board, otherwise, shall remain with the property as described in Schedule A of the “Notice of Wigwam Mutual Water Company Designation and Issuance of Company Shares, Services and payment Policy” as recorded with the Clerk and Recorder in the Records of El Paso County, Colorado. Transfers of stock serial numbers shall be made only in the records of the Company.

Section 3. Loss or Destruction of Certificate. No actual certificate for shares shall be issued, therefore a loss or destroyed certificate is not applicable, as only certificate serial numbers are record in the Records of the Company and with the Clerk and Recorder in the Records of El Paso County, Colorado.

Section 4. Ownership Requirements; Water Service Rates; Stock Price.

(a) The capital stock of the Company shall be sold in units of one (1) share only and transfers of shares of stock shall only be made in units of one (1) share each. Each

one (1) share of stock shall represent the right to receive a Tap Permit to physically tap the mains of the Company's system for water within the service area of the Company for a commercial, industrial, or residential building, all in accordance with the Company's rules and regulations as determined by the Board of Directors from time to time in the Board's sole discretion.

(b) Effective with all billings on and after May 1, 2005, the rate charged for water shall be in accordance with the schedule found in the Company's rules and regulations, as determined by the Board of Directors from time to time in the Board's sole discretion.

(c) Variations in these general rules may be made for service to political subdivisions, larger commercial structures, such as shopping centers, for industrial users, and for other users as determined to be necessary by the Board of Directors. Any exceptions made, however, shall be solely at the discretion of the Board of Directors, and as negotiated at the time water service is contracted for.

(d) The selling price for new shares of Stock sold by the Company shall be as determined by the Board from time to time.

#### Section 5. Evidence of Tap Rights; Stock Certificate Form; Repurchase.

(a) The stock of this Company shall be sold only for the purpose of conferring the right to tap the mains of the Company to secure water service for property within the service area of the Company. All stock and tap rights shall remain appurtenant to the property for which issued and no physical transfer of stock or a tap right to a different location shall be permitted, except at the discretion of the Board of Directors.

(b) The form of stock certificate used by the Company shall be in the form of "Notice of Wigwam Mutual Water Company Designation and Issuance of Company Shares, Services and payment Policy", as amended from time to time, as recorded with the Clerk and Recorder, in the records of El Paso County, Colorado. The current owner of record of property as set forth in Schedule A of said "Notice of Wigwam Mutual Water Company Designation and Issuance of Company Shares, Services and payment Policy", and as reflected by County Records of the property that's legal description is stated in Schedule A of said "Notice of Wigwam Mutual Water Company Designation and Issuance of Company Shares, Services and payment Policy", shall be issued certificate serial number in increments of one (1) share to (1) serial number. Voting of stock shall be by the record holder as shown as the current owner of the property as reflected in the Records of El Paso County, Colorado, and as shown in the books of the Company.

(c) The Company may repurchase its stock in its sole discretion.

#### ARTICLE X INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. To the fullest extent permitted or provided by the Colorado Nonprofit Corporation Act, as it may be amended from time to time, the Company may indemnify any person against all liability and expense incurred by reason of the fact that such person is or was a Director or Officer of the Company or, while serving as such Director or Officer, such person is or was serving at its request in one or more of the following listed capacities, hereinafter referred to as "Another Related Capacity": as a director, officer, partner, or trustee of, or in any similar managerial or fiduciary position of, or as an employee or agent of, another corporation, partnership, joint venture, trust, association, other enterprise or employee benefit plan. In addition to the foregoing obligation of indemnification, and with a view to giving the persons covered by these provisions the broadest possible indemnity, the Company may also indemnify persons as provided in the succeeding sections of this ARTICLE X. In interpreting this Article, unless the contrary is manifest, terms used herein shall be given the meanings provided by the pertinent provisions of the Colorado Nonprofit Corporation Act.

