

# State of Idaho

## Department of State

### CERTIFICATE OF MERGER OR CONSOLIDATION

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of merger were filed merging the following Idaho corporations:

B-CAMBRA FARMS, INC. File Number C 83289  
B-LEI FARMS, INC. File Number C 83284  
B-RICH FARMS, INC. File Number C 83285  
B-BAR FARMS, INC. File Number C 83281  
BAR-CAMBRA FARMS, INC. File Number C 83290  
LEI-CAMBRA FARMS, INC. File Number C 83287  
RICH-BAR FARMS, INC. File Number C 83282  
RICH-LEI FARMS, INC. File Number C 83283  
FARM 302, INC. File Number C 69583  
FARM 303, INC. File Number C 69584  
FARM 304, INC. File Number C 69585  
FARM 308, INC. File Number C 69589  
FARM 309, INC. File Number C 69590  
FARM 312, INC. File Number C 69593  
FARM 318, INC. File Number C 69599  
FARM 319, INC. File Number C 69600  
FARM 320, INC. File Number C 69601  
FARM 401, INC. File Number C 69602  
FARM 501, INC. File Number C 69603  
FARM 502, INC. File Number C 69604

(cont.)

FARM 901, INC. File Number C 69618  
FARM 902, INC. File Number C 69619  
FARM 903, INC. File Number C 69620

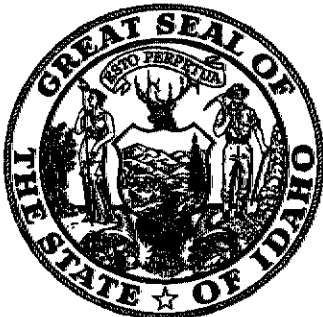
into

BLAINE LARSEN FARMS, INC. File Number C 102300,

duly executed pursuant to the provisions of the Idaho Business 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 merger, and attach hereto a duplicate original of the Articles of merger.

Dated: November 14, 1995



*Pete T. Cernusca*  
SECRETARY OF STATE

By *Louisa Harold*

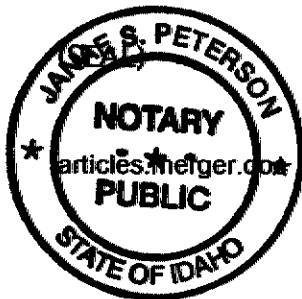


State of Idaho                     )  
  ) ss.  
County of Bonneville         )

On October 31, 1995, before me Janae S. Peterson, an Idaho notary public, personally appeared Blaine Larsen, known or identified to me to be the president of Blaine Larsen Farms, Inc. that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

In witness, I have set my hand and affixed my official seal the day and year in this certificate first above written.

Janae S. Peterson  
Notary Public for Idaho  
Residing at: Rexburg, ID  
My Commission Expires: 9-7-01



## **SCHEDULE 1**

## **COMBINED PLAN OF MERGER AND STATEMENT OF SECTION 368(A)(1)(A) REORGANIZATION**

This instrument contains the terms of the plan of reorganization as adopted by the sole shareholder and the two directors of the corporations listed on Attachment A collectively referred to as the "terminated corporations" and the sole shareholder of Blaine Larsen Farms, Inc., a shareholder managed corporation. Pursuant to Internal Revenue Regulation § 1.368-3, this instrument also shall constitute the "statement of all facts pertinent to the nonrecognition of gain or loss in connection with the reorganization" to be filed with the surviving corporation's tax return for the year of exchange.

### **1. Parties**

The terminated corporations, are Idaho corporations with principal offices at PO Box 188, Hamer, ID 83425. The federal tax identification number for each of the corporations is stated on Attachment A. The terminated corporations are farming corporations. Blaine Larsen is the sole shareholder and director of the terminated corporations. The terminated corporations' fiscal year end is stated on Attachment A.

Blaine Larsen Farms, Inc., is an Idaho corporation with its principal office at PO Box 188, Hamer, ID 83425. The tax identification number for Blaine Larsen Farms, Inc., is 82-0462034. The fiscal year end for the corporation is October 31. This corporation is a farming corporation. Blaine Larsen is its sole shareholder. The corporation is shareholder managed. The corporation continues the same method of accounting and same fiscal year end as before.

