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FACSIMILE COVER PAGE

TO: Al Ruberry
FAX: 525-7177
FROM: Teresa L. Sturm
DATE: August 27, 2003
RE: The Palisade Irrigation Company, Inc.

Total Number of Pages (Including Cover Sheet) 16

Attached for your information are the Bylaws, Articles of Incorporation and Certificate of Incorporation for Palisade Irrigation Company, Inc.

NOTE: If you do not receive all the pages or if a problem arises during transmission, please call Tammy at 208-523-4445.

ORIGINAL TO BE MAILED: Yes No X

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Q's: How many shares originated w/ incorporation? (Pg 6, Art III, Sec. 4)
How many are active (assessments paid)? # Lost? (Pg 5, Art III, Sec. 2)
How many acres were served? 1 share/ac? (1 share = 1", R8: 42-220, 42-202, 42-202, 42-202)

A's: PRIVATE RIGHTS ALSO OWN SHARES WHICH ARE FOR THE CONVOYANCE,

BYLAWS

OF

THE PALISADE IRRIGATION COMPANY, INC.

ARTICLE I

Membership Meetings

Section 1. Place: All meetings of the members shall be held at the principal office of the corporation at Swan Valley, Idaho, or they may be held at such other place as shall be determined from time to time by the board of directors, and the place at which such meetings shall be held shall be stated in the notice and call of the meeting.

Section 2. Time of Annual Meeting. The annual members' meeting of the corporation shall be held at 2:00 p.m. on the 5th day of February, of each year commencing with the year 1990, if not a legal holiday, and if a legal holiday, then at the same time on the following day, not a legal holiday. In the event that such annual meeting is omitted by oversight, or otherwise, on the date herein provided, the directors shall cause such annual meeting to be held as soon thereafter as conveniently may be, and any business transacted, or elections held, at such annual meeting shall be as valid as if transacted or held on the date prescribed herein.

Section 3. Election of Directors. At the annual members' meeting the directors for the ensuing year shall be elected, the officers of the corporation shall present their annual reports and such other business may be transacted as may properly come before the meeting. All elections for directors shall be by ballot, and the candidates receiving the highest number of votes, to the number to be elected, shall be declared elected.

Section 4. Cumulative Voting for Directors. Members of record may vote at any regular or special members' meeting, either in person, or by written proxy which shall be filed with the secretary of the meeting before being voted. Each member, except as hereinafter provided, shall be entitled to one (1) vote for each membership standing registered in his or her name at the time of the closing of the transfer books for said meeting. At all elections of directors of the corporation each member shall be entitled to as many votes as shall equal the number of his membership multiplied by the number of directors being elected, and he may cast all of such votes for a single director, or, he may distribute them among the number to be voted for, or any two or more of them, as he may see fit.

Section 5. Proxy Voting. Each member entitled to vote may be represented at any regular or special members' meeting by a duly executed proxy which shall be in writing and properly signed, but which shall require no other attestation. Such proxy shall designate the person entitled to exercise the same, and shall entitle the holder to vote at any adjournment of such meeting, but shall not be valid after the final adjournment thereof. No proxy shall be valid after the expiration of eleven (11) months from the date of its execution.

Section 6. Members' List. A complete list of the members entitled to notice of and to vote at a meeting of members arranged in alphabetical order and indicating the number of memberships held by each, shall be prepared by the secretary and filed in the corporation's principal office at least five (5) days before the meeting at which such election is to occur, and, during the usual hours of business and during the whole time of said election said list shall be open to examination by any member.

Section 7. Special Meetings. Except as otherwise provided by law, special meetings of the members shall be held whenever they are called by the president or the vice president or by a majority of the board of directors, or whenever one or more members who are entitled to vote and who hold at least twenty percent (20%) of the memberships issued and outstanding shall make written application therefor to the secretary or an assistant secretary. Notice of special meetings shall state the time, place and purpose of the meeting, and no business other than that specified in the notice shall be considered at any such meeting.

Section 8. Notice. Written notice of all members' meetings shall be given by the secretary, and shall state the time, place and purpose for which such meeting is called, and the same shall be mailed, not fewer than ten (10) days, nor more than fifty (50) days prior to the day of the meeting, to each member of record at the member's address as it appears on the books of the corporation.