Section 2. The Company may indemnify any person who was or is a party or is threatened with being made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (all of which are hereinafter sometimes referred to as a "Proceeding") other than an action by or in the right of the Company, by reason of the fact that the person is or was a Director or Officer of the Company or is or was serving in Another Related Capacity, against expenses (including attorneys' fees), judgments, penalties, fines (including an excise tax assessed with respect to an employee benefit plan) and amounts paid in settlement actually and reasonably incurred by such person in connection with such Proceeding if, (i) while acting as a Director of the Company, such person acted in good faith and in a manner he believed reasonably to be in its best interest, or, (ii) while acting in Another Related Capacity, such person acted in good faith and in a manner such person believed reasonably not to be opposed to its best interests, or, (iii) with respect to any criminal action or proceeding, such person had no reasonable cause to believe that such person's conduct was unlawful. The termination of any Proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption (i) that the person did not act in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interest of the Company, as the case may be, or, (ii) with respect to any criminal action or proceeding, that such person had no reasonable cause to believe that his conduct was unlawful. A Director's conduct with respect to an employee benefit plan for a purpose that the Director reasonably believed to be in the interests of the participants in or beneficiaries of the plan shall be deemed to meet the foregoing requirements.

Section 3. The Company may indemnify any person who was or is a party or is threatened with being made a party to any threatened, pending, or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact (i) that the person is or was a Director or Officer of the Company or, (ii) that the person is or was serving in Another Related Capacity, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interest of the Company; but no such indemnification shall be made

in respect of any claim, issue, or matter as to which such person has been adjudged to be liable for negligence or misconduct in the performance of his duty to the Company unless, and then only to the extent that, the court in which such action or suit was brought determines, upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses as such court deems proper.

Section 4. To the extent that a person entitled to indemnity under Sections 2 or 3 of this ARTICLE X has been wholly successful, on the merits or otherwise, in defense of any Proceeding or in defense of any claim, issue or matter therein, such person may be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Section 5. Any indemnification under Sections 2 or 3 of this ARTICLE X (unless ordered by a court) may be made by the Company only as authorized in the specific case upon a determination that indemnification of the person seeking indemnification is proper in the circumstances because the person has met the applicable standard of conduct set forth in said Sections 2 or 3 of this ARTICLE X. Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such Proceeding, or, (ii) if such a quorum is not obtainable or, even if obtainable, a quorum of disinterested Directors so directs, the determination may be made by independent legal counsel, in a written opinion, or by the Shareholders.

Section 6. Expenses (including attorneys' fees) incurred in defending a Proceeding may be paid by the Company in advance of the final disposition of such Proceeding in the manner authorized in Section 5 of this ARTICLE X upon receipt of an undertaking, by or on behalf of the person seeking the advance, to repay such amount unless it is ultimately determined that such person is entitled to be indemnified by the Company against such expenses pursuant to this ARTICLE X.

Section 7. The indemnification provided by this ARTICLE X shall not be deemed exclusive of any other rights to which those indemnified may be entitled under these Bylaws, the Articles of Incorporation, any agreement, vote of Shareholders or of disinterested Directors, or otherwise, and any procedure provided for by any of the foregoing, both as to action while a Director or in Another Related Capacity, and such indemnification shall continue as to a person who has ceased to be in the position which entitled such person to such indemnification and shall inure to the benefit of the heirs, executors, and administrators of such a person. The provisions of this ARTICLE X shall not be deemed to preclude the Company from indemnifying other persons than those indemnified under this ARTICLE X from similar or other expenses and liabilities as the Board of Directors or the Shareholders may determine in a specific instance or by resolution of general application.

Section 8. The Company may purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee, fiduciary or agent of the Company or who is or was serving at the request of the Company in Another Related Capacity.

ARTICLE XI  
ACTION WITHOUT A MEETING

Section 1. Any action required or permitted by law, the Articles of Incorporation, or these Bylaws to be taken at a meeting of the Board or the Shareholders of the Company may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Directors or Shareholders entitled to vote with respect to the subject matter of such meeting.

