

**FIRE MOUNTAIN CANAL & RESERVOIR COMPANY**

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January 21, 2010

The 2009 annual meeting of the board of directors of the Fire Mountain Canal and Reservoir Company was called to order by President Luke at 7:30 pm. Directors present were Bill Houseweart, Dave Stiller, Wes Spore and John Stroh. Also present were Trey Denison, Dan Bolton, and Bob Madden.

Everybody present at the meeting introduces themselves.

President Dixie L. gives the shareholders her 2009 report: new Ditch Superintendent, Barrow Mesa break, grant money, sedimentation, SOP of Paonia Reservoir dam gates, the work done on the extension, proactive maintenance, and weed control. A thank you letter was sent by the board to the Delta County Commissioners for their assistance and toadflax spray.

Shareholder Harold Clay gave a big thank you to the board, Trey D. and Scott Howell for the work done on the FM Extension; Harold also said 2009 was the best water year ever for the extension shareholders.

Trey D gives his 2009 annual report of canal operations including discussion of the Barrow Mesa break, weed control, amount of water delivered, maintenance projects completed, and a big thank you to new ditch rider Scott Howell.

Secretary Randy Fisher reviews the financial statement with the shareholders. Randy F. reviews the financial statement line by line, spending a little extra time on the cost of the Barrow Mesa ditch break, spraying expense, mileage expense, and payroll. Also, general discussion on Trey and Scott providing the board mileage/activity logs.

Secretary Randy Fisher announced that a quorum was reached and an election will be held. 139,666 shares were represented tonight at the meeting; this represents 64% percent of the total shares.

Bylaws: The board had spent considerable time during 2009 formulating an amended set of bylaws. After general discussion, including shareholder Yeomans suggested "impeding travel" language for Article VIII Section 1, shareholder Paul Schmucker motions to accept the amended bylaws, shareholder Dion Luke seconds the motion, and the motion carries with a unanimous voice vote; no "neys" were heard by Secretary Randy Fisher.

Nominations:

The floor was opened for shareholder nominations. Myles Roberts nominates Dixie Luke, Carl Roberts nominates Dan Robinson, Bob Madden nominates Dan Bolton, and Dion Luke nominates Bill Houseweart.

Esther Koontz motions to cease nominations, Paul Schmucker seconded, the motion carries and nominations ceased.

Dan Bolton and Dan Robinson introduce themselves to the present shareholders.

Dixie L. and Secretary Randy F. explain cumulative voting the present shareholders. Dixie L. appoints Steve Ruder, Kathy Welt and Ron Smith to the election committee.

Dan Robison is elected to the board (taking Dave Stiller's seat), and Dixie Luke and Bill Houseweart are reelected.

Annual meeting adjourned at 9:45 pm.

A handwritten signature in black ink, appearing to read 'Randall W. Fisher', with a stylized flourish at the end.

Randall W. Fisher, Secretary