

**BY-LAWS
OF
THE FLORIDA CONSOLIDATED DITCH COMPANY**

ARTICLE I. NAME

The name of this Company shall be as stated in the Articles of Incorporation: "The Florida Consolidated Ditch Company".

ARTICLE II. OFFICES AND OBJECTS

Section 1. The registered office and mailing address of the Florida Consolidated Ditch Company shall be in La Plata County, Colorado. The registered office and mailing address need not be identical, and may be changed at any time by the Board of Directors.

Section 2. The objects of this Company shall be to maintain a ditch system for the carriage of water to shareholders.

ARTICLE III. THE BOARD OF DIRECTORS AND THEIR MEETINGS

Section 1. All corporate powers shall be exercised by or under the authority of a Board of Seven (7) Directors who are Shareholders, elected from their number by the shareholders at the annual meetings, and who serve staggered terms of three (3) years. In order to stagger Director terms, commencing with the November 2013 annual meeting, their terms will be assigned by total number of votes received. The largest vote recipients will be assigned the longest terms available. Three (3) Directors shall be elected for a three (3) year term, two (2) Directors shall be elected for a two (2) year term, and two (2) Directors shall be elected for a one (1) year term. Upon expiration of said staggered terms, all succeeding Directors shall be elected for three (3) year terms. In the event that a share is held by an entity, the entity can designate an authorized agent to be eligible for a term of office as a Director.

Section 2. The Board of Directors shall have the power and authority to manage the business of the Company, delegate duties, appoint agents and employees, and transact all business by and on behalf of the Company in the manner as they shall provide by resolution adopted at a properly called meeting of the Board of Directors not inconsistent with these By-laws and the laws of the State of Colorado. They shall appoint and remove all officers, agents and employees of the Company, prescribe their duties, set their compensation, and require, when deemed advisable, security for their faithful services. They shall generally possess all the powers and perform all the duties usually exercised by or imposed upon Directors of similar corporations.

Section 3. The Board of Directors, at the first meeting after their election, shall elect from among their number a President, a Vice-President and a Secretary/Treasurer for terms of one (1) year.

Section 4. Meetings of the Board of Directors shall be held in La Plata County, Colorado.

Section 5. Meetings of the Board of Directors shall be called by the President when he shall deem necessary, or upon the request of three (3) or more Directors. Timely notice of the time and place of each meeting must be given to each Director personally. Notice of the time and place of meeting shall be made in writing and shall be delivered not less than two (2) or more than fifty (50)

days before the date of the meeting, either personally or by mail or electronic mail (e-mail) to each Board Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered two (2) calendar days after being deposited in the United States mail, addressed to the Board Member at their address as it appears on the books of the Company, with postage thereon prepaid.

Section 6. A majority of the Directors shall constitute a quorum for the transaction of business. If less than a quorum exists, the Directors may adjourn and reschedule the meeting for a later date.

Section 7. In case of a vacancy in the Board of Directors before the expiration of the term, the remaining Board shall elect a qualified person to hold the office for the remainder of the term. The Board of Directors has the right to remove any officer or agent at a properly convened Board of Directors meeting as deemed necessary.

Section 8. In the event that a Director is absent from four (4) or more Board of Directors meetings within a year, and these absences are unexcused in the discretion of the President, the other Directors may elect to replace the Director with an interim replacement who will serve until the next annual meeting of the shareholders, at which time, the shareholders shall elect a permanent replacement Director to serve out the remainder of the replaced Director's term.

ARTICLE IV. OFFICERS

Section 1. The officers of the Company shall be a President, a Vice-President and a Secretary/Treasurer.

Section 2. Assistant officers may be from time to time appointed or employed by the Board of Directors as the needs of the Company may require, and said assistants, when acting in an official capacity, shall have all of the rights, duties, responsibilities and powers of such officer.

Section 3. All subordinate officers and assistants shall answer directly to the Board of Directors and shall serve as requested by the Board until removed or replaced.

Section 4. The President shall be the Chief Executive Officer of the Company; he shall sign all official papers and documents of the Company, preside at all meetings of the Board, and attend to such other duties as the Board of Directors may authorize.

Section 5. In the absence or inability of the President to discharge the duties of the office, the Vice-President shall act in his/her place, holding and exercising all the powers of the President.