**I, the undersigned, Secretary of Wigwam Mutual Water Company,** do hereby certify that the foregoing is a true and complete copy of the Bylaws of the Company, including all amendments, and the same are in force at the date hereof.

**IN WITNESS WHEREOF,** I have hereunto subscribed my name and affixed the seal of the Company, this                    day of                    2005.

Secretary

[Seal]

**RESOLUTION NO. 2006.07.30**

**RESOLUTION OF THE BOARD OF DIRECTORS OF WIGWAM MUTUAL WATER COMPANY, A COLORADO MUTUAL DITCH COMPANY**

**WHEREAS**, Wigwam Mutual Water Company (“Company”) has determined from experience that compliance with the existing Company bylaws regarding the issuance of stock certificates and of tying certificates to the lots upon which the corresponding water service is to be provided, is difficult, time consuming and impractical.

**WHEREAS**, the Board of Directors of the Company therefore desires to implement a alternate procedure for the issuance and record keeping of the stock certificates and the tying of those stock certificates to the specific lots upon which the water taps have been issued, and to amend its bylaws accordingly.

**WHEREAS**, on April 15, 2006, the Board of Directors adopted a resolution for such an alternative procedure for the handling of stock certificates.

**WHEREAS**, the Board also desires to affirm how customers must treat their wastewater from water deliveries provided by the Company, and to amend and supplement its Bylaws accordingly.

**WHEREAS**, Wigwam has entered into a February 3, 2006 Water Restriction Agreement for Rancho Colorado Buffer Zone with L.W.D., LLC, Casa Builders, Inc., Comanche Resources, LLC, and El Paso County (“Water Restriction Agreement”) which restricts the Company’s ability to issue new water tap permits and provide water service to properties (with some exclusions for Excluded Lots) that are located in a designated Buffer Zone within the Rancho Colorado Subdivision.

**WHEREAS**, according to the terms of the Water Restriction Agreement, the Company agreed to amend its Bylaws to reflect the obligations of the Water Restriction Agreement.

**WHEREAS**, the Company also desires to clarify and provide that Company assessments on shares are only to be made and paid on outstanding shares which have been assigned to properties where water service is to be provided.

**NOW, THEREFORE**, pursuant to the Board’s authority and power to amend the Bylaws of the Company, including, without limitation, Article VII of the Bylaws, the following amendments are made to the Bylaws of the Company.

1. Handling of Stock Certificates. The Bylaws of the Company are amended and supplemented to include the following provisions.



A. Stock Certificates. The Company shall no longer issue paper stock certificates in the name of individual owners of a parcel of land upon which a Company water tap may or has been assigned. The Company shall retain stock certificate ownership electronically upon the data base of the Company records. Shares shall be assigned to the lots where they provide or are to provide water service, however not all outstanding shares have at this time been assigned to specific lots. Any outstanding paper stock certificates shall be surrendered to the Company upon request and also upon issuance of a tap permit for the assigned lot to be provided with water service. All stock certificates shall be considered as reissued upon the electronic records of the Company. Upon the issuance of a tap permit for a Company's stock certificate, or assignment of a stock certificate to a lot where water service is to be provided, such stock certificate and ownership shall be considered as an appurtenance and tied to the property where the tap permit is issued or where water service is to be provided. The Stock Certificates shall thereafter be automatically transferred with the property. No separate assignment of the stock certificate shall be necessary. The stock certificate shall remain as an appurtenance to the property upon which the water tap is issued or assigned except as such ownership may be severed in accordance with the terms and provisions of the bylaws, including, without limitation, cancellation of the stock certificate for non-payment of assessments or noncompliance with the bylaws, rules, and regulations of the Company.

B. Transfers. All transfers of share certificates shall take place electronically upon the records of the Company. Requests for transfer of any stock certificate prior to the issuance of a water tap, or prior to assignment of a stock certificate to a lot, shall be upon such forms and procedures as required by the Company so as to accomplish such electronic transfer. All transfers of stock certificates after becoming an appurtenance to the serviced property shall transfer automatically with the serviced property as provided herein.

