
*ACRES OF IRELAND WELL
OWNERS, LLC*

OPERATING AGREEMENT

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ARTICLE I: NAME, PURPOSE

Section 1: Organization Name.

The name of the organization shall be ACRES OF IRELAND WELL OWNERS, LLC. - Hereinafter referred to as AOIWO or AOIWO, LLC.

Section 2: Organization Purpose.

AOIWO, LLC is organized for the purposes of overseeing the Acres of Ireland property owners' groundwater wells compliance with state law; to manage, maintain and hold title to Cherry Creek surface water utilized for purposes of well users' augmentation under Colorado Water Court Case No. W-4447; and to provide access to records of such augmentation management to any local, state or federal jurisdictional agency having legal oversight authority; and lastly to provide an open forum by which all members in good standing may involve themselves in the affairs of the AOIWO, LLC.

ARTICLE II: MEMBERSHIP

Section 1: Membership Qualifications.

Membership shall consist of all well owners located within the Acres of Ireland subdivision, both Filings #1 and #2, in Howard, Fremont County, Colorado.

A member in good standing is defined as follows:

1. A groundwater well owner;
2. Who is current with the payment of any periodic or special dues as determined and approved by the Board, or who has made a pre-approved arrangement for payment which was accepted in lieu thereof by the Board;
3. Who is cooperating with and adhering to the policies as determined by the Board of Directors pertaining to the AOIWO, LLC purposes.

Section 2: Membership Voting.

All members in good standing as defined above shall have one vote, for each state permitted well, to be cast during attendance at any general or special meeting, or by mail-in ballot as may apply.

Unless otherwise specified in this Operating Agreement, decisions of the AOIWO, LLC shall be made by a majority vote of those members present at any meeting or by mail-in ballot received on or before the deadline due.

ARTICLE III: FINANCIAL SUPPORT

Section 1: Annual Dues

As determined by the Board of Directors, (hereafter the "Board") annual dues may be assessed as required to meet the financial obligations and the objectives of the AOIWO, LLC. The amount of these dues will be determined by the Board and presented at the annual meeting and will be based upon anticipated expenditures for the upcoming fiscal year. Members will have a minimum of 90 days past the beginning of the fiscal year with which to remit their dues without penalty or loss of member in good standing privileges.

Section 2: Special Assessments

As determined by the Board, special assessments may be made if required to meet the financial obligations and the objectives of the AOIWO, LLC. Special assessments are purposed solely to cover emergency expenses not planned for or covered by the annual dues. Members will in no case have less than 90 days with which to pay the assessment without penalty or loss of membership in good standing. Special assessments may occur only after any unallocated reserve funds currently held by the AOIWO, LLC have been depleted by 80% or more.

Section 3: Establishment of a Reserve Operational Fund

A minimum of 10% of any annual dues collected will be set aside in a reserve fund for the purposes of covering unanticipated expenses not part of the current fiscal year's budget. The Board of Directors will determine, at the annual meeting, what the target reserve fund balance will be for the upcoming fiscal year.

Section 4: Assessment of Penalties:

The board may assess financial penalties against those members failing to pay any annual or special dues assessments in a timely manner. Any penalties will need to be paid in complete in addition to the original assessment(s) before the member may be considered to be in good standing. The Board, at its discretion, may choose to waive any penalties due to special circumstances so long as the circumstances are applied equitably.

ARTICLE IV: MEMBERSHIP MEETINGS

Section 1: General Membership Meetings.

There shall be at least one general membership meeting each year. The meeting dates and times shall be decided upon by the majority vote of the Board. Notification shall be by mail, newsletter, posted notices, website notification, telephone calls, electronic mail lists or any other appropriate means of communication apt to reach a majority of the members. Notification shall require 14 days advance notice to the general public, all active members and to individuals and news media that have requested notice.

Section 2: Special or Non-Regular Meetings.

Special meetings of the membership, board or committees may be called by the President or by majority vote of the Board as deemed necessary or by the voting members with a 51% approval in writing. Notification shall be by mail, newsletter, posted notices, telephone calls, electronic mail lists or any other appropriate means of communication apt to reach a majority of the members.

Section 3: Agenda:

Subject to the approval of the Board, the Secretary shall prepare the agenda for general and special meetings of the membership. Any property owner may add an item to the agenda by:

- a. Submitting the item in writing to the Board at least seven (7) days in advance of the meeting or,
- b. Making a motion to the Board to add an item to the general or special meeting agendas at those respective meetings. Adoption of that motion requires a second and majority vote **by the Board**.

Section 4: Quorum

A quorum for any general or special meeting of the AOIWO, LLC is a majority (>50%) of the members in good standing who are physically present, or voting in advance by timely submitted proxy or mail-in ballot.

