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SECRETARY OF STATE
STATE OF IDAHO

**RESTATED
ARTICLES OF INCORPORATION
OF
OAKLEY CANAL COMPANY**

The undersigned, as the Directors of a nonprofit corporation ("Corporation") organized under and pursuant to the Idaho Nonprofit Corporation Act, Chapter 3, Title 30 Idaho Code and the applicable provision of Title 42, Idaho Code ("Act") restate the Articles of Incorporation ("Articles").

ARTICLE 1. NAME

The name of the Corporation is Oakley Canal Company.

ARTICLE 2. NONPROFIT STATUS

The Corporation is a nonprofit shareholder corporation.

ARTICLE 3. PERIOD OF DURATION

The period of duration of the Corporation is perpetual.

ARTICLE 4. REGISTERED OFFICE & AGENT

The location of the Corporation is 100 West Elm, Oakley, Idaho 83346.

The address of the registered office of 100 West Elm, Oakley, Idaho 83346, and the name of the registered agent is Elda Mullen.

ARTICLE 5. PURPOSES

The purposes for which the Corporation is organized and will be operated are as follows:

A. To operate a Canal Company for the benefit of its shareholders within the meaning of Section 501 (c)(12) of the Internal Revenue Code of 1986, as amended from time to time.

B. To acquire, operate, manage and control a system of dams, canals, wells, flumes, siphons, gates, water, water rights, permits, licenses, appropriations and water franchises acquired and constructed by the Twin Falls Oakley Land & Water Company, said system being constructed in the County of Cassia, State of Idaho, and all extensions and additions thereto, which have been or may be, made and constructed under that certain contract between the State of Idaho and the Twin Falls Oakley Land & Water

Company dated August 12, 1909, and all supplemental contracts thereto made and between the parties relating to the project.

C. To acquire, buy, sell, lease, transfer and operate the water system, canals, wells, franchises and reservoirs for the purpose of improving the water supply of Oakley Canal Company; to buy, lease, transfer and operate water rights, water permits, water filings and water licenses, and to procure additional water rights for the lands within the boundaries of the Oakley Canal Company as may be deemed useful or necessary; to accumulate, store, conduct, inject and deliver water for domestic and irrigation purposes on the streams in the State of Idaho and their tributaries, which may be available for such purposes; to sell water for additional land, if water can be acquired, in excess of the water needed for the land on the Oakley Canal project.

D. To levy and collect assessments against all lands receiving water from the distribution system of the Oakley Canal Company, either for domestic or irrigation purposes, in such sums as may be determined by the Board of Directors to be necessary for the purpose of securing funds for the operation and maintenance of the system and a proper and efficient delivery of water, the repair and improvement necessary, and for general expense of the Corporation and for such other purpose as the Board of Directors shall determine within the scope of the purposes of the Corporation.

E. To manage, maintain, and operate for its shareholders the transmission, distribution and service facilities for properties of its shareholders and to advise, aid, or assist therein.

F. To purchase, receive, lease as lessee, or in any other manner acquire, own, hold manage, use, sell, convey, lease as lessor, exchange, mortgage, pledge or otherwise dispose of any and all real or personal property or any interest therein necessary, useful, or appropriate to enable the corporation to accomplish any of its purposes.

G. To acquire, own, hold, use, exercise and, to the extent permitted by law, to sell, mortgage, pledge, hypothecate, in any manner dispose of franchises, rights, privileges, licenses, rights of way, and easements necessary, useful or appropriate to accomplish any of the purposes of the corporation.

H. To borrow money, to make and issue bonds, notes and other evidences of indebtedness, secured or unsecured, for monies borrowed or in payment acquired, or for any other object or purposes of the corporation; to secure the payment of such bonds, notes, or other evidences of indebtedness by mortgage or mortgages, deed or deeds of trust upon, or by the pledge or other lien upon, or by security agreement on all or any part of the property, rights, franchises, privileges, or permits of the association, wheresoever situated, acquired or to be acquired.

I. To do and perform any and all acts or things, and to have and exercise any and all of the foregoing purposes, as may be permitted by the provisions of the laws of the State of Idaho under which the Corporation is formed.

J. Nothing herein contained shall be deemed to authorize or permit the Corporation to carry on any business for profit, to exercise any power, or to do any act that a corporation formed under the Act, or any amendment thereto or substitute therefore, may not at that time lawfully carry on or do.

K. The Directors shall have the power to provide for the treatment and eradication of noxious weeds in the boundaries of the Oakley Canal Company and to provide for the draining of excess water from lands within the boundaries of the Oakley Canal Company.

ARTICLE 6. SHAREHOLDERS

The Corporation shall have shareholders who shall have such rights as are provided in the Acts that are consistent with the management authority that these Articles grant the Board of Directors of the Corporation. Any person may become a shareholder of the Corporation upon compliance with the requirements set forth in the Bylaws established by the Board of Directors.

ARTICLE 7. BOARD OF DIRECTORS

The affairs of the Corporation shall be managed by its Board of Directors. The number of Directors of the Corporation shall be five (5). Each Director shall serve a term of three (3) years. There shall be three (3) classes of Directors. Class One shall have two (2) Directors, Class Two shall have one (1) Director, and Class Three shall have two (2) Directors. The current Classes and terms are ratified and to be subject to further provisions as provided by the By-Laws.

ARTICLE 8. DISTRIBUTION ON DISSOLUTION

Upon dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Corporation, distribute all the assets of the Corporation to the shareholders in proportion to their respective shares. Any such assets not so distributed shall be distributed by the district court of the county in which the principal office of the Corporation is then located, exclusively for the purposes as such court shall determine to be consistent with the purposes of the Corporation.

ARTICLE 9. BYLAWS

Provisions for the regulation of the internal affairs of the Corporation shall be set forth in the Bylaws.

ARTICLE 10. AMENDMENTS TO BYLAWS

The shareholders of the Corporation shall be authorized to amend the Corporation's Bylaws at a properly noticed special or regular meeting of the shareholders, by a two-third (2/3) vote of the stock present at a regular or special meeting. The Directors may amend the Bylaws as provided by law.

DATED this 21st day of May, 2002.

OAKLEY CANAL COMPANY

By: 
President & Director


Director


Director


Director


Director

(OakleyCanal\articles.wpd)

CERTIFICATE OF ADOPTION

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SECRETARY OF STATE
STATE OF IDAHO

I, Robert Whiteley Secretary of Oakley Canal Company, do hereby certify as to the filing of Restated Articles of Incorporation of Oakley Canal Company:

1. The attached Restated Articles of Incorporation were adopted by the Board of Directors of Oakley Canal Company by a unanimous vote of all five(5) directors with approval of the Shareholders of the Oakley Canal Company at a special meeting of the Shareholders and Directors held on May 21, 2002 pursuant to written notice to each Shareholder mailed more than thirty (30) days before the meeting.
2. That more than 2/3rds of the votes cast at the meeting were in favor of filing of the Restated Articles of Incorporation of Oakley Canal Company and authorized the Directors to file the Restated Articles of Incorporation.
3. That the Restated Articles of Incorporation of Oakley Canal Company do not require approval by the Shareholders or Members however the Directors deemed that it be in the best interest of the Corporation to have Shareholder approval.
4. The attached Restated Articles of Incorporation of Oakley Canal Company are true and correct copies duly adopted and restated.

Dated May 21, 2002.

OAKLEY CANAL COMPANY



Secretary