Section 6. The Secretary/Treasurer shall keep the minutes of the meetings of the Board of Directors and of the Company; shall keep the stock book and corporate seal, and shall attest by signature and seal of the Company all official documents and certificates of stock. The Treasurer shall publish as required by law these By-laws and notice of all meetings of the shareholders, and shall provide timely notice of meetings to the Board of Directors. The Treasurer shall have charge of all books connected with the issue, transfer and surrender of the stock certificates of the Company, and shall cause all surrendered certificates to be cancelled before issuing new ones, preserving the cancelled certificates. The Treasurer shall maintain a list of shareholders, with their addresses, and shall prepare and certify this list for use at the annual meeting. The Treasurer shall attend to all correspondence and perform all the duties incident to the Office of Secretary, and to such other business of the Company as assigned or required by the Board of Directors. The Secretary/Treasurer shall be the custodian of and receive all funds, credits and securities of the

Company and shall deposit all moneys in the accounts of the Company and disburse the same in accordance with the rules, regulations, and resolutions of the Company. The Treasurer shall keep a complete record of all financial transactions of the Company and render a statement of the condition of finances of the Company to the shareholders at each annual meeting, or as required by the Board of Directors.

ARTICLE V. SHAREHOLDER MEETINGS

Section 1. The annual meeting of the shareholders of this Company shall be held in La Plata County, Colorado, at a date and time deemed practical by the Board of Directors.

Section 2. Special meetings of the shareholders of the Company may be called by resolution at any meeting of the Board of Directors, by written request of the shareholders representing one-third (1/3) of all the shares outstanding, or by a majority of the elected Directors. Notice of such meetings, stating the purpose or purposes for which called, shall be served personally or by mail, or email, not less than ten (10) days before the date set for such meeting. No business shall be acted upon at any special meeting of the shareholders except as specified in the call for the special meeting.

Section 3. Public Notice of the date and time of the annual meeting shall be given by publication in a local newspaper not less than ten (10) days before the annual meeting, and by personal mailing to each shareholder of record not less than fifteen (15) days before the meeting.

Section 4. Shareholders may attend a meeting in person or by proxy. To be valid, a proxy must be in writing, dated, signed by the shareholder, and must designate a person who will be present at the meeting to cast votes for the shareholder. Proxies from a legal entity shall be subscribed by an authorized agent thereof, and proof of such authority must accompany the proxy or be on record with the Company from Company records or other official documents acceptable to the Board. Proxy authority is presumed to be valid for a period of one (1) year unless a different duration is stated on the face of the proxy. Any revocation of a proxy must be in writing, signed, dated and delivered to the Secretary of the Company. The revocation is not valid until received by the Secretary, and will affect only votes cast after the time of receipt by the Secretary.

Section 5. The presence in person or by proxy, of shareholders entitled to vote a majority of the outstanding shares of stock of the corporation, shall constitute a quorum for the transaction of business. If a majority of stock is not represented, the shareholders present may adjourn and set a new date for a subsequent meeting, and the Secretary shall give at least ten (10) day notice in writing to each shareholder not present either in person or by proxy at such meeting

Section 6. Shareholders are entitled to as many votes as shares of stock standing in their name on the books of the Company at all meetings. At all meetings of the shareholders, all questions not specifically regulated by statute, shall be determined by a majority vote of the shareholders present in person or by proxy.

Section 7. At each annual meeting, the shareholders shall approve the annual budget for the upcoming fiscal year, shall elect Directors to serve as subsequent Directors when staggered terms expire, and transact any other business that may come before the shareholders.

Section 8. Any shareholder has the right to appoint, by power of attorney, an authorized stockholder's representative in compliance with Colorado law, to represent them in all matters concerning the Company.

ARTICLE VI. ELECTIONS

Section 1. Each Shareholder shall have the right to nominate a Director or Directors. The President shall then appoint two (2) or more tellers to take and canvass the vote. The election shall be by ballot, on which each person voting shall write the names of the Directors up for election. Each stockholder shall have the right to vote in person or by proxy one (1) vote for each share of stock owned. The person or persons having the highest number of votes in consecutive order shall be declared elected to the Board of Directors for the then succeeding term. All voting shall be non-cumulative.

ARTICLE VII. SHARES OF STOCK

Section 1. Each share of the capital stock of The Florida Consolidated Ditch Company shall entitle the owner to receive from the ditches and canals of said Company, water at the rate of one (1) cubic foot of water per second of time for each forty (40) shares, or a pro rata share in times of shortage.

Section 2. Ownership of capital stock of The Florida Consolidated Ditch Company is subject to these By-laws and the rules and regulations of the Company. The stock certificates shall be numbered and registered in the order in which they are issued. They shall be issued in consecutive order, and a current record thereof shall be maintained, including the name of the person owning the shares and the date of issue. Such certificates shall exhibit the shareholder's name, and shall be signed by the President, countersigned by the Secretary, and sealed with the seal of the corporation.

Section 3: Classes of Stock. There shall be four (4) classes of shares

“A” shares will be issued to former shareholders of the Florida Farmers Ditch Company, and shall be assigned the following water priorities:

- Priority F-17 12.08 c.f.s.
- Priority F-21 1.333 c.f.s
- Priority F-22.5 8.58 c.f.s.
- Priority F-24 23 c.f.s

“B” shares will be issued to former shareholders of the Florida Canal Company, and shall be assigned the following water priorities:

- Priority F-23 24 c.f.s
- Priority F-29 16 c.f.s

“C” shares will be issued to former shareholders of the Florida Canal Enlargement Company, and shall be assigned the following water priorities:

- Priority F-68 40 c.f.s

“D” shares will be issued to former shareholders of the Florida Cooperative Ditch Company, and shall be assigned the following water priorities:

- Priority F-84 30 c.f.s

Section 4. No certificate will be issued for less than one (1) share of The Florida Consolidated Ditch Company. All certificates representing less than one-eighth (1/8) C.F.S. shall be issued in conjunction with a water delivery agreement.

Section 5. The stock and transfer and certificate books shall, in the absence of any special rules or regulations, be kept in the usual manner; bound in books with a stub containing the number of each certificate, its date of issue, and the number of shares represented.

Section 6. All transfers of shares must be made on the books of the Company, subject to the rules and regulations of the Company relating to transfers, and no shares of stock shall be assigned or transferred while the assignor is indebted to the Company.

Section 7. Certificates representing any shares to be transferred must be surrendered for cancellation before a new certificate will be issued. No certificate shall be issued in place of one stated to be lost or otherwise unavailable unless the claimant shall follow the procedures set forth in the Rules and Regulations of the Company.

ARTICLE VIII. THE DITCH RIDER

Section 1. The Board of Directors may appoint a Ditch Rider or other authorized representative to act as Superintendent of the ditches and canals of the Company, subject to the direction of the Board of Directors.

Section 2. It shall be the duty of the Company's authorized representative or Ditch Rider to care for and properly maintain the ditches and canals of the Company and to keep the same in repair. The Ditch Rider shall release the amount of water to each shareholder as entitled.

Section 3. No person, other than the authorized representative or Ditch Rider, shall have the right to open or close any headgate, waste gate, division box, or other measuring device, and all such equipment is under the sole control of the Ditch Rider, in accordance with Colorado Water Law.

ARTICLE IX. DIVISION AND ALLOTMENT OF WATER

Section 1. Each Shareholder in the Company shall be entitled to receive an allotment of water represented by their stock certificate in the amount of one (1) cubic foot of water per second of time for each forty (40) shares of stock owned, subject to the delivery requirements of the Rules and Regulations. The priorities of the shareholders within each class using water from the Company's canal shall be equal.

Section 2. Water shall be furnished continuously as available during the irrigating season, beginning no earlier than May 1, to irrigate or cultivate the land. Other uses of water incidental to irrigation may be permitted by the rules or regulations of the Company.

Section 3. If by reason of any cause, the supply of water shall be insufficient to furnish an amount equal to one (1) C.F.S. per forty (40) shares, then such water as may flow shall be distributed *pro rata* to the shareholders. The Board of Directors may establish and enforce such rules and regulations as they may deem necessary or expedient to distribute the water fairly.

Section 4. Should any Shareholder fail to pay the annual assessment on or before the **fifteenth (15) day of February** in any year, the Shareholder shall not be entitled to water, and the same shall be shut off and kept shut off until the sum so due for any year shall have been paid. The unpaid portion of the assessment shall accrue interest at the rate of one percent (1%) per month until paid in full. The Directors may establish and enforce such other Rules and Regulations, and provide

and declare such other penalties and forfeitures, as they may deem necessary or expedient for the purposes of enforcing and collecting delinquent payments.

Section 5. Any Shareholder transferring or in any way parting with his/her shares of stock shall cease to be entitled to water and no person claiming to own shares of stock shall be entitled to water until such shares are transferred to him on the books of the Company, and water shall have been allotted to the Shareholder as hereinbefore provided.

Section 6. Upon the failure of any Shareholder to pay any assessments when due, the Board of Directors may, in compliance with in the Rules and Regulations of the Company, offer the shares of stock standing in the name of such Shareholder for sale.

ARTICLE X. THE BY-LAWS

Section 1. Each shareholder is entitled to receive a copy of the current By-laws upon receipt of a new certificate or by request.

