

FILED EFFECTIVE

RESTATED
ARTICLES OF INCORPORATION

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of

SECRETARY OF STATE
STATE OF IDAHO

BANNOCK JIM SLOUGH CANAL COMPANY

KNOW ALL MEN BY THESE PRESENTS:

Pursuant to the applicable provisions of the Idaho statutes, the undersigned corporation, pursuant to a resolution unanimously adopted by its full board of directors (five out of five) at a meeting held on December 14, 2011, the following Restated Articles of Incorporation are hereby adopted:

That we, the undersigned citizens of the United States of America, of the age of twenty-one years or more, by these presents voluntarily associate ourselves together in behalf of ourselves and all of the present stock holders of originally decreed Idaho Department of Water Resources Water Right Number 1-00139 with a priority date of 06-01-1889 for 12.000 c.f.s., Water Right Number: 1-00140 with a priority date of 05-01-1905 for 3.2 c.f.s., and 01-10545 with a priority date of 06-01-1898 for 4.000 c.f.s. which have as their place of use the lands of the shareholders located within Sections 12, 13, 17, 18, 20 & 21, Twp. 05 N., Rge. 38 & 39 E.B.M., Madison County, Idaho, by forming a non-profit corporation, pursuant to the provisions of Chapter 3 of Title 30 of the Idaho Code, and receiving all of the assets and assuming all of the liabilities and responsibilities of said de facto corporation, do hereby certify:

ARTICLE I

NAME

The name of this corporation is BANNOCK JIM SLOUGH CANAL COMPANY, and is formed as a non-profit corporation.

ARTICLE II

PURPOSES AND POWERS

A. The purposes for which the corporation is formed are to own, acquire, lease, hold, manage, control, operate and maintain an irrigation system, and water and water rights, all for the benefit of the corporation and its stockholders, upon certain lands lying along and in the vicinity of Bannock Jim Slough Canal, which diverts from the Snake River, in the County of Madison, State of Idaho, for irrigation, domestic use, watering livestock, and all other beneficial uses of water, and to conduct any business, and to do all and every thing necessary, suitable, and proper for the accomplishment of any of the purposes or the attainment of any benefits for the corporation and its stockholders, not inconsistent with the laws under which the corporation is organized.

IDAHO SECRETARY OF STATE
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B. This corporation existed heretofore under the name of Bannock Jim Slough.

ARTICLE III

REGISTERED OFFICE AND REGISTERED AGENT

The address of the initial registered office of BANNOCK JIM SLOUGH CANAL COMPANY is at 6505 West 3800 South, Rexburg, Idaho 83440, and the name of its initial registered agent is Tim McGarry, who's address is 6505 West 3800 South, Rexburg, Idaho 83440.

ARTICLE IV

DURATION

The term for which the corporation is to exist shall be perpetual from and after the date of its incorporation, unless sooner dissolved or disincorporated pursuant to law.

ARTICLE V

INITIAL BOARD OF DIRECTORS AND OFFICERS

A. The number of directors of this corporation shall be fixed by the By-laws. The number of directors constituting the initial board of directors of the corporation is five (5) and the names and residences of the persons who are to serve as directors and officers of the corporation until the first annual meeting of stockholders or until their successors are elected and shall qualify are:

<u>Name</u>	<u>Address</u>
Tim R. McGarry	6505 W. 3800 S. Rexburg, ID 83440
Lance Rydalch	7549 W. 4000 S. Rexburg, ID 83440
Jack Lee Koon	P.O. Box 425 Ucon, ID 83454
Boyd E. Smith	4371 S. 5500 W. Rexburg, ID 83440

B. The directors shall be elected at the annual meeting of the stockholders in Madison County, Idaho, to be held at the place, and on the date and at the time specified in the By-Laws of the corporation.

ARTICLE VI

CAPITAL STOCK

A. This corporation shall not have members but shall have stockholders.

B. The amount of capital stock of this corporation shall be \$960.00, divided into 960 shares with a par value of \$1.00 each, 960 shares of which has been subscribed for by the subscribers and shareholders set forth below.