### **2. Shareholders**

Blaine Larsen is the sole shareholder of Blaine Larsen Farms, Inc. and will continue after the merger to be the sole shareholder. The corporation has authorized 1000 shares of no par common stock and prior to the merger has issued 100 shares to Blaine Larsen.

The fair market value of the Blaine Larsen Farms, Inc., stock to be received by Blaine Larsen will have the same fair market value of the terminated corporations' assets and liabilities surrendered in exchange for it. Attachment B lists the values of the terminated corporations' assets and the number of shares of Blaine Larsen Farms, Inc., given in exchange.

Blaine Larsen has no intention to sell or otherwise dispose of the stock to be issued to him. Blaine Larsen Farms, Inc. has no intention to redeem or reacquire the newly issued stock. At the time of their termination, the terminated corporations' will have no outstanding warrants, options, convertible securities, or any type of right under which any person could acquire stock in them.

### **3. Reorganization**

The merger of the terminated corporations into Blaine Larsen Farms, Inc. is a statutory merger under the Idaho Business Corporations Act and, therefore, qualifies as a reorganization within the meaning of section 368(a)(1)(A) of the Internal Revenue Code (Code). Each corporation is a "party to a reorganization" within the meaning of section 368(b). As a result of the merger, the terminated corporations will cease to exist. Blaine Larsen Farms, Inc. will continue carrying on the business and activities previously conducted by the terminated corporations.

The liabilities of the terminated corporations assumed by Blaine Larsen Farms, Inc. in this transaction were incurred in the ordinary course of business. The terminated corporations are not under the jurisdiction of a court in a Title 11 or similar case within the meaning of section 368(a)(3)(A) of the Internal Revenue Code. None of the corporations are an investment company within the meaning of section 368(a)(2)(F) of the Internal Revenue Code.

No gain or loss should be recognized to the terminated corporations on the transfer of its assets to Blaine Larsen Farms, Inc. in exchange for Blaine Larsen Farms, Inc. common stock and the assumption by Blaine Larsen Farms, Inc. of the terminated corporation's liabilities [sections 368(a) and 357(a)].

No gain or loss should be recognized by Blaine Larsen Farms, Inc. upon the receipt of the terminated corporations' assets in exchange for the Blaine Larsen Farms, Inc., stock [section 1032(a)]. The basis of the assets of the terminated corporations immediately before the exchange will be the same basis of the assets in the hands of Blaine Larsen Farms, Inc. immediately after the exchange [section 362(b)]. The holding period of the terminated corporations' assets immediately before the exchange will carry over as the beginning holding period of Blaine Larsen Farms, Inc. immediately after the exchange [section 1223(2)].

No gain or loss should be recognized to the sole shareholder of the terminated corporations' upon receipt of the Blaine Larsen Farms, Inc. stock solely in exchange for the terminated corporations' stock [section 354(a)(1)]. The basis of shares in Blaine Larsen Farms, Inc. will be the same basis as the surrendered shares of the terminated corporations' [section 358(a)(1)]. The holding period of the Blaine Larsen Farms, Inc. stock will include the holding period of the terminated corporations' stock [section 1223(1)].

### **4. Business purpose, Continuity of proprietary interest**

The merger will consolidate the farming operations of all corporations into one entity. This will streamline operations and ease administrative burdens of accounting for numerous corporations. Blaine Larsen continues to be the sole shareholder of Blaine Larsen Farms, Inc.

<sup>31</sup>  
Dated October 25, 1995.

Blaine Larsen

Blaine Larsen, director and sole shareholder of the terminated corporations

Connie Larsen

Connie Larsen, director of the terminated corporations

Blaine Larsen

Blaine Larsen, sole shareholder of Blaine Larsen Farms, Inc.

State of Idaho )

)ss.

County of Bonneville )

<sup>31</sup>  
On October 25, 1995 before me, Kevin T. Sullivan, an Idaho notary public, personally appeared Blaine Larsen, known or identified to me to be a director and the sole shareholder of the terminated corporations and acknowledged to me that he executed the same.

