

**BY-LAWS
OF
TWIN LAKES CANAL
COMPANY**

**FRANKLIN COUNTY
IDAHO**

ARTICLE I.

Stockholders' Meeting

Section 1. The regular annual meeting of the stockholders of this Company shall be held on the first Monday in February of each year, at time and place specified by the board of directors.

Section 2. Said meeting shall be for the purpose of the election of a Director for the ensuing 3 years and for the transaction of any other business that may come before the stockholders.

Section 3. Notice of stockholders' meetings, whether general or special, shall be made by publication of notice thereof for two weeks prior to the date of such meeting, in some newspaper published in Franklin County, Idaho, and also by written or printed notice thereof mailed to each stockholder of record of said Company, at his address or residence as shown upon the books of the Company at least ten days prior to the date of such proposed meeting. If no address appears upon the books of the Company, such notice may be addressed to such stockholder at the office of said Company.

Section 4. Special meetings of the stockholders may be called by the Board of Directors at any time that they may deem necessary. Likewise a special meeting of the stockholders shall be called upon request of the record holders of not less than twenty-five per cent of the Preferred Stock, provided that all calls for special meetings shall briefly set forth the purposes thereof.

Section 5. At all meetings of the stockholders, whether annual or special, a majority of the Preferred issued and outstanding stock, as shown by the books of the Company, shall be necessary for the transaction of any business.

Representation, in person or by proxy, duly appointed in writing and filed with the Secretary, is required of all stock represented; and a majority of the Preferred Capital Stock so represented is necessary to transact any business except to adjourn a meeting or to adjourn to a specified date.

At any such meeting, each Preferred stockholder shall be entitled to as many votes as he holds shares of the Preferred Capital Stock of the Company, as appears from the records of the Company at the date of such meeting.

Section 6. At the regular annual meeting of stockholders, they shall elect, by ballot, a Director, who shall be a bona fide owner of at least ten shares of the Preferred Capital Stock of the Company.

Section 7. At all meetings of the stockholders the President, or in his absence a Vice-President, shall preside. In the absence of the President. or Vice-President, the

stockholders present, in person or by proxy, may select any stockholder present to preside at such meeting.

ARTICLE II.

Directors

Section 1. The number of Directors of this Company shall be three.

Section 2. Directors shall hold office for three years and until their successors are elected and qualified. The director's terms shall be staggered so that only one director comes up for election at each annual stockholders meeting unless a vacancy has occurred within the year. In the event a vacancy occurs and a new director is appointed by the board, he shall serve until the next election. At that time he shall be elected for the number of years which will keep the terms of the board staggered.

Section 3. The corporate powers, property and business of the Corporation shall be exercised, controlled and conducted by the Board of Directors. Subject to the laws of the State of Idaho, the Articles of Incorporation and these By-Laws, the Board shall possess and exercise all the powers and do all the things that may be done by the corporation.

Section 4. Without in any manner affecting their general powers under the law and as set forth in Section 3 hereof, the Board of Directors shall have the power specifically to make such rules and regulations as they may deem necessary for the guidance of the officers and employees and the management of the business of the corporation; to hire such servants and agents as may be necessary in the transaction of its business ; to determine and make or cause to be made schedules and means for the distribution of the waters of the company to those entitled thereto, but which method of distribution shall be by rotation and shall be distributed to the stockholders according to their respective shares ; to have full control over the delivery of the waters of the company and to refuse to deliver water until the ditches or laterals for receiving the same have been properly cleaned and are in condition to carry the streams to which they may be entitled; to determine the kind of and to install and maintain, or cause to be installed or maintained, measuring devices for the pro rata distribution of its waters according to the shares of stock held by the stockholders and their rights under stock as held; to hold stockholders or those to whom waters may be delivered liable for any damages or fines that may be imposed by the Company or upon the Company by reason of such water delivered or used while in the ditches, laterals or canals of such stockholders or of those using the water of the stockholder (provided, that each stockholder and user of water shall hold the Company harmless by reason of any damages resulting from the use thereof by such stockholder or user, the stockholder being primarily liable therefore) ; to take and prosecute any proceeding or action against any person or persons, corporation or corporations who shall willfully violate the rules of the Company in the use of its waters or to take such other steps as may be proper under the law or these Articles in the premises; and to generally make any and all regulations that may be deemed necessary for the proper carrying out of the business of the corporation.

