

**EFFECTIVE**

**ARTICLES OF MERGER**

00001-4 AM 10:07  
SECRETARY OF STATE  
STATE OF IDAHO

Pursuant to the provisions of Section 30-1-1105, Idaho Code, the undersigned domestic corporations have adopted the following Articles of Merger for the purpose of merging them into the Idaho corporation:

1. The names of the undersigned corporations and the states under the laws of which each is organized are:

**NAME OF CORPORATION**

**STATE**

M & D Property, Inc.

Idaho

D & M Property, Inc.

Idaho

2. The laws of Idaho permit such merger.

3. The name of the surviving corporation is M & D Property, Inc., and it is to be governed by the laws of the State of Idaho.

4. The attached Plan and Agreement of Merger was approved by the Directors of M & D Property, Inc. on the 28 day of SEPT, 2000, and by the Directors of D & M Property, Inc. on the 28 day of SEPT, 2000, in the manner prescribed by statute.

5. James M. Hutchings and Diane S. Hutchings, being the sole shareholders of D & M Property, Inc., approved the Plan and Agreement of Merger on the 28 day of SEPT, 2000. Following the merger, the same shareholders shall be the shareholders of M & D Property, Inc., holding the same number of issued shares of stock, being a total of 1000 shares.

Pursuant to Idaho Code. 30-1-1103(7), the shareholders of M & D Property, Inc. were not required to vote.

6. M & D Property, Inc., the surviving corporation, agrees that it may be served with

ARTICLES OF MERGER: 1.  
(M-172\ARTICLES OF MERGER)

IDAHO SECRETARY OF STATE  
10/04/2000 09:00  
CK: 24211 CT: 2053 DN: 352609  
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process in this state in any proceeding for the enforcement of any obligation of any domestic corporation which is a party to the merger and in any proceeding for the enforcement of the rights of a dissenting stockholder of any such domestic corporation against the surviving corporation.

7. M & D Property, Inc., the surviving corporation, further agrees that it will promptly pay to any dissenting stockholders of any domestic corporation which is a party to the merger the amount, if any, to which they shall be entitled under the provisions of Idaho Code. 30-1-1323 and 30-1-1325, with respect to the rights of dissenting stockholders.

8. The effective date of the merger is the 28 day of SEPT, 2000.

DATED this 28 day of SEPT, 2000.

D & M PROPERTY, INC.

By   
JAMES M. HUTCHINGS  
President

ATTEST:


  
DIANE S. HUTCHINGS, Secretary

STATE OF IDAHO   )  
                                  ) ss.  
County of Twin Falls )

JAMES M. HUTCHINGS, being first duly sworn upon oath, deposes and says:

That I have read the above, know the contents thereof, and believe the same to be true.

DATED this 28 day of SEPT, 2000.

  
JAMES M. HUTCHINGS  
President

ARTICLES OF MERGER: 2.  
(M-172\ARTICLES OF MERGER)



***PLAN AND AGREEMENT OF MERGER***

***between***

***D & M PROPERTY, INC.  
(an Idaho corporation)***

***and***

***M & D PROPERTY, INC.  
(an Idaho corporation)***

AGREEMENT OF MERGER, entered into this 28 day of SEPT, 2000, pursuant to Section 30-1-1100 et. seq. Idaho Business Corporation Act of the State of Idaho between D & M PROPERTY, INC., an Idaho corporation, and M & D PROPERTY, INC., an Idaho corporation.

**WITNESSETH that:**

**WHEREAS**, all of the Shareholders of D & M PROPERTY, INC. desire to merge an Idaho corporation with another Idaho corporation; and

**WHEREAS**, all of the Shareholders of M & D PROPERTY, INC., an Idaho corporation, agreed to a merger of the two Idaho corporations;

**WHEREAS**, D & M Property, Inc., Employer Identification Number 82-0524366 and M & D Property, Inc., Employer Identification Number 82-0524365, have both elected S corporation status pursuant to Internal Revenue Code § 1361; and D & M Property, Inc. and M & D Property, Inc., are brother-sister corporations pursuant to the Internal Revenue Code § 1563; and D & M Property, Inc., and M & D Property, Inc. are electing a statutory merger pursuant to the Internal

Revenue Code § 368(a)(1)(A);

NOW, THEREFORE, the corporations and parties to this Agreement in consideration of the mutual covenants, agreements and provisions hereinafter contained, do hereby prescribe to the terms and conditions of said merger and the mode of carrying the same into effect as follows:

**FIRST:** D & M PROPERTY, INC. hereby merges itself into M & D PROPERTY, INC. and M & D PROPERTY, INC. shall be the surviving corporation.