Section 5: Participation

Any general, special, or committee meeting is open to any person and all who may wish to be heard regarding any item on the agenda. Only members in good standing will be eligible to vote. All actions or recommendations of the general or special meetings shall be communicated to all affected parties, including minority opinion reports.

Section 6: Procedures

Roberts Rules of Order shall be followed in all areas not covered by the Operating Agreement.

ARTICLE V: BOARD OF DIRECTORS

Section 1: Number of Board Members.

Upon initial formation, the Board shall consist of five (5) members: President, Vice-President, Secretary, Treasurer and a Member-At-Large representative. The Board shall determine the exact numbers of Board positions annually but in no case shall be less than four (4).

Section 2: Eligibility for Board Service:

Only persons eligible for membership, and in good standing, shall be qualified to hold an elected or appointed position. In the event an elected or appointed board position remains unfilled due to lack of interested or qualified candidates the board, at its discretion, may appoint

a non-member to fill the vacancy until such a time when a qualified member is elected through the normal course of elections.

Section 3: Terms of Office:

The initial appointments for the President, Secretary and Member at Large shall be one (1) year, the initial appointments for Vice President and Treasurer shall be two (2) years, terms thereafter will be determined by the Board at their first meeting. Upon expiration of initial terms of office, all re-appointments would be for two (2) year terms.

Section 4: Board Vacancies

Resignation from the Board must be in writing and received by the Secretary. A Board member may be removed for any reason by a majority vote of the Board. The Board may fill any vacancy on the Board or committees by majority vote of the Board. Nominations for new board or committee members may be made by nomination at the annual election, or received by the Secretary from present Board members, at least two weeks prior to a Board meeting. The nominated member must meet the eligibility requirements as currently defined. A member appointed to fill a vacancy shall serve the remainder of the unexpired term and until his or her successor is elected or appointed.

Section 5: Election of Board Members

Board member elections shall be held annually by a vote of the membership in good standing, either by mail in ballot timely delivered prior to, or at the annual meeting. The names of all candidates for the Board shall be placed in nomination by a nominating committee or by any member in good standing of the AOIWO, LLC. Election requires a majority vote of the membership present, or represented by mail in ballot. Properly completed and signed proxy votes will be accepted on the behalf of members in good standing not in attendance.

Section 6: Duties of Board Members

- The Board shall have the following general responsibilities and powers:
- a. Manage the affairs, duties and responsibilities of the AOIWO, LLC.
 - b. Make decisions and represent the interests of the AOIWO, LLC on all matters for which it is impractical to present to the membership in advance. All such actions shall be reported to the membership at the next regular meeting.
 - c. Appoint committees to perform necessary functions and represent the AOIWO, LLC on specified topics.
 - d. Establish a yearly work plan of priority issues and projects for maintaining and encouraging involvement in the AOIWO

Section 7: Duties of the Board Officers

The President - shall preside at all board meetings and all membership meetings and shall perform such duties as the Board and the membership from time to time authorizes. The President shall represent the position of the Board and the interests of AOIWO, LLC.

The Vice-President shall perform the duties of the President in the President's absence and as authorized by the Operating Agreement. The Vice-President will chair committees on special subjects.

The Secretary shall be responsible for keeping records of Board meetings and actions, sending out meeting announcements, distributing copies of minutes and the Agenda to each Board member.

The Treasurer shall have charge of all funds belonging to the AOIWO, LLC and shall receive, deposit and disburse funds for the AOIWO, LLC in a bank(s) or financial institution(s) in such manner as designated by the Board. The treasurer shall make a report at each Board meeting, chair the Finance Committee, timely file proper tax forms, assist in the preparation of the budget and make financial information available to the Board and AOIWO, LLC members. The Treasurer will be chair of the Finance Committee, which includes three other Board members. The Finance Committee is responsible for developing and reviewing fiscal procedures and an annual budget. The Board must approve the budget and all expenditures must be within the budget. The fiscal year shall be the calendar year.

The Member at Large shall serve the Board in any necessary capacity consistent with this Operating Agreement.

Section 8: Board Meetings

A - Regular Board Meetings:

There shall be a minimum of two (semi-annual) regular Board meetings each year. The meetings shall be convened any day decided upon by the majority vote of the Board. Notification shall be by mail, telephone calls, or electronic mail at least two (2) weeks in advance for all Board Members.

B - Special or Non-regular Board Meetings:

Special meetings of the Board shall be called upon the request of the President or by a majority of the board. Notification shall be by mail, telephone calls, or electronic mail at least two (2) weeks in advance for all Board Members.

C - Emergency Meetings:

Emergency meetings of the Board may be called by the President or by majority of the Board as deemed necessary. Notification shall be by mail, telephone calls, or electronic mail and shall require not less than 24 hours' notice to the members of the Board that is meeting and to individuals and news media that have requested notice.