Section 5. The Board of Directors shall have full and complete control of the time and manner of the distribution of water at all times, and all agents, servants or employees under them shall be responsible to them at all times for the carrying out of such rules,

regulations or instructions as may be given in connection with the waters of the Company.

ARTICLE III.

Meetings of Directors

Section 1. The regular monthly meeting of the Board of Directors shall be held without notice before the 10th of each month, at time and place specified by the Board of Directors.

Section 2. Special meetings of the Board may be called by the President, or the Vice-President. Notice of any special meeting shall be sent by mail to each Director, at his respective place of residence, or given to him personally, at least two days prior to the date of such meeting; provided, however, that Directors may waive notice and consent in writing to such meeting at any time.

Section 3. The President, or in his absence the Vice-President, shall preside at all meetings of the Board.

Section 4. A majority of the Board of Directors in office shall constitute a quorum for the transaction of any business coming before the Board.

Section 5. Meetings of the Board of Directors may, by resolution of the Board and spread upon the minutes, be held at any place designated in Franklin County, Idaho, or outside the State of Idaho; provided, however, until further orders, the Board of Directors shall meet at the place of business of the Company at Preston, in said Franklin County, Idaho. Any resolution for such change of place of meeting, to be effective, must be entered at least thirty days prior to change or consented to in writing by all members of the Board and spread upon the minutes of such meeting.

Section 6. Members of the Board of Directors shall receive as full compensation the sum of fifteen dollars (15.00) per day, for each meeting of the Board actually attended, whether regular or special. Any other expenses or services that may be performed by the Board of Directors, or any member thereof, even though paid, shall not become a binding obligation of the Company until approved by the succeeding regular meeting of the stockholders.

ARTICLE IV.

Officers

Section 1. At the first regular meeting of the Board of Directors after the annual meeting of the stockholders or after the election of a new Board, the Board of Directors shall elect from among themselves a President and a Vice-President. They shall also elect a Secretary and a Treasurer (and an Assistant Secretary and an Assistant Treasurer, if desired) who may or may not be stockholders of the Company and may be combined in the same person. The Board may then, or at such time as it may deem necessary, appoint such officers or agents as it may deem advisable for the Company's business. All appointees shall hold office at the pleasure of the Board of Directors.

Section 2. In case of a vacancy by resignation or otherwise, the remaining members of the Board may fill such vacancy in its membership until the next succeeding election of Directors by the stockholders.

Section 3. The President, or in his absence, the Vice-President, shall sign all certificates of stock, deeds, conveyances or other contracts authorized and proper to be executed on behalf of the corporation and which have been approved by the Board of Directors ; also shall countersign all vouchers drawn upon the Company, and all notes, bonds or other papers in due course of the business of the corporation as may be authorized by the Board of Directors or the stockholders, and shall perform such other duties as the Board of Directors may prescribe.

Section 4. The Secretary, or in his absence an Assistant Secretary designated by the Board, shall countersign all certificates of stock, vouchers drawn upon the Company, and shall have the custody of the corporate seal and affix the same to all certificates of stock, deeds, papers or other instruments requiring the seal of the corporation and shall keep such reports and minutes, transfer books, stock books, ledgers or otherwise as may be required either by law or the order of the Board, and shall perform such other duties as the Board of Directors may direct.

Section 5. The Treasurer may sign and endorse checks, drafts and orders for the payment of money to the Company in due course of business and for deposit or collection, and receive and receipt for monies for and on behalf of the Company. He shall safely keep the funds of the Company, whether monies, notes, bonds or otherwise, and disburse the same under the direction of the Board of Directors and only on vouchers signed by the President and the Secretary, and shall keep such books, records and accounts as may be necessary and proper therefore or as may be directed by the Board, and shall make and submit at each annual stockholders' meeting a complete statement of accounts for the past year, with proper vouchers, for their information, and shall report to the Board of Directors monthly at the regular meetings thereof the condition of the finances of the Company and such other or additional reports as the Board may require. He shall sign all checks, notes, drafts or other papers of a similar character issued by the Company, and shall perform such other duties as the Board may require.