In witness, I have set my hand and affixed my official seal the day and year in this certificate first above written.

[Signature]

Notary Public for Idaho  
Residing at: I.F., ID.

My Commission expires: 12/13/96


(SEAL)



State of Idaho                    )  
  ) ss.  
County of Bonneville         )

On October <sup>31</sup>26, 1995 before me, Kevin T. Sullivan, an Idaho notary public, personally appeared Connie Larsen, known or identified to me to be a director of the terminated corporations and acknowledged to me that he executed the same.

In witness, I have set my hand and affixed my official seal the day and year in this certificate first above written.

  
\_\_\_\_\_  
Notary Public for Idaho  
Residing at: I.F., ID.

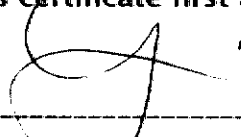
My Commission expires: 12/13/96

(SEAL)

State of Idaho                    )  
  ) ss.  
County of Bonneville         )

On October <sup>31</sup>26, 1995 before me, Kevin T. Sullivan, an Idaho notary public, personally appeared Blaine Larsen, known or identified to me to be the sole shareholder of Blaine Larsen Farms, Inc., and acknowledged to me that he executed the same.

In witness, I have set my hand and affixed my official seal the day and year in this certificate first above written.

  
\_\_\_\_\_  
Notary Public for Idaho  
Residing at: I.F., ID.

My Commission expires: 12/13/96

(SEAL)

pln.merger.doc

## ATTACHMENT A

<u>Corporation</u>	<u>Tax Identification No.</u>	<u>Fiscal year end</u>
B-Cambra Farms, Inc.	82-0423025	12/31
B-Lei Farms, Inc.	82-0423026	12/31
B-Rich Farms, Inc.	82-0423024	12/31
B-Bar Farms, Inc.	82-0423027	12/31
Bar-Cambra Farms, Inc.	82-0423022	12/31
Lei-Cambra Farms, Inc.	82-0423023	12/31
Rich-Bar Farms, Inc.	82-0423020	12/31
Rich-Lei Farms, Inc.	82-0423021	12/31
Farm 302, Inc.	82-0371592	12/31
Farm 303, Inc.	82-0371593	12/31
Farm 304, Inc.	82-0371563	12/31
Farm 308, Inc.	82-0371598	12/31
Farm 309, Inc.	82-0371565	12/31
Farm 312, Inc.	82-0371568	12/31
Farm 318, Inc.	82-0371572	12/31
Farm 319, Inc.	82-0371582	12/31
Farm 320, Inc.	82-0371581	12/31
Farm 401, Inc.	82-0371584	12/31
Farm 501, Inc.	82-0371583	12/31
Farm 502, Inc.	82-0371587	12/31
Farm 901, Inc.	82-0371622	12/31
Farm 902, Inc.	82-0371620	12/31
Farm 903, Inc.	82-0371651	12/31

## SCHEDULE 2

<u>Name of Corporation</u>	<u>Shares Outstanding</u>	<u>No. Voting For</u>	<u>No. Voting Against</u>
B-Cambra Farms Inc.	2	2	0
B-Lei Farms, Inc.	2	2	0
B-Rich Farms, Inc.	2	2	0
B-Bar Farms, Inc.	2	2	0
Bar-Cambra Farms, Inc.	2	2	0
Lei-Cambra Farms, Inc.	2	2	0
Rich-Bar Farms, Inc.	2	2	0
Rich-Lei Farms, Inc.	2	2	0
Farm 302, Inc.	1	1	0
Farm 303, Inc.	1	1	0
Farm 304, Inc.	1	1	0
Farm 308, Inc.	1	1	0
Farm 309, Inc.	1	1	0
Farm 312, Inc.	1	1	0
Farm 318, Inc.	1	1	0
Farm 319, Inc.	1	1	0
Farm 320, Inc.	1	1	0
Farm 401, Inc.	1	1	0
Farm 501, Inc.	1	1	0
Farm 502, Inc.	1	1	0
Farm 901, Inc.	1	1	0
Farm 902, Inc.	1	1	0
Farm 903, Inc.	1	1	0
Blaine Larsen Farms, Inc.	100	100	0