D - Chair:

Board meetings will be chaired by the President, or pursuant to this Operating Agreement.

E - Quorum:

A quorum for board meetings of the AOIWO, LLC is a majority of the currently elected Board

F - Voting:

Unless otherwise specified in these bylaws decisions of the Board shall be made by a majority vote of those Board members present at any meeting.

Section 9: Powers of the Board

The Board shall be responsible for all business coming before the AOIWO,LLC and for assuring that members are informed of business that affects them through reasonable means of notification. The Board has the responsibility of acting in the best interest of the AOIWO,LLC but is not specifically bound to act according to the desire of the majority of members attending a particular meeting.

Section 10: Termination for Non-attendance

Termination for non-attendance: Board members failing to attend three consecutive Board meetings may be terminated from the Board upon written notice.

Section 11: Board Compensation

The Board shall receive no compensation other than reimbursement for reasonable out of pocket expenses.

ARTICLE VI: COMMITTEES

Section 1: Committee Formation

There may be standing committees as designated by the Board and special committees as may be established by the President. Committees must have at least one (1) Board member on them.

ARTICLE VII: CONFLICT OF INTEREST

Section 1: Conflict of Interest Procedures

A transaction in which a Board Member may have a direct or indirect conflict of interest may be approved by a vote of the Board if in advance of the vote by the Board all material facts of the transaction and the Board Member's interest are disclosed to the Board. A conflict of interest transaction is considered ratified if it receives the affirmative vote of the majority of the Board who have no direct or indirect interest in the transaction. A transaction may not be authorized by single Board Member. If a majority of the Board Members who have no direct or indirect interest in the transaction votes to authorize, approve or ratify a transaction, a quorum must be present for the purpose of taking action. The presence of, or vote cast by a Board Member with a direct or indirect interest in the transaction does not affect the validity of the action taken by the Board. The Board Member with the direct or indirect conflict of interest may elect to abstain from voting on the transaction.

ARTICLE VIII: AMENDMENTS:

Section 1: Amendment Processes

This Operating Agreement may be amended when necessary by a two-thirds majority of the Board. Proposed amendments must be submitted to the Secretary to be mailed out or transmitted by e-mail or on the AOIWO, LLC website with regular Board announcements.

ARTICLE IX: PROCEDURE FOR CONSIDERATION OF PROPOSALS:

Section 1: Submission of Proposals

Any person or group may propose in writing items for consideration and/or recommendation to the Board. The Board shall decide whether proposed items will appear on the agenda of the Board, standing or special committees, or general or special meetings.

Section 2: Notification

The proponent and members directly affected by such proposal shall be notified in writing of the place, day, and hour the proposal shall be reviewed not less than 24 hours in advance

Section 3: Attendance

The proponent may attend this meeting to make a presentation and answer questions concerning the proposals.

Section 4 Dissemination:

The AOIWO, LLC shall record recommendations and dissenting views in the meeting minutes.

ARTICLE X: PUBLIC MEETINGS/PUBLIC RECORDS REQUIREMENT:

Section 1: Recordkeeping

The AOIWO, LLC will abide by all the requirements relative to public meetings and public records. Official action(s) taken by the AOIWO, LLC must be on record or part of the minutes of each meeting. The minutes shall include a record of attendance and the results of any vote(s) and recommendations made along with a summary of dissenting views. Official records will be kept by the Secretary and made available upon request by membership.

ARTICLE XI: NONDISCRIMINATION:

Section 1: Non-Discrimination Policy

The AOIWO, LLC will not discriminate against individuals or groups on the basis of race, religion, color, sex, sexual orientation, gender identity, age, disability, legal citizenship, national origin, income, or political affiliation in any of its policies, recommendations or actions.

ARTICLE XII: ADOPTION AND AMENDMENT OF OPERATING AGREEMENT:

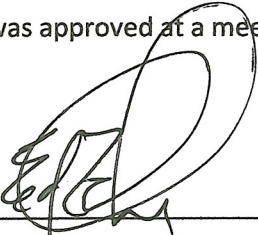
Section 1: Processes

All amendments to this Operating Agreement must be proposed in writing and submitted to members for a reading at a general meeting before voting on their adoption, which may proceed at a later general meeting. Notice of a proposal to amend the Operating Agreement, specifying the date, time and place for consideration, must be provided to all members a minimum of seven (7) days before voting. Adoption of and amendments to the Operating Agreement shall require a two-thirds (2/3) vote by the members present at a general meeting.

This Operating Agreement was approved at a meeting of the Board of Directors on this 29th day of February 2012.

Signed:

President:



Vice President:



Treasurer:



Secretary:



Member-at-Large:

