

State of Idaho

Department of State

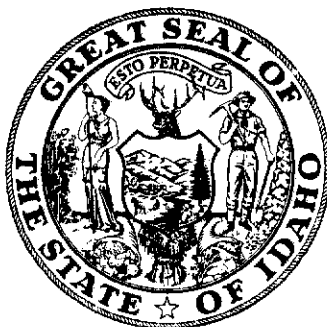
CERTIFICATE OF INCORPORATION OF

BACON VALLEY DITCH COMPANY
File number C 119447

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 BACON VALLEY DITCH COMPANY 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: May 9, 1997



Pete T. Cenarrusa
SECRETARY OF STATE

By *Tonya Harold*

ARTICLES OF INCORPORATION
OF
BACON VALLEY DITCH COMPANY,
a Non-Profit Corporation

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SECRETARY OF STATE
STATE OF IDAHO

The undersigned hereby forms a non-profit corporation under the provisions of Title 30, Chapter 3, Idaho Non-Profit Corporation or Company Act and amendments thereto.

ARTICLE I

Name

The name of this corporation shall be the BACON VALLEY DITCH COMPANY.

ARTICLE II

Purposes

The purposes for which this corporation is formed are as follows:

(1) To construct, contract for the construction, own, hold, maintain and operate on a non-profit basis a certain irrigation system and appurtenant facilities to be located in Adams County, Idaho, whereby certain waters are to be diverted from the Weiser River, conveyed, and delivered for beneficial use to irrigate lands which lie in Township 15N, Range 2W, B.M., Adams County, Idaho;

(2) To acquire, hold, and own adequate water rights, directly or by contract, for the irrigation of the lands under said irrigation system, and to acquire additional or other water rights if deemed desirable;

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(3) To deliver said water represented by said water rights for the benefit of the stockholders of this corporation equally and ratably per share, or to convey water owned by others under such rules as may be established in the company's By-laws;

(4) To fix, charge, levy and collect from the stockholders assessments against said stock in sufficient and appropriate amounts to pay construction charges, tolls, rentals, assessments, operation and maintenance costs, pumping charges or other service charges that are appropriate;

(5) To sell and issue shares of stock, as well as different classes of stock, if necessary, for the purpose of appropriately levying and assessing operation and maintenance charges on an equitable basis among lands served by the system;

(6) To levy assessments against the capital stock in accordance with Idaho law, and as provided in these Articles and in the By-laws of this corporation and to provide the manner of collecting the same and the penalty to attach for non-payment thereof including the right to a lien against the land where the water represented by such stock is appurtenant and to foreclose such lien as provided in the corporation's By-laws;

(7) To operate, maintain, rehabilitate, reconstruct, and improve canals, pumps, motors, pumping stations, pipelines, lateral ditches, reservoirs, and other irrigation structures or related facilities;

(8) To do any and all things necessary or proper to be done in conducting the business of supplying the corporation's stockholders with irrigation water for beneficial use on the lands served by the corporation's system;

(9) To buy, own, hold, lease and dispose of such real and personal property as may be necessary or expedient for the proper conduct of the corporation's business;

(10) To commence, prosecute or defend suits, to protect water rights appurtenant to the lands served by said canal system, or suits for any and all other purposes;

(11) To borrow money, negotiate notes, bonds, mortgages or other obligations for the payment of money for the purposes of raising revenue to defray the expense of construction, improvement, and all other capital expenditures, as well as the management, maintenance and operation of its irrigation system;

(12) To enter contracts with the United States, Department of Interior, Bureau of Reclamation, State Agencies, or other persons or entities in regard to the acquisition of water rights or for the construction or reconstruction of facilities, and including canals, reservoirs, etc.;

(13) To enter agreements for the joint ownership, operation and maintenance of common project facilities as may be appropriate and necessary with proper entities; and

(14) To do and perform all acts necessary to carry out the objects and purposes of this corporation.

ARTICLE III

Registered Agent/Registered Office

The initial registered agent for Bacon Valley Ditch Company is Creed Noah, the initial registered office is 35 Superior Street, Cambridge, Idaho 83610, and the initial mailing address is P.O. Box 268, Cambridge, Idaho 83610. The corporation may maintain offices and places of business at such other places as the Board of Directors may determine.

ARTICLE IV

Perpetual Existence

The period of existence of this corporation shall be perpetual.

ARTICLE V

Private Property Not Subject to Corporate Debts

The private property of the members and shareholders of this corporation shall not be subject to payment of corporation debts other than as provided in these Articles and the corporate By-laws.

ARTICLE VI

Members, Corporate Stock and Assessments

Section 1. The corporation shall have members who shall be referred to as stockholders or shareholders of the corporation and all rights and obligations shall follow ownership of such shares of stock as provided in these Articles and the Bylaws of the corporation. Under the terms and conditions prescribed in the By-laws, this corporation shall admit as stockholders, and stock shall be issued to only such persons, groups of persons, organizations or corporations who own or operate real property where the corporation can physically make delivery of water under the irrigation system presently constructed for the corporation, or as may be later expanded or extended hereafter by acquiring additional water supplies and improving and enlarging the distribution system of the corporation.