**SECOND:** The Certificate of Incorporation of M & D PROPERTY, INC. as in effect at the date of the merger provided for in this Agreement shall continue in full force and effect as the Certificate of Incorporation of the corporation surviving this merger.

**THIRD:** The manner of transferring of all the assets and liabilities of D & M PROPERTY, INC. and the redemption of the outstanding shares of the capital stock of D & M PROPERTY, INC. shall be as set forth in the Agreement of Exchange of Shares between James M. Hutchings, Diane S. Hutchings and D & M PROPERTY, INC., attached hereto as Exhibit "A". Pursuant to said Agreement of Exchange of Shares, the assets and liabilities of D & M PROPERTY, INC., shall be placed on the books and records of M & D PROPERTY, INC, and the outstanding stock of D & M PROPERTY, INC shall be exchanged and redeemed in exchange for M & D PROPERTY, INC. stock.

**FOURTH:** The terms and conditions of the merger are as follows:

(a) The Bylaws of the merging corporation as they shall exist on the effective date of this Agreement shall be and remain the Bylaws of the surviving corporation until the same shall be altered, amended and repealed as therein provided.

(b) The directors and officers of the surviving corporation shall continue in office until

the next annual meeting of the stockholders or until their successors shall have been elected and qualified.

(c) The effective date of this merger for all purposes shall be as of the close of business on the 1st day of October, 2000.

(d) Upon the merger becoming effective, all the property, rights, privileges, franchises, patents, trademarks, licenses, registrations and other assets of every kind and description of the merging corporation shall be transferred to, vested in, and devolve upon the surviving corporation without further act or deed and all property, rights, and every other interest of the surviving corporation and the merging corporation shall be effectively the property of the surviving corporation as they were of the surviving corporation and the merging corporation respectively. The merging corporation hereby agrees, from time to time, as and when required by the surviving corporation or by its successors or assigns, to execute and deliver or cause to be executed and delivered all such deeds and instruments and to take or cause to be taken such further or other action as the surviving corporation may deem necessary or desirable in order to vest in and confirm to the surviving corporation title to and possession of any property of the merging corporation acquired or to be acquired by reason of or as a result of the merger herein provided for and otherwise to carry out the intent and purposes hereof and the proper officers and directors of the merging corporation and the proper officers and directors of the surviving corporation are fully authorized in the name of the merging corporation or otherwise to take any and all such action.

(e) All corporate acts, plans, policies, contracts, approvals and authorizations of the merging corporation, its shareholders, board of directors, committees elected or appointed by the board of directors, officers and agents, which were valid and effective immediately prior to the

effective date of the merger shall be taken for all purposes as the acts, plans, policies, contracts, approvals and authorizations of the surviving corporation and shall be as effective and binding thereon as the same were with respect to the merging corporation. Any employees of the merging corporation shall become the employees of the surviving corporation and continue to be entitled to the same rights and benefits which they enjoyed as employees of the merging corporation. Any employee plan or agreement of the merging corporation shall be adopted, effective and binding on the surviving corporation as the same were with respect to the merging corporation.

IN WITNESS WHEREOF, the parties to this Agreement, pursuant to the approval and authority duly given by the resolution adopted by the Board of Directors of D & M PROPERTY, INC., and the Board of Directors of M & D PROPERTY, INC., have caused their presence to be executed individually or by the President and attested by the Secretary of each corporation hereto.

D & M PROPERTY, INC.,  
an Idaho corporation

By   
JAMES M. HUTCHINGS, President

ATTEST:

  
DIANE S. HUTCHINGS, Secretary

M & D PROPERTY, INC.,  
an Idaho corporation

By   
JAMES M. HUTCHINGS, President

ATTEST:

  
DIANE S. HUTCHINGS, Secretary

# EXHIBIT "A"

## AGREEMENT OF EXCHANGE OF SHARES

THIS AGREEMENT is made as of the 28 day of SEPT, 2000, by and between JAMES M. HUTCHINGS and DIANE S. HUTCHINGS ("Shareholders"), and D & M PROPERTY, INC. ("Corporation"). Whereas, the parties desire that this Agreement be effected pursuant with the Plan and Agreement of Merger between the Corporation and M & D PROPERTY, INC.

Now, therefore, the parties agree as follows:

1. **Redemption.** On SEPT. 28, 2000, the Shareholders shall sell, transfer, and surrender to the Corporation, and the Corporation shall purchase and redeem from the Shareholders 100% of their shares of the common capital stock of the Corporation, totaling 1,000 shares.
2. **Purchase Price.** The purchase price for the shares shall be the transfer of the real property and corresponding debt listed in Exhibit 1 to M & D PROPERTY, INC. and the transfer of 100% of the Corporation's shares of stock in M & D PROPERTY, INC. to the said shareholders.
3. **Documents.** To effectuate this Agreement the parties shall deliver the following documents concurrently with the execution hereof:
  - 3.1 **Shareholders' Documents.** The Shareholders shall deliver to the Corporation, their Stock Certificate(s) representing 100% of their shares. The Shareholders shall also sign off on the back of his Stock Certificate(s) representing said shares.
  - 3.2 **Corporation's Documents.** The Corporation shall deliver to the

Shareholders:

3.2.1 Stock Certificate. The Corporation's duly executed Stock Certificate(s) in M & D PROPERTY, INC. representing 100% of their shares. The Corporation shall also sign off on the back of its Stock Certificate(s) representing said shares.

3.2.2 Duly Recorded Warranty Deed. Duly recorded Warranty Deeds conveying the real property in Exhibit 1 from the Corporation to M & D PROPERTY, INC.

3.2.3 Corporate Resolution. A certified copy of a Resolution of the Board of Directors of the Corporation authorizing this Agreement and the execution and delivery of the documents referred to herein.

4. Representations.

4.1 Corporation's Representations.

4.1.1 Encumbrances. The Corporation warrants that the real property listed in Exhibit 1 will not be encumbered in any way prior to closing date.

5. Entire Understanding. This Agreement contains the entire understanding of the parties hereto relating to the subject matter hereof and supersedes all prior and collateral agreements, understandings, statements and negotiations of the parties. Each party acknowledges that no representations, inducements, promises, or agreements, oral or written, with reference to the subject matter hereof have been made other than as expressly set forth herein.

6. Limitation of Rights. Except as may be expressly set forth herein, the parties hereto do not intend to confer any rights or remedies upon any person other than the parties

hereto.

7. Attorneys Fees and Costs. In the event of any litigation between or among the parties hereto respecting or arising out of this Agreement, the prevailing party or parties shall be entitled to recover reasonable attorneys' fees and costs, whether or not such litigation proceeds to final judgment or determination.

8. Counterparts. This Agreement may be executed in counterparts, which taken together, shall constitute the whole of the Agreement as between the parties.

"CORPORATION"

D & M PROPERTY, INC.  
an Idaho corporation

By: James M. Hutchings  
JAMES M. HUTCHINGS  
Its: President

ATTEST:

By: Diane S. Hutchings  
Diane S. Hutchings, Secretary

"SHAREHOLDERS"

James M. Hutchings  
JAMES M. HUTCHINGS

Diane S. Hutchings  
DIANE S. HUTCHINGS

**D & M PROPERTY, INC.****PROPERTIES BEING TRANSFERRED TO M & D PROPERTY, INC.**

<b>PROPERTY ADDRESS</b>	<b>OWNER</b>	<b>MARKET VALUE</b>	<b>LOAN BALANCE as of 5/31/00</b>	<b>EQUITY</b>
158 Blake St. N.	Exceptional Child Center, Inc.	\$250,000.00	\$33,468.00	\$216,532.00
166 Blake St. N.	Exceptional Child Center, Inc.	\$20,000.00	\$15,460.00	\$4,540.00
<b>TOTALS</b>		<b>\$270,000.00</b>	<b>\$48,928.51</b>	<b>\$221,072.00</b>

**EXHIBIT 1**