C. All stock shall be common stock and when fully paid shall not be subject to call. Each share of stock shall be entitled to one vote and all stock shall have equal rights.

D. The capital stock of the corporation may not be transferred except in connection with a transaction involving title to the real property to which that proportion of the water and conveyance rights of the corporation represented by such stock is appurtenant, or as otherwise provided by the By-Laws of the corporation, and only to the extent and in the manner provided in the said By-Laws and as the same may from time to time be amended.

E. The ownership of said stock shall be further limited and shall be held and transferred as provided for in the By-Laws. No share shall have pre-emptive rights, and each stockholder may vote by written proxy pursuant to any limitations contained in the By-Laws. All stock shall be subject to assessment for use in paying all of the expenses of the corporation, including the expenses of maintenance and operation of the irrigation system.

F. The names of the persons or entities, their mailing addresses, and the number of shares this corporation recognizes and acknowledges as being owned in this corporation shall be set forth in the initial By-Laws of this corporation.

G. Said stock shall be divided into three (3) classes with each class representing a priority in the use of the water rights owned by the corporation, as follows:

<u>Class</u>	<u>No. of Shares</u>	<u>Water Priority Date</u>
A	600	June 1, 1889
B	200	June 1, 1898
C	160	May 1, 1905
Total	960	

ARTICLE VII

SUPPLEMENTAL POWERS AND PURPOSES

A. In carrying out the purposes of this Corporation to furnish for its stockholders water for irrigation, domestic use, watering livestock, and all other beneficial uses of water, the Corporation will issue stock to its stockholders in unequal numbers of shares, issuing to each stockholder the number of shares deemed sufficient to equal their present percentage of ownership of the water rights now owned by the corporation in the manner set forth in the bylaws. The funds necessary for the accomplishment of said purposes can be raised by assessments on those shares.

B. This Corporation shall at all times be operated on a non-profit basis for the benefit of its stockholders. No interest or dividends shall be paid or payable to the stockholders by the Corporation.

C. In the payment of assessments, which shall be uniform on each share of stock, the business of the Corporation shall be so conducted that only sufficient funds shall be levied and collected from the stockholders as are necessary for the payment of its reasonable and necessary expenses in carrying out the purposes of the Corporation. Should an excess of funds be collected, by said assessments or by the rental or sale of surplus water in times of plenty, which shall exceed a reasonable sum to be retained in a reserve fund for the acquisition of water by lease, purchase or otherwise, in times of shortage, and after taking into account the Corporation's reasonable needs for normal business purposes, retiring indebtedness, expansion, or maintaining reserves for other necessary purposes, the same shall, at the discretion of the board of directors of the Corporation, be returned to the stockholders on a per share basis, or the Corporation shall reduce the amount of the next assessment on said stock, or both. The books and records of the Corporation shall be set up and kept in such a manner that at the end of each fiscal year, a record of the amount of surplus funds collected by the Corporation shall be made.

All such amounts received by the Corporation from its operations in excess of costs and expenses shall, insofar as permitted by law, be used to offset any losses incurred during the current or any prior fiscal year.

D. In the event of dissolution or liquidation of the Corporation, after all outstanding taxes and indebtedness of the Corporation shall have been paid, together with all costs of dissolution or liquidation, all gains from the sale of an appreciated asset, as well as all other assets, including funds of the Corporation, shall be returned to the stockholders on a per share basis.

ARTICLE VIII

LIMITATIONS OF LIABILITY

All present or past directors, officers, employees or agents of the corporation and the heirs or personal representatives of such person, shall be indemnified and may be advanced expenses by the corporation if said person was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal,

administrative or investigative (other than action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee, or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action proceeding, had no reasonable cause to believe his conduct was unlawful and is so determined in accordance with Idaho Code § 30-1-5(d), and if so determined such person shall be entitled to all the other benefits as set out in Idaho Code § 30-1-5 and shall have no personal liability to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, officer, employee or agent; provided that this provision shall not eliminate or limit the liability of such person (i) for any breach of the duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 30-1-48, Idaho Code, or (iv) for any transaction from which such person derived an improper personal benefit. This section shall not eliminate or limit the liability of such person for any act or omission occurring prior to the date when this section becomes effective.

