

**ALDRC, Inc.
As Amended 06-04-13**

**Violet Hampton
Secretary**

**BYLAWS OF
ALPINE LAKES DITCH AND RESERVOIR COMPANY, INC.
(Revised June 4, 2013)**

PREAMBLE

The Company, its directors, and its shareholders recognize that water is precious in the Western United States and a scarce commodity that enhances the value of the land to which it is applied. The water rights of the Company are valuable and vital assets of the Company and its shareholders. It is important that the water available be used cooperatively by the shareholders of the Company so that each shareholder receives his or her full entitlement. The Company was formed to facilitate the cooperative use of water by the shareholders and to enforce the rights of each of them to their allocated entitlement.

**ARTICLE I.
SHAREHOLDERS**

Section 1. Principal Office and Registered Office. The Principal Office and Registered Office of the Company located in the State of Colorado will be determined by the Board of Directors.

Section 2. Annual Meeting. The annual meeting of the shareholders shall be held at such time of each year at a time and place to be set by the Board of Directors for the purpose of electing Directors and for the transaction of such other business as may come before the meeting.

Section 3. Special Meetings. Special meetings of the shareholders, for any purpose, unless otherwise prescribed by statute, may be called by the President, by the Board of Directors, or by written demand for the meeting, stating the purpose or purposes for which it is to be held, signed and dated by the holders of ten percent (10%) or more of the Company's shares entitled to vote at the meeting.

Section 4. Place of Meeting. The Board of Directors may designate any place, either within or without the State of Colorado, as the place for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made, or if a special meeting shall be called otherwise than by the Board, the place of the meeting shall be at the registered office of the Company in the state of Colorado.

Section 5. Notice of Meeting. Written or printed notice stating the place, day and hour of the meeting, and, in case of a special meeting, the purpose for which the meeting is called, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the President, or the officer or persons calling the meeting, to each shareholder of record entitled to vote at such meeting, except that if the number of authorized shares is to be increased, at least thirty (30) days notice shall be given. If mailed the notice shall be deemed to be delivered when deposited in the United States mail, addressed to the shareholder at his address as it appears on the share transfer books of the Company, with postage thereon prepaid.

Section 6. Action without a Meeting. Any action required to be taken at a meeting of shareholders, or any other action which may be taken at a meeting of the shareholders, may be taken without a meeting if the action is formally proposed by the Board of Directors and the shareholders vote the majority of shares in favor of the proposed action. In this case, the consent to the proposed action, would have the same force as if the action was approved at an annual or special meeting of the shareholders, in accordance with Section 9.

Section 7. Meeting of All Shareholders. If all of the shareholders shall meet at any time and place, either within or outside of the State of Colorado, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting any Company action may be taken.

Section 8. Quorum. A majority of shares outstanding of the Company entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. If less than a quorum is represented at a meeting, a majority of the shares so

represented may adjourn the meeting from time to time without further notice provided, however, that the period shall not exceed sixty (60) days for any one adjournment. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally called. The shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

Section 9. Manner of Acting. If a quorum is present, the affirmative vote of a majority of the shares represented at the meeting and entitled to vote on the subject matter shall be the act of the shareholders, unless the vote of a greater number is required by law or the Articles of Incorporation. However, proxies will be used only to achieve a quorum at the annual or special meeting and to elect director(s) nominated from the floor if there is an opening in the Board of Directors.

Section 10. Voting Shares. Each outstanding share shall be entitled to one vote on each matter submitted to a vote at a meeting of the shareholders except as otherwise provided in the Articles of Incorporation. In the election of Directors, each record holder of shares entitled to vote at such election shall have the right to vote the number of shares owned by him for as many persons as there are Directors to be elected, and for whose election he has the right to vote.

Section 11. Record Date. The last business day not less than seven days preceding an annual or special meeting shall be the record date for determination of the identity and number of shares of shareholders entitled to vote as reflected on the records of the Company.

