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STATE OF IDAHO

ARTICLES OF MERGER
OF DOMESTIC CORPORATIONS

INTO

SOUTHEAST IDAHO CANAL COMPANY

IDAHO SECRETARY OF STATE
04/22/2003 05:00
CL: 19558 CT: 2552 PH: 676107
10 30.00 = 30.00 MERGER # 2

Pursuant to the provisions of Section 30-1-1101 et. seq. of the Idaho Business Corporation Act, the undersigned corporations adopt the following Articles of Merger for the purpose of merging them into one of such corporations:

FIRST: The following Plan of Merger was approved by the shareholders of each of the undersigned corporations in the manner prescribed by the Idaho Business Corporation Act:

I.

RECITALS

A. Southeast Idaho Canal Company is validly organized, existing and in good standing under the laws of the State of Idaho. All of the merging corporations are validly organized, existing and in good standing under the laws of the State of Idaho.

B. Southeast Idaho Canal Company, the surviving Corporation, has an authorized capital of 48,400 shares of Common Stock with a par value of \$1.00 each, divided into 23,000 shares of Class A stock, 7,500 shares of Class B stock, 12,000 shares of Class C stock, and 5,900 shares of Class D stock. As of date hereof the incorporators, representing all of the merging corporations, have subscribed to 11 shares of its capital stock, which will all be assigned to shareholders as a part of the allocation of stock in the surviving corporation, as hereinafter set forth.

C. Fall River Irrigation Company, has an authorized capital of 803 shares of Common Stock with a par value of \$25.00 each, of which on the date hereof, 803 shares were issued and outstanding.

D. The Farmers Friend Canal Company limited has an authorized capital of 1309 shares of Common Stock with a par value of \$25.00 each, of which on the date hereof, 1309 shares were issued and outstanding.

E. Twin Grove Canal and Irrigation Company has an authorized capital of 838 shares of Common Stock with a par value of \$25.00 each, of which on the date hereof, 838 shares were issued and outstanding.

F. The Boards of Directors of the Constituent Corporations have considered the proposed plan and they determined that it is in the best interests of their respective corporations and stockholders that the Merging Corporations merge with and into Southeast Idaho Canal Company, in accordance with the provisions of applicable

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statutes of the State of Idaho, they have submitted it to the stockholders of the respective Merging Corporations.

II.

PLAN OF MERGER

The plan is to have the Constituent Corporations agree, each with the other, to merge into a single corporation which shall be Southeast Idaho Canal Company, the Surviving Corporation, (whose name shall not be changed and whose Articles of Incorporation shall not be amended in any respects as provided herein) pursuant to the laws of the State of Idaho, and shall agree upon and prescribe the terms and conditions of the statutory merger, the mode of carrying it into effect and the manner and basis of converting the shares of the Merging Corporations into shares of the Surviving Corporation, as herein set forth:

On the effective date of the merger, the Merging Corporations shall be merged with and into Southeast Idaho Canal Company, an Idaho Non-Profit Corporation, and the separate existence of the Merging Corporations shall cease; the Constituent Corporations shall become a single corporation named "Southeast Idaho Canal Company", an Idaho Non-Profit Corporation, which shall be the Surviving Corporation.

III.

ARTICLES OF INCORPORATION OF SURVIVING CORPORATION

The Articles of Incorporation of Southeast Idaho Canal Company, the surviving corporation, which are presently filed with the Idaho Secretary of State, shall not be amended, and shall continue to be the Articles of Incorporation of the Surviving Corporation until further amended in accordance with the Non-Profit Corporation Laws of the State of Idaho.

Such Articles of Incorporation, as thus set forth, were certified by the Secretary of State of the State of Idaho on April 4, 2003.

IV.

BY-LAWS OF SURVIVING CORPORATION

The By-Laws of Southeast Idaho Canal Company, in effect immediately prior to the effective date of the merger shall continue to be the By-Laws of the Surviving Corporation, until altered or repealed in the manner provided by law and such By-Laws.

V.
DIRECTORS AND OFFICERS OF SURVIVING CORPORATION

The Directors and Officers of Southeast Idaho Canal Company, immediately prior to the effective date of the merger shall continue to be the Directors of the Surviving Corporation, to hold office for the terms specified in the By-Laws of the Surviving Corporation and until their respective successors are duly elected and qualified.