Section 9. Waiver of Notice. Notice of any meeting of members may be waived by written assent of a member entitled to notice filed with or entered upon the records of the meeting either before or after the holding thereof.

Section 10. Quorum and Voting. Except as hereinafter provided, and as otherwise provided by law, at any meeting of members, a majority in interest of all the membership issued and outstanding represented by members of record in person or by proxy, shall constitute a quorum; but a lesser interest may adjourn any meeting and the meeting may be held as adjourned without further notice. When a quorum is present at any meeting, a majority in

interest of the memberships represented thereat shall decide any question brought before such meeting unless the question is one upon which, by express provision of law or of the Articles of Incorporation, or of these Bylaws, a larger or different vote is required, in which case such express provision shall govern and control the decision of such question. At any adjourned meeting, when a quorum is present, any business may be transacted which would have been proper at the original meeting.

Section 11. Presiding Officer. The president, or in his absence, the vice president, shall preside at all meetings of the members. In the absence of both the president and vice president, those present and entitled to vote at the meeting shall elect a presiding officer.

ARTICLE II

Board of Directors

Section 1. Election and Number. A board of directors shall be chosen by ballot at the annual members' meeting, or at any meeting held in place thereof as provided by law. The number of directors of this corporation shall be no fewer than five (5) and no more than nine (9). Directors shall be elected by a plurality vote for a term of one (1) year, and shall hold office until the next annual members' meeting, or until their successors are duly elected and qualified.

Section 2. Powers. The board of directors shall have the authority and the responsibility for the management and control of the property, business and affairs of the corporation. The board of directors is hereby vested with all the powers possessed by the corporation itself, as far as the delegation of authority is not inconsistent with the laws of the State of Idaho, controlling non-profit corporations, with the Articles of Incorporation of the corporation, or with these Bylaws. The board of directors shall have the power to determine what constitutes net earnings, profits and surplus respectively, what amounts shall be reserved for working capital and for any other purpose. Such determinations by the board of directors shall be final and conclusive.

Section 3. Assessments. The board of directors shall have the power, whenever they deem it expedient or necessary, to levy, from time to time, assessments on the issued memberships of the corporation, in such amount or amounts as may be necessary, in order to pay the indebtedness of, and the costs and expenses of the management and operation of the business of the corporation. Provided, however, such assessments, unless otherwise ordered by the board of directors, shall at all times be based upon the number

of membership representing or corresponding to the number of miner's inches of water carried or intended to be carried by a member of the corporation in the water distribution system of the corporation during the irrigation year. The board of directors shall levy and collect any such assessments in accordance with the provisions of Idaho Code Section 30-1-19A as the same may from time to time be amended, and such other provisions of the law of the State of Idaho as may be applicable.

Section 4. Vacancies. All vacancies in the board of directors, whether caused by resignations, death or otherwise, may be filled by the remaining director or directors, even though fewer than a quorum. A director thus elected to fill any such vacancy shall hold office for the unexpired term of his predecessor, or until his successor is duly elected and qualified.

Section 5. Meeting Place. The board of directors shall hold its meeting at the principal office of the corporation at Swan Valley, Idaho, or at such other place or places as the board may from time to time, by resolution, determine.

Section 6. Quorum. A majority of the entire board of directors shall constitute a quorum for the transaction of business, and a majority of the members in attendance at any meeting may, in the presence of a quorum, decide any question brought before such meeting, except as otherwise provided by the laws of the State of Idaho, these Bylaws or the Articles of Incorporation.

Section 7. Special Meetings - Notice. Special meetings of the board of directors shall be held whenever called by the president, the vice president, or a majority of all of the directors. Notice of special meetings stating the time, place and purpose thereof shall be given by mailing the same to each director at his residence or business address, at least ten (10) days before the meeting or by delivering the same to him personally, or telegraphing the same to him at his residence or business address not later than five (5) days before the day on which the meeting is to be held. In case of emergency, the president may prescribe a shorter notice to be given personally or by telegraphing each director at his residence or business address.