Section 2. The authorized capital stock of this corporation shall be Ten Thousand (10,000) shares of no par value stock.

Section 3. In the event that the system is subsequently enlarged and adequate water is available for the delivery to additional acres of land without reducing the amounts of water to which the then present stockholders are entitled, subject to any pre-emptive rights of the then stockholders, the corporation may issue additional shares of the capital stock to new members who shall be entitled to vote and share in the ownership of the corporation equally with the old members on such terms as the Board of Directors shall determine, provided that such new members assume and agree to pay their pro rata share of the annual operation and maintenance expenses necessary for the operation of the complete system and agree to be bound by the Articles, Bylaws, rules and regulations of this Corporation.

Section 4. The shares of capital stock of this corporation and the water represented thereby shall not be transferable except when said transfer is approved by the Board of Directors under such criteria as are prescribed in the By-laws and such rules and regulations as might be adopted by the Board of Directors.

Section 5. Each shareholder of this corporation shall be entitled to one vote for every share of stock held by said shareholder, regardless of the class of stock.

Section 6. This corporation is organized on a non-profit basis for the mutual benefit of its shareholders and consequently will not have profits from which to pay dividends on its capital stock. Each year after all expenses of the corporation have been paid and reasonable reserves have been set aside to meet anticipated costs as determined by the Board of Directors, any additional monies of the corporation may be accumulated in a fund for the purpose of replacing, enlarging, extending, and repairing the system and property of the corporation, and for such other purposes as the Board of Directors may determine to be for the best interests of the corporation.

No distribution of any surplus funds shall be made to the shareholders of this corporation except upon final dissolution of the corporation, which final distribution shall be in proportion to stock ownership, provided however that any final distribution shall comply with all applicable laws.

ARTICLE VII

Benefit of Shareholders

The corporation shall operate and maintain all portions of the delivery system primarily for the benefit of the shareholders and the lands which they own which are served by the water delivery system. The water system includes but is not limited to the easements and rights provided in the Reservation of Irrigation Ditch Easement and Access and Maintenance Easement recorded January 22, 1997, as Instrument No. 91404, Adams County, Idaho.

ARTICLE VIII

Right to Lien

The corporation shall be entitled to a first and prior lien upon the lands to which the rights represented by the stock in this corporation are appurtenant, for all amounts owing pursuant to the assessments levied pursuant to these Articles, said lien to be perfected, maintained and foreclosed in the manner as set out in Idaho Code Sections 42-2202 - 42-2209.

ARTICLE IX

Amendment of Articles

These Articles may be amended in any manner permitted or authorized by law by a favorable vote of a majority of the stockholders present or represented by proxy at a meeting of the shareholders duly called on notice of the specific purpose thereof and containing a statement of the proposed amendment.

ARTICLE X

Initial Board of Directors

The initial Board of Directors shall be comprised of three (3) persons who are as follows:

<u>Name</u>	<u>Address</u>
Kenneth K. Cederstrand	c/o Wilderness West, L.L.C. P. O. Box 18213 Seattle, WA 98118
Eugene R. Cederstrand	c/o Wilderness West, L.L.C. P. O. Box 18213 Seattle, WA 98118
Eric Cederstrand	c/o Wilderness West, L.L.C. P. O. Box 18213 Seattle, WA 98118

ARTICLE XI

INCORPORATOR

The Incorporator is Wilderness West, L.L.C., a Washington limited liability company whose office address is 7621 Rainier Ave. South, Seattle, WA 98118, and whose mailing address is P. O. Box 18213, Seattle, WA 98118.

DATED this 7 day of May, 1997.

**WILDERNESS WEST, L.L.C., a Washington
limited liability company,**

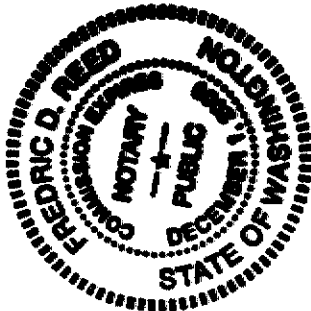


Kenneth K. Cederstrand
Member/Manager

STATE OF WASHINGTON)
) ss.
County of King)

On this 7th day of May, 1997, before me personally appeared Kenneth K. Cederstrand, to me known to be the Member/Manager of Wilderness West L.L.C., a Washington limited liability company, the corporation that executed the within and foregoing instrument, and acknowledged that it executed the same on behalf of the said limited liability company and that he was authorized to execute said instrument.

SUBSCRIBED AND SWORN TO BEFORE ME this 7th day of May, 1997.



Fredric D. Reed
Name (printed): Fredric D. Reed
Notary Public in and for the State
of Washington, residing at Seattle
My commission expires: 12-1-00