Section 6. The Secretary and the Treasurer, or either, as well as any other employee or agent of the Company, shall give such bond for the faithful performance of their duties as the Board by resolution shall require. Premiums, if any, on such bonds, shall be paid for by the Company.

ARTICLE V.

Contracts on behalf of the Company to be valid shall be authorized by the Board of Directors or subsequently ratified by the Board.

ARTICLE VI.

The books and papers of the Company in the office of the Secretary and Treasurer shall be open to the inspection of the Board and under their direction at all times, and shall be open to the inspection of stockholders at all reasonable business hours of said officers.

ARTICLE VII.

Section 1. Water shall not be transferred as to the place of diversion from one ditch to another during the irrigation season without written application filed with the Secretary and any change approved by the Board as to time, manner and amount. All expenses incident to any change in the use shall be borne by and chargeable to the stockholders requesting the change and they shall be liable for all damage that may result from such change.

Section 2. Water shall only be used in accordance with a rotation schedule. Any person or corporation willfully failing to comply with the regulations or directions of the Company regulations through its Board in any manner either under its charter or by-laws shall be guilty of a violation thereof and subject to such penalty as may be imposed by the Board of Directors, and upon such hearing or investigation as said Board may see fit, and in any sum not exceeding one hundred dollars. Each act shall be a separate offense and for any continuance thereof or repetition after a penalty imposed or notice in writing to refrain, the Board may summarily shut off further delivery to said stockholder or the user thereunder.

Section 3. The owner of stock is liable primarily for the acts of the user of his water.

Section 4. No water shall be delivered except to a stockholder of record and in accordance with the amount of his stock, or upon the written order of such stockholder, filed with the Secretary prior to the fifteenth day of April of each year.

Unless so directed, the schedule will be made up on or before such date from the stock book, and thereafter no change will be made except by order of the Board and in accordance with these by-laws.

Section 5. The use of water shall not at any time be transferred or changed from lands irrigated to those either above or lower down the Company's canal system, except upon order of the Board and upon such conditions as it may fix.

ARTICLE VIII.

It shall be the duty of the Board of Directors to have the books of the Company audited yearly by some competent and disinterested auditor.

If possible, such auditing should be after the first of each year and prior to the annual stockholders' meeting.

At such stockholders' meeting, the Directors shall make a full report to the stockholders of the Company's finances and condition.

ARTICLE IX.

Stock Transfer

Section 1. Shares of stock in the Company shall be transferable on the books of the Company by the person to whom any stock shall have been issued or his personal representative, in person or by proxy, and only upon the surrender of the certificate or certificates previously issued therefore.

Section 2. When certificates of stock are lost or destroyed, duplicate certificates therefore may be issued upon satisfactory evidence of such loss or destruction and upon the giving of a satisfactory bond of indemnity in an amount to be fixed by the Board of Directors to cover and protect the Company against any loss or damage that may arise from issuance of duplicate certificate or certificates. Likewise a duplicate may be issued for a mutilated certificate upon such showing as may be satisfactory to the Board. Upon any showing for the issuance of a new or duplicate certificate as in this section provided, the Board of Directors may by resolution entered of record order a duplicate certificate issued of the same tenor or effect as the one alleged to have been lost or destroyed or mutilated.

ARTICLE X.

These by-laws may be repealed or amended or new by-laws may be adopted at any annual meeting of the stockholders, or at a special meeting called for that purpose by the Directors and by a two-thirds vote of the subscribed Preferred Capital stock or otherwise as provided by the laws of Idaho relating thereto.

STATE OF IDAHO,

ss.

County of Franklin.

We, the undersigned Directors and Secretary of Twin Lakes Canal Company, in accordance with law, do hereby certify that the above and foregoing are the by-laws of Twin Lakes Canal Company as duly adopted by assent of more than two-thirds of the subscribed stock and stockholders of said corporation and direct that same be duly copied in a book of by-laws as by law provided.

Dated this 8th day of January, 1974.

PERTH POULSEN

DENNIS RALPHS

IVAN TALBOT

Directors

Attest :

MICHAEL D. KUNZ, Secretary.