Section 8. Waiver of Notice. Notice of any meeting of the board of directors need not be given to any director if he shall waive such notice in writing, filed with the records of the meeting, either before or after the holding thereof. Any meeting of the board of directors shall be a legal meeting without any notice thereof having been given, if all directors are present, and any business may be transacted at any meeting at which all directors are present, even though without notice.

Section 9. Compensation. Directors shall receive no compensation for their services, but by resolution of the board of directors, a fixed sum, and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the board of directors. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and from receiving compensation therefor. The board may elect members of special or standing committees holding any meetings.

Section 10. Election of Board of Directors. The board shall be elected immediately after adjournment of the meeting at which they were elected, and they shall elect members to be elected by them as herein provided.

Directors shall provide evidence of membership issued, shall entitle

other notice thereof, except as otherwise expressly provided by law.

Section 4. Lost or Destroyed Certificates. If any membership certificate is lost or destroyed another may be issued in its place upon proof of such loss or destruction and upon the giving of a satisfactory bond of indemnity to the corporation in such sum as the directors may provide, not exceeding double the value of the membership.

Section 5. Membership Held by the Corporation. All issued and outstanding membership of the corporation that may be donated to or purchased by the corporation shall be held subject to disposal by action of the board of directors. Such membership shall not be voted while held by the corporation.

Section 6. Membership Assessable. No membership certificates shall be issued until the same are fully paid up and when fully paid up the same shall be assessable in accordance with the provisions of Idaho law, and there shall be stated on each certificate in print, the following: "The membership represented by this certificate is fully paid up and assessable by the corporation."

ARTICLE IV

Corporation Offices

Section 1. Principal Office. The principal office of the corporation shall be at Swan Valley, Idaho, and such office shall be the registered office of the corporation within the state.

Section 2. Other Offices. The corporation may also have offices at such other places as the board of directors from time to time may designate, or the business of the corporation may require.

ARTICLE V

Officers

Section 1. Officers. The officers of the corporation shall be a president, vice president, secretary and treasurer, who shall be elected by the board of directors at their first meeting after each annual meeting of the corporation. They shall hold office for one (1) year or until their successors are duly elected and qualified. The president and the vice president shall be elected from among the directors.

Section 2. President. The president shall be the chief executive officer of the corporation and when present shall preside at all meetings of the corporation and the board of directors. The president shall sign all certificates and shall perform all the duties commonly incident to his office and such other duties as may be assigned to him by the board of directors.

Section 3. Vice President. The vice president shall perform the duties and have the powers of the president during the absence or inability of the president, and shall perform such other duties as may be assigned to him by the board of directors.

Section 4. Secretary. The secretary shall keep accurate minutes of all meetings of the corporation and the board of directors and shall, together with the president, sign all certificates. The secretary shall perform all the duties commonly incident to his office and such other duties as may be assigned to him by the board of directors.

Section 5. Treasurer. The treasurer shall have custody of and be responsible for all money and securities of the corporation, and shall keep a full and accurate record of accounts and books belonging to the corporation. He shall disburse the funds of the corporation in payment of just demands against the corporation or in accordance with the general or special direction of the board of directors. He shall submit a full report of the financial condition of the corporation to the annual meeting of the members of the corporation. He shall perform all duties commonly incident to his office and such other duties as may be assigned to him by the board of directors.

Section 6. Absence or Disability. In case of absence or inability to act of any officer of the corporation and of any person herein authorized to act in his place, the board of directors from time to time may delegate the powers and duties of such office to any other officer, to any director or to any other person whom they may designate.

Section 7. Vacancies. Vacancies in any office, arising from any cause may be filled by the directors at any regular meeting or special meeting called for that purpose.

Section 8. Compensation. The compensation of all directors, officers and agents of the corporation shall be fixed by the board of directors.

Section 9. Removal. Any officer elected to office by the board of directors may be removed at any time, with or without cause, by the affirmative vote of a majority of the whole board of directors.

Section 10. Other Officers or Agents. The board of directors, at its discretion, may appoint such other officers or agents as it may deem advisable, and prescribe the duties thereof.

ARTICLE VI

Watermaster

Section 1. Selection. The board of directors may appoint a watermaster as shall be necessary for the regulation and distribution of water among the several members according to their interests, which watermaster shall be paid such compensation as may be fixed by the said board.

