

FILED EFFECTIVE

ARTICLES OF MERGER
of
FALLS WATER CO., INC.,
and
HOWELL WATER COMPANY, INC.

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SECRETARY OF STATE
STATE OF IDAHO

Pursuant to the provisions of Section 30-1-1101 of the Idaho Business Corporation Act, and Section 30-3-102 of Idaho Non Profit Corporation Act, Falls Water Co., Inc. an Idaho corporation, (surviving corporation), and Howell Water Company, Inc., an Idaho corporation (merging corporation), by and through the directors of the merging corporation and the shareholders and directors of the surviving corporation hereby adopt the following Articles of Merger for the purpose of merging Falls Water Co., Inc., into Howell Water Company, Inc., an Idaho corporation, as the surviving corporation.

The following Plan of Merger was approved by the unanimous consent of all directors of the merging corporation and by the unanimous consent of all shareholders and all directors of the surviving corporation, in the manner provided by the Idaho Business Corporation Act and the Idaho Non Profit Corporation Act.

1. **Effective Date of Merger.** The effective date of the merger shall be February 15, 2006. On the effective date of merger the separate existence of the merging corporation shall cease and the merging corporation shall be merged into the surviving corporation which shall continue its existence but will by separate Articles of Amendment to the Articles of Incorporation change its name to Falls Water Co., Inc. By signing these Articles of Merger the merging corporation and all of its directors unanimously approve and consent to the change of name to Falls Water Co., Inc.

2. **Ownership and Management of Merging Corporation.** The name, address and percentage of ownership of the merging corporation prior to the date of merger was as follows:

Name of Owner

% of Ownership

Kelly D. and Cindy Howell
2025 East 1st Street
Idaho Falls, Idaho 83401

100

Name of Director

Kelly D. Howell
Cindy Howell
Justin K. Howell

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3. **Conversion of Ownership.** All ownership of the merging corporation, however evidenced, shall be cancelled and each holder of shares of the surviving corporation which were outstanding immediately before the effective date of the merger shall hold the same number of shares with the identical rights immediately after the merger and therefore no additional conversion of shares shall be made.

4. **Ownership of Outstanding Shares.** All outstanding shares in the surviving corporation are of one class common capital stock. The number of outstanding shares of common capital stock of the surviving corporation are as follows:

<u>Name</u>	<u>Number issues/outstanding</u>	<u>Percentage</u>
Kelly D. Howell	125	50%
Cindy Howell	125	50%
Total Outstanding	250	100%

5. **Delivery of Notice.** The Articles of Merger containing the Plan of Merger have been personally delivered to each director of record of the merging corporation (said corporation has no members) and to each shareholder and director of record of the surviving corporation at a meeting held February 15, 2006 and a waiver of mailing, notice, and consent to the Articles of this Plan of Merger has been obtained in the form of a confirming signature upon this instrument.

6. **Purposes of Surviving Corporation.** The purposes for which said corporation is formed include the following:

- a. To supply certain designated contiguous areas situated in Bonneville County, State of Idaho, with water to be used by the residents of such areas for domestic and irrigation purposes, and to carry on the business of waterworks company in all of its branches; to sink wells and shafts, to make, build and construct, lay down and maintain reservoirs, cisterns, culverts, filter beds, water mains and other peipes and appliances, to establish rates for the sale and distribution of said water; to provide meters for the measurement of the use of said water and to do all other works and things necessary or convenient for obtaining, storing, selling, delivering, measuring and distributing water, or otherwise, for the purposes of the Company.
- b. To acquire, by appropriation, purchase, condemnation, or otherwise, the ownership of water, water rights, and water privileges and to hold, use, sell or lease the same or any part thereof, for domestic, irrigating, manufacturing and other beneficial uses; also, to acquire, by purchase, condemnation, or otherwise, the ownership of rights of way over land in said county, so far as the same maybe necessary, for the construction, maintenance, and use of dams, reservoirs, canals, ditches, pipes, flumes, conduits, and aqueducts necessary to collect, store, convey, and distribute water for each and all of the aforesaid purposes and to purchase, hold, own, construct maintain

and use such structures and waterworks and sell or lease the same, or any part thereof.