Section 12. Duties of Shareholders. Each shareholder has a duty to use his or her water in such a manner that will not interfere with, or reduce the amount of, water to which other shareholders are entitled. No shareholder shall take or cause to be taken more than that shareholder's proportionate share of the water of the Company. No shareholder shall interfere with return flows that have resulted from the historical use of the water rights of the Company. Each shareholder shall install and maintain a head gate for each parcel

upon which water of the Company is used. The cost of such installation and maintenance shall be the responsibility of the shareholders. Each shareholder shall obtain a Ditch Company Installation Permit from the Board of Directors before any head gate installation, repair, or any work within the easement including boring under or building over the primary ditch. Any head gate not properly maintained may be isolated by the irrigator as described in Article III, Section 5, to prevent the shareholder from receiving more than their proportionate share of water. Once isolated, the shareholder must receive a Ditch Company Installation Permit prior to repairing that head gate. No shareholder shall take water at any location other than the head gate for his or her parcel. The tracts of land owned by shareholders are burdened with an easement for the ditch or ditches conveying the Alpine Lakes Ranch, recorded in Archuleta County, Colorado, and are 20 feet wide, being 10 feet on either side of the centerline of the ditch. The irrigator appointed as described in Article III, Section 5 herein may use soil or other materials within the easement on a particular tract of land to repair any blowouts or similar damage to the section of the ditch within the same tract of land.

Section 13. Violations and Penalties. Unless emergency circumstances require immediate action, if the Board of Directors believes that the shareholder has violated any provision of these bylaws, it shall send notice of such violation to the shareholder by United State Mail to the most recent address that the shareholder shown for the shareholder on the records of the Company. The shareholder shall have the right to provide the Board of Directors within ten (10) days after the mailing of the notice with any information that the Board of Directors should consider in determining whether a violation has occurred, and, if so, the appropriate penalty and/or remedy for the violation. No earlier than ten (10) days after mailing the notice, the Board of Directors shall determine whether a violation in these bylaws has occurred, and if so, the board of Directors, in its discretion, may determine an appropriate monetary penalty and/or remedy, including, by way of illustration,, the assessment of damages (including reasonable attorneys' fees and costs) incurred as a result of the violation, the issuance of an order to shareholder to take an action or to refrain from taking an action, the reduction in the amount of water which the shareholder is allowed to use by virtue of being a shareholder,

or the construction or repair of any property for which the shareholder is responsible at the cost of the shareholder. Any monetary penalty for violation arising under this section may be collected at the discretion of the Board of Directors, as an additional assessment on the shareholder's shares pursuant to Article VIII of the Articles of Incorporation or through legal process in the same manner as any other debt. Any non-monetary remedy may be enforced in an action for specific performance, each shareholder acknowledging that in such case there will not be an adequate remedy at law. The foregoing shall not restrict the Board of Directors from determining that the violation constitutes a theft of water, and if so, notifying the appropriate county authorities. Such violation will then be subject to applicable civil and criminal sanctions.

ARTICLE II BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Company shall be managed by its Board of Directors. The Company shall not make loans.

Section 2. Number, Tenure and Qualifications. The number of Directors shall be a maximum of seven, with at least two directors elected at each annual meeting so that the terms of directors are staggered. Directors need not be residents of Colorado or shareholders of the Company.

Section 3. Vacancies. Any director may resign at any time by giving written notice to the President of the company. A resignation of a Director is effective when the notice is received by the Company unless the notice specifies a later effective date and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any Director absent from three scheduled meetings in any twelve-month period shall be considered unable to fulfill his/her responsibility as a Director. (8/7/06) This action shall have the same effect as a resignation. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum. The term of a Director chosen by the other Directors to fill a vacancy expires at the next annual meeting. The shareholders may also fill any vacancy of the board of Directors.

Section 4. Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after and at the same place as the annual meeting of the shareholders. The Board of Directors may adopt a resolution as to the time and place, either within or without the State of Colorado, for the holding of additional regular meetings without other notice than such resolution.

Section 5. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or majority of the Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Colorado, as the place for holding any special meeting of the Board of Directors called by them.

Section 6. Notice. Notice of any special meeting shall be given at least seven (7) days prior thereto by written notice delivered personally or mailed to each Director at his business address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mailed, or addressed with postage thereon paid.