Section 2. Report. The watermaster shall, annually, and whenever called upon by the directors, make a report to such directors as to the services performed by him, the water distributed, and to whom and in what quantities distributed, and of the general condition of the water distribution system and works owned by the corporation, and what repairs, if any, may be necessary as well as such other matters as may pertain to the business of the corporation.

Section 3. Repairs. The watermaster shall have authority to make any repairs that require immediate attention, not exceeding a cost of \$100.00; all other repairs, alterations or construction work shall be first authorized by the board of directors.

ARTICLE VII

Water Distribution

X Section 1. Delivery. The corporation shall deliver water belonging to its members on a prorata basis, i.e., one (1) miner's inch of water will be delivered for each membership in the corporation. In the event that there is not adequate water for the corporation to deliver one (1) miner's inch of water for every membership, then and in such event the corporation shall deliver water to its members based upon individual members' priority dates, with the oldest or earliest priority dates being filled first, and thereafter in that manner until no further water remains available for delivery.

X Section 2. Measurement. Each member of the corporation shall provide and maintain at the member's own cost and expense a measuring device for the purpose of measuring all water supplied to the member. The measuring device must be of a type acceptable to the board of directors and shall be located at the point of delivery by the corporation of that member's water.

ARTICLE VIII

Banking

Section 1. Deposits and Withdrawals. The monies of the corporation shall be deposited in the name of the corporation in such depository or depositories as may be designated by the board of directors, and shall be withdrawn therefrom only by checks signed by the officer or persons designated by resolution of the board of directors.

ARTICLE IX

Books and Records

Section 1. The books, records and accounts of the corporation shall be kept at its registered office, and shall be subject to the examination of any member at any reasonable time and for any reasonable purpose.

ARTICLE X

Notices

Section 1. Manner of Giving Notice. Whenever any provisions of the statutes or of these Bylaws requires notice to be given to a director, officer, or member, it shall be construed to mean personal notice. Such notice may be given in writing by depositing the same in a post office or letter box in a postpaid, sealed envelope, or on a postal card addressed to such director, officer or member, at the member's address as the same appears on the books of the corporation. The date when the same shall be mailed shall be deemed the date when such notice is given.

Section 2. Waiver of Notice. A waiver of any notice in writing signed by a member, director or officer, whether before or after the time stated in said waiver for holding a meeting, shall be deemed equivalent to a notice required to be given to any member, director or officer.

ARTICLE XI

Seal

Section 1. The seal of the corporation shall consist of two concentric circles between which shall appear the words "THE PALISADE IRRIGATION COMPANY, INC.," and in the center shall appear the words "CORPORATE SEAL"

IDAHO 1987". An impression of said seal appears on the margin hereof.

ARTICLE XII

Amendments

Section 1. Any provision of the Bylaws may be altered, amended or repealed, and new Bylaws may be adopted, by a majority vote of the board of directors.

We, the undersigned, being all of the directors and the secretary of The Palisade Irrigation Company, Inc., do hereby certify that the above and foregoing Bylaws were duly and regularly adopted as the Bylaws of said corporation at a meeting of the board of directors of said corporation called for such purpose and held on the ___ day of March, 1990.

Steve Wicks Pres

Altt Bradford sec.

Walter Shuck

Thomas Whitman

Frank Jacobson

ATTEST:

Steve Wicks

State of Idaho

Department of State

CERTIFICATE OF INCORPORATION OF

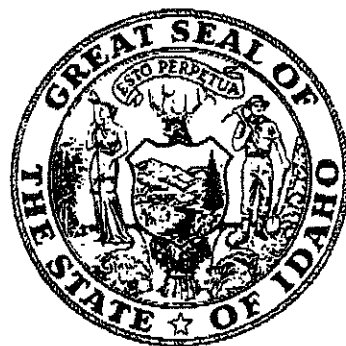
THE PALISADE IRRIGATION COMPANY, INC.

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that
duplicate originals of Articles of Incorporation for the incorporation of THE PALISADE
IRRIGATION COMPANY, INC.

duly signed pursuant to the provisions of the Idaho Nonprofit Corporation Act, have been received
in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of
Incorporation and attach hereto a duplicate original of the Articles of Incorporation.