VI.
MANNER AND BASIS OF CONVERSION OF SHARES

A. The treatment of the shares of the merging corporations into shares of the common stock of the surviving corporation are as follows:

		SHARES IN SOUTHEAST IDAHO CANAL COMPANY, TO BE ISSUED TO THE SHAREHOLDERS OF THE MERGING CORPORATIONS				
<i>Name of Corp.</i>	Its Shares	Class A	Class B	Class C	Class D	
Fall River Irrigation	803	23,000				
Farmers Friend	1309			12,000	2,800	
Twin Grove	838		7,500		3,100	
Totals		23,000	7,500	12,000	5,900	

B. No shares of the capital stock of the surviving corporation have been issued, but 11 of its shares have been subscribed for by the incorporators thereof. The incorporators are all representatives of the merging corporations, and said subscriptions shall be assigned by the incorporators, and merged in with the shares of the surviving corporation to be issued to the merging corporations' shareholders in exchange for their shares in the merging corporations, so that all of the stock to be issued by the surviving corporation, at the time of this merger, shall be issued to the shareholders of the merging corporations.

C. Each share of the Merging Corporation's Common Stock which is issued and outstanding immediately prior to the effective date of the merger, shall by virtue of the merger be converted into and become, without action on the part of the holder of such Common Stock, fully paid and assessable shares of a Class of the Common Stock of the Surviving Corporation in accordance with the table above; provided, however, fractional

shares may be issued. Each outstanding certificate for Common Stock of the Merging Corporations shall thereupon be deemed for all purposes to evidence ownership of the number of shares of Common Stock of the Surviving Corporation into which the same shall have been converted at the rate set forth above.

D. As soon as practicable after the effective date of the merger, each holder of outstanding certificates for Common Stock theretofore issued by the Merging Corporations shall be entitled, upon surrender of the same by such holder for cancellation, as directed by the Surviving Corporation, to receive new certificates for the number of shares of Common Stock of the Surviving Corporation to which he is entitled.

VII. EFFECT OF MERGER

A. On the effective date of the merger, the Surviving Corporation shall possess all the rights, privileges, powers, and franchises of a public as well as a private nature of each of the Constituent Corporations, and shall become subject to all the restrictions, disabilities and duties of each of the Constituent Corporations and all of the singular rights, privileges, powers and franchises of each of the Constituent Corporations. All water rights, canals, diversionary works, cash, bank, checking and savings accounts, and all other property, real, personal and mixed, and debts due to each of the Constituent Corporations on whatever account, as well as all other things in action or belonging to each of the Constituent Corporations shall be vested in the Surviving Corporation; and all property, assets, rights, privileges, powers, franchises and immunities, and all and every other interest shall be thereafter as effectually the property of the Surviving Corporation as they were of the respective Constituent Corporations; and the title to any real estate vested by deed or otherwise, in either of the Constituent Corporations, shall not revert or be in any way impaired by reason of the merger; provided, however, that all of the creditors and liens upon any property of either of the Constituent Corporations shall be preserved unimpaired, and all debts, liabilities, obligations and duties of the respective Constituent Corporations shall thenceforth attach to the Surviving Corporation, and may be enforced against it to the same extent as if said debts, liabilities, obligations and duties had been incurred or contracted by it.

B. If at any time after the merger becomes effective it shall appear to the Surviving Corporation that any further assignments or assurances are necessary or desirable to evidence the vesting in the Surviving Corporation of the title to any of the property or rights of the Merging Corporations, those persons who were proper officers and directors of the Merging Corporations as of the effective date of the merger shall execute, acknowledge and deliver such assignments or other instruments and do such acts as may be necessary or appropriate to evidence the vesting of title to such property or rights in the Surviving Corporation. For such purposes the capacity and authority of the Merging Corporations and their officers shall be deemed to be continuing.

C. The Surviving Corporation shall agree that it may be served with process in the State of Idaho and shall irrevocably appoint the Secretary of State of Idaho as its agent to accept service of process, in any proceeding for the enforcement of any obligation of the Merging Corporations arising in the State of Idaho prior to the effective date of the merger, and in any proceedings for the enforcement of the rights of a dissenting shareholder of the Merging Corporations against the Surviving Corporation.