ARTICLE IX

BY-LAWS

The initial By-Laws shall be adopted by the Board of Directors. The power to amend or repeal the By-Laws of the corporation shall thereafter be pursuant to the By-Laws.

ARTICLE X

INITIAL SHAREHOLDERS

The name and address of each shareholder is:

Tim R. McGarry
6505 W. 3800 S.
Rexburg, ID 83440
71.22 Shares Class A
20.39 Shares Class C

Carol A. Koon
P.O. Box 646
Naturita, CO 81422
49.39 Shares Class A
13.41 Shares Class C

Theron R. McGarry
6140 W. 5000 S.
Rexburg, ID 83440
96.31 Shares Class A
24.67 Shares Class C

Doris Hansen
4171 S. 7067 W.
Rexburg, ID 83440
3.22 Shares Class A

Boyd E. Smith
4371 S. 5500 W.
Rexburg, ID 83440
50.52 Shares Class A
200 Shares Class B
14.81 Shares Class C

Larry M. Koon
6231 W. 3800 S.
Rexburg, ID 83440
7.18 Shares Class A
3.92 Shares Class C

Robert B. Smith
5313 S. 5700 W.
Rexburg, ID 83440
5 Shares Class A

Koon Trust
C/O Lionel Koon
7544 W. 4000 S.
Rexburg, ID 83440
5.7 Shares Class A
.74 Shares Class C

C. LeRoy Wilcox
5555 S. 5700 W.
Rexburg, ID 83440
64.74 Shares Class A
17.26 Shares Class C

Jerry Kirk
P.O. Box 4779
Jackson, WY 83001
138.11 Shares Class A
35.38 Shares Class C

Jack E. Koon
4172 S. 7067 W.
Rexburg, ID 83440
39.38 Shares Class A
10.70 Shares Class C

Lance Rydalch
7549 W. 4000 S.
Rexburg, ID 83440
3.00 Shares Class A
2.00 Shares Class C

Jack Lee Koon
P.O. Box 425
Ucon, ID 83454-0425
65.47 Shares Class A
16.72 Shares Class C

Anita Clark
7255 W. 4000 S.
Rexburg, ID 83440
.76 Shares Class A

ARTICLE XI

INCORPORATORS

The name and address of each restated incorporator/director is:

Tim R. McGarry

6505 W. 3800 S.
Rexburg, ID 83440

Lance Rydalch

7549 W. 4000 S.
Rexburg, ID 83440

Jack Lee Koon

P.O. Box 425
Ucon, ID 83454


Boyd E. Smith

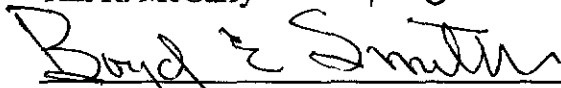
4371 S. 5500 W.
Rexburg, ID 83440

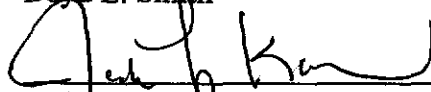
Lionel Koon


7554 W 4000 S.
Rexburg, ID 83440

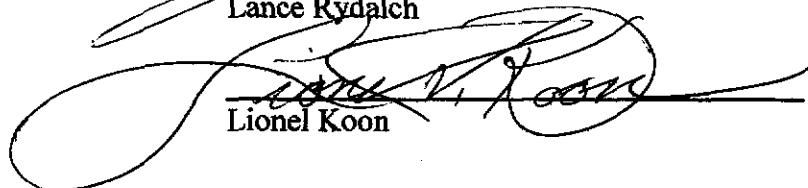
DATED This 27th day of January, 2012.


Tim R. McGarry


Boyd E. Smith


Jack Lee Koon


Lance Rydalch


Lionel Koon