- c. To purchase, maintain, rent and sell appliances, equipment and fixtures and supplies relating to and incidental to the furnishing and use of water sold and distributed by the Company.
- d. To do any and all things necessary, suitable and proper for the accomplishments or any of the purposes or for the attainment of any of the objects or for the exercise or any of the powers herein set forth, whether herein specified or not, either alone or in connection with other firms, individuals or corporations, either in this State or throughout the United States, or elsewhere, and to do any other act or acts, thing or things incidental or pertinent to or connected with the business hereinafter described, or any part or parts thereof, if not inconsistent with the laws under which this corporation is organized.
- e. To receive, acquire, hold, purchase, dispose of, convey, mortgage and/or lease real and personal property; to dispose of, sell, lease, assign, transfer, mortgage and/or convey any rights, privileges, franchises, real or personal property of the corporation, other than its franchise or being a corporation, and to acquire, purchase, guarantee, hold, mortgage, own, vote, sell, pledge an./or otherwise dispose of and deal in shares, bonds, securities and debentures, and other evidences of indebtedness of other corporations, domestic or foreign.
- f. To enter into contracts or obligations of any type or kind essential, necessary or proper to the transaction of its ordinary affairs, or for the purposes of the corporation.
- g. To borrow money of any person, firm or corporation and to issue bonds, debentures or obligations of this corporation from time to time, for nay of the objects or purposes of the corporation and to secure the same b mortgage, pledge, deed of trust or by any other lawful means.
- h. To have, exercise and enjoy all of the powers nor or hereafter granted to corporations organized under the laws of the State of Idaho, and particularly all of the powers and privileges granted to corporations by Chapter 1 of Title 30 of the Idaho Code, and any present and/or future amendments thereof, and to do any act or thing necessary or convenient for the transaction of the aforesaid business and/or carry into effect any and all of the aforesaid objects and purposes.

7. **Contracts.** No contract or other transaction between the merging corporation or any other corporation, whether or not a majority of the shares of the capital stock of such other corporation is owned by the corporation, and no act of the merging corporation shall in any way be affected or invalidated by the fact that may of the directors of the merging corporation are pecuniarily or otherwise interested in or are directors or officers of such other corporation; any director,

individually, may be a party to or may be pecuniarily or otherwise interested in any contract or transaction of the merging corporation, and if any director of the merging corporation is so interested may be counted in determining the existence of a quorum at any meeting of the Board of Directors of the company which shall authorize such contract or transaction with like force and effect as if he were not such director or officer of such other corporation and not so interested.

8. **By-Laws.** The By-Laws of Howell Water Company, Inc., the surviving corporation, as they shall exist upon the effective date of this merger, shall be and remain and continue to be the By-Laws until they are altered, amended or repealed as therein provided.

9. **Directors and Officers.** The persons who are directors of Howell Water Company, Inc., the surviving corporation, on the effective date of this merger, shall be and remain and continue to be the directors of the surviving corporation and are named as follows:

DIRECTORS

Kelly D. Howell
2025 East 1st St.
Idaho Falls, Idaho 83401

Cindy Howell
2025 East 1st St.
Idaho Falls, Idaho 83401

Such directors shall hold office until the next annual meeting of the surviving corporation after the effective date of this merger, and the election of the Board of Directors thereat or until their respective successors are elected or appointed and qualified.

All persons who are officers of the surviving corporation on the effective date of this merger shall be and remain and continue to be officers of the surviving corporation, subject to the provisions of the By-Laws of such surviving corporation. The officers of the surviving corporation who shall serve as hereinabove set forth are as follows:

OFFICERS

Kelly D. Howell	President
Cindy Howell	Secretary

The officers shall serve in such capacity until the first regular meeting of the Board following the next annual meeting of stockholders, or until their successors shall have been elected or appointed and qualified.

10. **Corporate Identity.** The corporate identity, existence, purposes, powers, objects, franchises, rights and immunities of the merging corporation shall continue unaffected and

unimpaired by the merger hereby provided for and the corporate identity, existence, purposes, powers, objects, franchises, rights, and immunities of such corporation, shall be continued in and merge with and into Howell Water Company, Inc., the surviving corporation, and Howell Water Company, Inc., shall be fully vested therewith.

11. **Effect of Merger.** Upon this merger becoming effective:

a. The surviving corporation, Howell Water Company, Inc., shall possess all of the rights, privileges, powers and franchises, and shall be subject to all of the restrictions, disabilities, obligations and duties of the merged corporation, except as herein provided and except as otherwise provided by law.

b. The surviving corporation, Howell Water Company, Inc., shall be vested with all property, real, personal and mixed, and all debts due to the merged corporation, on whatever account, as well as all other things in action due or belonging to said merged corporation.

c. All property rights, privileges, powers and franchises of the merged corporation shall be hereafter as effectually the property of the surviving corporation, Howell Water Company, Inc., as they were of said merged corporation, but all rights of creditors and all liens upon any property of any of the merged corporation shall be preserved unimpaired and all debts, liabilities, obligations and duties of the merged corporation shall henceforth attach to and are hereby assumed by the surviving corporation and may be enforced against it to the same extent as if such debts, liabilities, obligations and duties had been incurred or contracted by it.

12. **Delivery of Documents.** Upon the effective date of the merger and at such time as and when requested by the surviving corporation, Howell Water Company, Inc., or by its successors or assigns, the merged corporations shall execute and deliver or cause to be executed and delivered all documents of transfer and any and all other instruments and shall take or cause to be taken all such other and further actions as the surviving corporation may deem necessary and desirable in order to more fully vest in and confirm to the surviving corporation all title to and possession of all of the property, rights, privileges, powers and franchises, hereinabove referred to, and otherwise to carry out the intent and purposes of this Agreement of Merger.

13. **Duration.** The duration of the merged and surviving corporation, Mobile Home Estates, Inc. shall be perpetual.

DATED this 15th day of February, 2006.

FALLS WATER CO., INC.


KELLY D. HOWELL, Director