VIII.
ACCOUNTING AND STATED CAPITAL

When the merger becomes effective, subject to such changes, adjustments or eliminations as may be made in accordance with generally accepted accounting principles, (a) the assets and liabilities of the Constituent Corporations shall be recorded in the accounting records of the Surviving Corporation at the amounts at which they shall be carried at that time in the accounting records of the Constituent Corporations, (b) the amount of stated capital with which the Surviving Corporation shall begin business immediately after the effective date of the merger is \$48,400.00.

IX.
ABANDONMENT

This Plan and Agreement of Merger may be abandoned by action of the Board of Directors of either Southeast Idaho Canal Company, or the Merging Corporations at any time prior to the effective date of the merger, whether before or after submission to their respective stockholders, upon the happening of any one of the following events:

1. If the merger fails to obtain the requisite vote of stockholders of Southeast Idaho Canal Company, or of Stockholders of the Merging Corporations not later than April 15, 2003; or
2. If, in the judgment of the Board of Directors of Southeast Idaho Canal Company, or of the Merging Corporations, the merger would be impracticable because of the number of stockholders of either thereof who assert their right to have their stock appraised and to receive payment therefore as provided in the Corporation Law of the State of Idaho.

X.
REPRESENTATIONS AND WARRANTIES

Southeast Idaho Canal Company, and the Merging Corporations shall each represent and warrant to the other that between the date hereof and the time when the merger becomes effective they will not enter into any employment contracts, grant any stock options or issue any stock or securities, or declare or pay any dividends in stock or cash or make any other distribution on or with respect to their outstanding stock.

XI.

EFFECTIVE DATE

The effective date of the merger provided for by this Agreement shall be the date on which the last act prior to recording required to complete the merger under the respective laws of the State of Idaho is performed.

SECOND: As to each of the undersigned corporations, the number of shares outstanding, and the designation and number of outstanding shares of each class entitled to a vote as a class on such Plan, are as follows:

<u>Name of Corporation</u>	<u>Number of Shares Outstanding</u>	<u>Designation of Class:</u>	<u>Number of Shares</u>
Fall River Irrigation Company	803	Common	803
The Farmers Friend Canal Company	1,309	Common	1,309
Twin Grove Canal and Irrigation Company	838	Common	838
Southeast Idaho Canal Company	11 (subscribed)		11 (subscribed)

THIRD: As to each of the undersigned corporations, the total number of shares voted for and against such Plan, respectively, and, as to each class entitled to vote thereon as a class, the number of shares of such class voted for and against such Plan, respectively, are as follows:

<u>Name of Corp.</u>	<u>Total Voted</u>	<u>Total Voted</u>	<u>Class</u>	<u>Number of Shares</u>	
				<u>Entitled to Vote as a Class</u>	
				<u>Voted</u>	<u>Against</u>
Fall River Irrigation Company	390.25	30	Common	All	-0-
The Farmers Friend Canal Company	754	79	Common	All	-0-
Twin Grove Canal and Irrigation Company	413	4	Common	All	-0-
Southeast Idaho Canal Company	11	-0-	Subscribed	11	-0-

Said vote, in the case of each of the above described Companies, being sufficient to adopt the Plan.

DATED: April 7, 2003.

SOUTHEAST IDAHO CANAL COMPANY
an Idaho corporation
(the "Surviving Corporation")

By: Dee Eldridge
Dee Eldridge, President

ATTEST:

Dale L. Swensen
Dale Swensen, Secretary

FALL RIVER IRRIGATION COMPANY,
an Idaho corporation
(a "Merging Corporation")

By: Zane Bloom
Zane Bloom, President

ATTEST:

Dale L. Swensen
Dale Swensen, Secretary

THE FARMERS FRIEND CANAL COMPANY
LIMITED, an Idaho corporation
(a "Merging Corporation")

By: Dee Eldridge
Dee Eldridge, President

ATTEST:

Dale L. Swensen
Dale Swensen, Secretary

STATE OF IDAHO,)
County of Fremont.)
ss.

The undersigned, a notary public, do hereby certify that on this 17th day of April, 2003, personally appeared before me DARRIS SCHULDIES and DALE SWENSEN, who, being first duly sworn, declared that they are the President and Secretary, respectively, of TWIN GROVE CANAL AND IRRIGATION COMPANY, an Idaho corporation, that they signed the foregoing document as said President and Secretary of the corporation, and that the statements therein contained are true.

Jodi L. THURBER
Notary Public for Idaho
Residing at: RRYBURG, ID.
My Commission Expires: 6-26-06