Section 2. These By-laws may be altered, amended or repealed, in whole or in part, by the shareholders at any duly called meeting provided a written statement of the proposed changes and a copy thereof is sent by the Secretary to each shareholder by mail, at least thirty (30) days before the meeting at which such change is to be voted upon. The proposed change shall be adopted by the vote of two-thirds (2/3) of the stock present or represented by proxy constituting a quorum which vote shall be taken and recorded by yeas and nays.

Section 3. These By-laws shall take effect and be in force immediately after their adoption.

ARTICLE XI. CHANGES OF WATER RIGHTS

Section 1. No application for approval of a change of water right or plan for augmentation may be made to the District Court for Water Division No. 7, State of Colorado ("Water Court"), unless the same has been approved by the Company.

Section 2. The Company shall evaluate the application for change of water rights within a reasonable amount of time. In evaluating whether the requested change of water rights can be made without injury to the Company and its shareholders, the Company may require the applicant to obtain an engineering and legal analysis of the requested change by the applicant and the terms and conditions offered by the applicant. The Company may also engage its engineers and attorney to review the application and engineering and legal analysis submitted by Applicant.

Section 3. An Applicant requesting a change of water right must reimburse the Company for the Company's reasonable costs and fees, including a charge for time spent by the directors and Company employees, engineers and attorneys in analyzing the application to the Company and in any judicial litigation that follows. This specifically includes a challenge to the Company's denial of an application. Prior to analyzing the proposed change, the Company shall obtain an estimate of the costs. The Company shall make said estimate of cost within thirty (30) days of submission of an application and the Applicant shall have thirty (30) days after receipt of the estimate from the Company to make a deposit of the estimated costs. The Company shall not take final action on any application until, and unless, the applicant makes said deposit. If the estimate and deposit needs to be adjusted by further payment or reimbursement, said adjustment shall be made upon the completion of the analysis. In no event shall the Company be required to finally approve or disapprove the application until all fees incurred by the Company are reimbursed.

Section 4. If any portion of this Article XI is declared void by a court of law, the remaining portions of this by-law shall remain in full force and unaffected.

ARTICLE XII. MISCELLANEOUS

Section 1. INDEMNIFICATION: The Company may indemnify an Officer or Director when permitted by law.

Section 2. EMERGENCIES: In the event of an emergency, or situation requiring the Board action before proper notice could be given and a quorum obtained at any convenient meeting place, the President or Secretary may obtain a telephonic vote as follows;

(1) As many Board members as are available anywhere by phone shall be called and given the facts on the nature of the issue, the action desired or required and report any comments and votes by Directors with whom the President or given Secretary has already spoken.

(2) The majority vote of those reached by phone, within such reasonable time as circumstances permit shall control.

(3) Within forty-eight (48) hours after action was taken the initiating officer shall prepare a written report of the circumstances requiring such action, detailing contact of or inability to contact each Director and the reasons for inability to contact, and a summary of the action taken including the breakdown of the vote. Such report shall be mailed to all Directors, placed in the Company records and made available to any shareholder upon reasonable request.

(4) Unavailable Directors shall subsequently review the written report and endorse thereon his or her vote, noting the date of such endorsement no later than thirty (30) days after the events requiring emergency action unless such Director is not available or capable in which case no later than ten (10) days after availability or capability occurs.

Section 3. UNANIMOUS WRITTEN CONSENT: When an emergency does not exist, but meeting would be difficult and not necessary, a written resolution may be subscribed by all of the Directors unanimously approving action to be taken by the Board.

Section 4. LEGAL EXPENSES: Any shareholder who brings an unsuccessful judicial action against the Company shall be responsible for the Company's reasonable attorneys' fees and cost in defending said action. Unsuccessful is intended to mean that the shareholder did not substantially prevail in his, her or its action against the Company.

Section 5. RULES AND REGULATIONS The Board of Directors may at any time adopt additional and further rules and regulations not inconsistent with these By-laws to further address the operations and policies of the Company.

THE FOREGOING BY-LAWS WERE ENACTED AT A DULY CALLED AND CONDUCTED ANNUAL MEETING OF THE SHAREHOLDERS OF THE FLORIDA CONSOLIDATED DITCH COMPANY OF THE _____ DAY OF _____, 2013.

Signed by Board of Directors:

I, the undersigned, Secretary of The Florida Consolidated Ditch Company, a Colorado Corporation, do hereby certify that the foregoing is a true and complete copy of the By-laws of said corporation, including all amendments to date, as the same were adopted by the Shareholders of said corporation on _____, 2013.

IN WITNESS WHEREOF, I have affixed the seal of The Florida Consolidated Ditch Company and subscribed my name on the _____ day of _____, 2013.

Signed by: _____
Secretary