C. Recorded Certificate. The Company shall record in the real estate records of the El Paso County Clerk and Records Office a Notice in the general form of the attached Exhibit A which identifies the stock certificates by serial number and the legal descriptions of the properties to which they are appurtenant. The exact form of this Notice may change from time to time by resolution of the Company. A similar notice may also be recorded to reflect when the stock certificate shall cease as an appurtenance to the designed property. No property shall receive services by water tap without a stock certificate tied as an appurtenance to the property as provided herein.

2. Water Restriction Agreement. The Bylaws of the Company are hereby amended and supplemented, as necessary, to implement and comply with the Company's obligations and requirements of Paragraph 2.C. of the Water Restriction Agreement, which provides at this time as follows:

As of the Effective Date of this Agreement and throughout the term of the Agreement, Wigwam and Comanche agree that, with the exception of the Excluded Lots, they shall not: (1) issue any new water tap permits in the Buffer zone; (2) enter into any type of contract, assignment or agreement with respect to provision of water service or water rights in the Buffer Zone; (3) convey any

Wigwam shares, FMIC shares, or other water taps for use within the Buffer Zone; or (4) install any well, pipe, cistern, tank or water storage facility for the provision of water service in the Buffer Zone, with the exception of the Excluded Lots. In addition, notwithstanding any provisions in the Water Court augmentation decrees in Comanche I, II and III to the contrary that allow Comanche and Wigwam to provide service in the Buffer Zone, Comanche and Wigwam hereby agree to limit expansion of that service as set forth in this Agreement.

The Company's compliance with these obligations is subject to the other terms, provisions and definitions of the Water Restriction Agreement.

3. Wastewater Treatment. The Bylaws of the Company are also amended and supplemented to provide as follows:

Wastewater Treatment. All wastewater treatment from customers of the Company shall be either by non-evaporative septic system or by central wastewater treatment system with return flows constituting no less than individual non-evaporative septic systems.

4. Assessment. The Bylaws of the Company are amended and supplemented to provide that Company assessments upon shares of stock shall only be made upon shares for which water taps have been issued and upon shares which have been assigned on the Company records for water service to specific lots.

5. Inconsistencies. The Bylaws of the Company are hereby amended and supplemented as set forth herein. In the event of any inconsistency between the existing Bylaws and this Resolution, including the Exhibit A Notice, then the terms and provisions of this Resolution and the Exhibit A Notice shall control and govern any such inconsistency. The Bylaws shall be considered so amended to eliminate any such inconsistency.

6. Other Bylaw Provisions. All other terms and provisions of the Bylaws not amended hereby and which are not inconsistent with this Resolution are to remain in full force and effect.

7. Ratification. The Board hereby ratifies all prior actions taken by the Board and its officers that are consistent with the amended and supplemented Bylaws. All prior Exhibit A Notices that have been recorded are hereby ratified and affirmed.

8. Proper Action. This action is taken by the Board of the Company at its regular meeting after all required notices of the meeting, including notice of the amendment of the bylaws under Article VII, have been made with a quorum of the Board in attendance and taking proper action thereon.

**THEREFORE**, the Bylaws of the Company are amended as set forth herein and enacted by the Board of Directors of the Wigwam Mutual Water Company on this \_\_\_\_ day of \_\_\_\_\_, 2006 to be effective immediately.

Directors:

\_\_\_\_\_  
Gary A. Smith                      Date                      Timothy T. Ward Sr.                      Date

\_\_\_\_\_  
William T. Ward III                      Date                      Allen Van Wyhe                      Date

\_\_\_\_\_  
Cary Carpenter                      Date

WIGWAM MUTUAL WATER COMPANY

By: \_\_\_\_\_  
Secretary

{ ORIGINAL EXECUTED DOCUMENT HELD WIGWAM'S CORPORATE BOOK }