Section 7. Quorum. A majority of the number of Directors in office immediately before the meeting begins shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. But if less than a majority is present at a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 8. Manner of Action. The act of the majority of the Directors, represented in person at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 9. Compensation. By resolution of the Board of Directors, no Director may be paid or receive compensation for acting as a Director. Directors who perform physical work for the Company, such as repairing ditches, may be compensated for this work if the compensation is approved by the Board of Directors in advance.

Section 10. Presumption of Assent. A Director of the Company who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented

to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he files his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Company immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 11. Meeting by Conference Telephone. Members of the Board of Directors may participate in a meeting of the Board by means of a conference telephone or similar communications equipment by which all persons participating in a meeting can hear each other at the same time. Such participating shall constitute presence in person at the meeting.

Section 12. Action without a Meeting. Any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting if consent, in writing, setting forth the action so taken, shall be signed by all the Directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Directors.

ARTICLE III OFFICERS

Section 1. General. The officers of the Company shall be President, a Secretary and a Treasurer. The Board of Directors may appoint such other officers, assistant officers, committees and agents, including a chairman of the board, assistant secretaries and assistant treasurers, as they may consider necessary, who shall be chosen in such a manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the Board of Directors. Any two or more officers may be held by the same person. In case where duties of any officer, agent, or employee are not prescribed by the Bylaws or by the Board of Directors, such officer, agent, or employee shall follow the orders and instructions of the President.

Section 2. Election and Term of Office. The officers of the Company shall be elected by the Board of Directors annually at the first meeting of the Board held after each annual meeting of the shareholders. Each officer shall hold office until the first of the

following to occur: (1) until his successor shall have been duly elected and qualified, (2) until his death, (3) until he shall resign, or (4) until he shall have been removed in the manner hereafter provided.

Section 3. Removal. Any officer or agent may be removed by the Board of Directors at any time, with or without cause, whenever in its judgment the best interests of the Company will be served thereby.

Section 4. Vacancies. A vacancy in any office, however occurring, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. President. The President shall, subject to the discretion and supervision of the Board of Directors, be the chief executive officer of the Company. He shall preside in all meetings of shareholders and directors. He shall have general supervision of the affairs of the Company, and he shall sign or countersign all certificates of shares, contracts and other instruments of the Company. The President, may, with the approval of the Board of Directors, employ an irrigator to carry out and oversee the day to day allocation and use of the water of the Company, on such terms and for such compensation as the Board of Directors may approve. The irrigator shall have the responsibilities assigned to him or her by the President and/or the Board of Directors.

Section 6. Secretary. The secretary shall: (1) keep the minutes of the proceedings of the shareholders and the Board of Directors, (2) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law, (3) with the Treasurer (10/6/10), be custodian of the corporate records and of the seal of the Company and affix the seal to all documents when authorized by the Board of Directors, (4) keep at its registered office or principal place of business a record containing the names and addresses of all shareholders and the number of shares held by each, unless such record shall be kept at the office of the Company's transfer agent or registrar, (5) sign with the Treasurer (10/6/10) and President certificates for shares of the Company, the issuance of which shall have been authorized by resolution of the Board of Directors, and (6) with the Treasurer (10/6/10), have a

general charge of the share transfer books of the Company, unless the Company has a transfer agent.

Section 7. Treasurer. The treasurer shall be the principal financial officer of the Company and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Company and shall deposit the same in accordance with the instruction of the Board of Directors. He shall receive and give receipts and acquaintances for monies paid in on account of the Company, and shall pay out the funds on hand all bills, payrolls, or other debts of the Company of whatever nature upon maturity. He shall perform all other duties incident to the office of Treasurer, and upon request of the Board of Directors, shall make such reports to it as may be required at any time. He shall, if required by the Board, give the Company a bond in such sums and with such sureties as shall be satisfactory to the Board, conditioned upon the faithful performance of this duties and for the restoration to the Company of all books, papers, vouchers, money, and other property at whatever kind in his possession or under his control belonging to the Company. He shall have such other powers and perform such other duties as may be from time to time prescribed by the Board of Directors or the President.