Dated November 23, 19 87



Pete T. Cenarrusa
SECRETARY OF STATE

Sandra A. Hawkins
Corporation Clerk

ARTICLES OF INCORPORATION

OF

THE PALISADE IRRIGATION COMPANY, INC.

The undersigned, acting as incorporator under the Idaho Nonprofit Corporation Act, hereby adopts the following Articles of Incorporation:

ARTICLE ONE

NAME

The name of the corporation is THE PALISADE IRRIGATION COMPANY, INC.

ARTICLE TWO

NONPROFIT CORPORATION

The corporation is a nonprofit corporation.

ARTICLE THREE

DURATION

The duration of the corporation shall be perpetual.

ARTICLE FOUR

PURPOSES AND POWERS

The purposes of the corporation and its powers are the following:

1. To act as a management body for the distribution of irrigation water and operations of the canal system owned by its members and located in the area of Swan Valley, Bonneville County, Idaho; and, to do all things necessary, proper, conducive or incidental thereto.

2. The transaction of any or all lawful business for which corporations may be incorporated under the Idaho Nonprofit Corporation Act.

ARTICLE FIVE

MEMBERSHIP

X A. There shall be one membership in the corporation *1 share = 1"*
for each miners inch of water to be carried through the
corporation's canal system. No person or entity other than an
owner or owners of water carried through the corporation's canal
system may be a member of the corporation. If title to a water
right is held by more than one person, the membership relating to
that water right shall be shared by all such persons in the same
proportions and in the same type tenancy as the title to the
water is held. Each membership shall entitle the owner or owners
to one vote which shall be exercised as a unit in any manner *1 vote/shares*
which the owners thereof shall determine among themselves.
Fractional votes shall not be allowed.

B. A member shall not assign or transfer his membership
certificate in any manner except in connection with the transfer
or sale of the member's water right. Membership in the
corporation is declared to be appurtenant to the water right upon
which such membership is based and shall pass automatically with
the sale or transfer of the title to the water right. Members
shall not have preemptive rights to purchase other memberships in
the corporation.

C. Each member shall be entitled to receive a
certificate of membership, which certificate shall state the
number of votes he is entitled to cast as a member of the
corporation.

ARTICLE SIX

REGISTERED OFFICE AND REGISTERED AGENT

The location and address of the initial registered office of the corporation is P. O. Box 7, Swan Valley, Idaho 83449, and the name of its initial registered agent at such address is Arvey A. Weeks.

ARTICLE SEVEN

ASSESSMENTS

Each member shall be liable for the payment of assessments as levied by the Board in accordance with the Bylaws of the corporation; and, such assessments may be secured by a lien upon the real property served by the water to which a member's membership rights are appurtenant.

ARTICLE EIGHT

BOARD OF DIRECTORS

The number of directors constituting the initial board of directors is 5, and the names and addresses of the persons who are to serve as directors until the first annual meeting of members or until their successors are elected and shall qualify are:

<u>Name</u>	<u>Address</u>
Walter Weeks	Irwin, Idaho 83428
Theron Ashment	Swan Valley, Idaho 83449
Wilbur Shaw	Irwin, Idaho 83428
Max Jacobsen	Irwin, Idaho 83428
Arvey A. Weeks	P. O. Box 7 Swan Valley, Idaho 83449

ARTICLE NINE

INCORPORATORS

The name and address of the incorporator is:

Arvey A. Weeks

P. O. Box 7
Swan Valley, Idaho 83449

ARTICLE TEN

AMENDMENT

Any provision of these Articles may be altered, amended or repealed, and new Articles adopted, by the members at any regular or special meeting of the members called for such purpose, in accordance with the provisions of Idaho law controlling the amendment of Articles of Incorporations of nonprofit corporations, currently Idaho Code Section 30-326.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 10th day of November, 1987.

Arvey A. Weeks
Arvey A. Weeks

STATE OF IDAHO)
) ss.
County of Bonneville)

ON THIS 10th day of November, 1987, before me, C. Timothy Hopkins, a Notary Public in and for said State, personally appeared Arvey A. Weeks identified to me to be the person whose name is subscribed to the within and foregoing instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

C. Timothy Hopkins
Notary Public for Idaho
Residing at Idaho Falls
My Commission Expires: 4/1/91

(SEAL)