ARTICLE IV SHARES

Section 1. Certificates. Shares of the Company shall be represented by consecutively numbered certificates signed in the name of the Company by its President and by the Secretary or the Treasurer and shall be sealed with the seal of the Company. Certificates of shares shall be in such form consistent with law or as shall be prescribed by the Board of Directors. No certificates shall be issued until the shares represented thereby are fully paid. Each share shall represent an allocation of water historically used to irrigate one acre of land. The ownership of one share entitles the owner to a proportionate share of the water rights owned by the Company and the actual amount of water received by the shareholder at any time is subject to the legal and physical availability of water to those water rights. The Company shall not issue certificates representing fractional shares and shall not be obligated to make any transfers creating a fractional interest in a share.

Section 2. Consideration of Shares. Shares shall be issued for such consideration, in dollars or other consideration approved by the Board of Directors, as shall be fixed from time to time by the Board of Directors. Before the Company issues shares, the Board of Directors shall determine that the consideration received in the past, or to be received in the future, for the shares to be issued is adequate.

Section 3. Lost Certificates. In case of the alleged loss, destruction, or mutilation of a certificate of shares, the Board of Directors may direct the issuance of a new certificate in lieu thereof upon such terms and conditions in conformity with law as it may prescribe. The Board of Directors may, at its discretion, require a bond in such form and amount and with such surety as it may determine, before issuing a new certificate.

Section 4. Transfer of Shares. Upon surrender to the Company of a certificate of shares duly endorsed or accompanied by proper evidence of succession, assignment of authority to transfer, and such documentary stamps as may be required by law, it shall be the duty of the Company to issue a new certificate to the person entitled thereto and cancel the old certificate. Every such transfer of shares shall be entered on the share book of the Company which shall be kept at its principal office or by the registrar duly appointed. The Company shall be entitled to treat the holder of record of any share as the holder in fact thereof and accordingly shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person whether or not it shall have express or other notice thereof except as may be required by the laws of the State of Colorado.

ARTICLE V AMENDMENTS

Subject to repeal or change by action of the shareholders, the Board of Directors shall have the power to make, amend, and repeal the Bylaws of the Company at any regular or special meeting of the Board of Directors by a two-thirds (2/3) majority vote.

ARTICLE VI WAIVER OF NOTICE AND PROXIES

Whenever notice is required by law, by the Articles of Incorporation or by these Bylaws, a waiver thereof in writing signed by the Director, Shareholder, or other person entitled to said notice, whether before, at or after the time stated therein, shall be equivalent to such notice. The attendance of a Director, or Shareholder, in person or by proxy, at a meeting shall constitute a waiver of notice of such meeting except where the Director or Shareholder attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or conducted. Proxies shall be executed by the Shareholder in writing, or by his duly authorized attorney-in-fact. Such proxy shall be filed with the Secretary of the Company 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.

ARTICLE VII DUES, ASSESSMENTS AND LIENS

The dues and assessments shall be fixed in accordance with the Articles of Incorporation. The Board of Directors shall fix the date for payment of dues and assessments. Failure by shareholders to pay dues and assessments by the date fixed for payment shall result in the loss of voting and other shareholder privileges, including receipt of water associated with shares. Overdue dues and assessments shall bear interest as determined by the Board of Directors. Unpaid dues and assessments shall constitute a lien on shares. Upon 60 days written or printed notice duly mailed to the last known address of the Shareholder, the Company may foreclose the lien on the shares and sell the shares in a reasonable fashion or forfeit and retain the shares as treasury shares. The proceeds of any sale, over and above the amount due on said shares, shall be paid to the delinquent shareholder.

CERTIFICATE

I hereby certify that the foregoing revised Bylaws, constitute the Bylaws of the Alpine Lakes Ditch and Reservoir Company, Inc. adopted by the Board of Directors of the Company by a majority at a duly called meeting with a quorum present on the 23 day of April, 2013.

Eric Broderick, President
Alpine Lakes Ditch & Reservoir Company

Violet Hampton, Secretary
Alpine Lakes Ditch and Reservoir Company