

**FILED/EFFECTIVE**

**ARTICLES OF MERGER**

07/05/2001  
Pursuant to the provisions of Idaho Code §30-3-102, the undersigned non-profit corporations have adopted the following Articles of Merger for the purpose of merging them into one of such corporations, which will hereafter be known as **Oakley Valley Water Company**:  
STATE OF IDAHO

1. The following Plan of Merger attached hereto and made a part hereof was approved by each of the undersigned corporations.

2. As to each of the undersigned corporations, the Plan of Merger was adopted in the following manner:

a. The Plan of Merger was adopted by Marion Pipe Line Company at its annual meeting of its members held on January 27, 2001, at which a quorum was present, and the Plan of Merger received all of the votes which members present or represented by proxy at such meeting were entitled to cast and at a meeting of the Board of Directors held on January 16, 2001, and received the unanimous vote of the Directors in office.

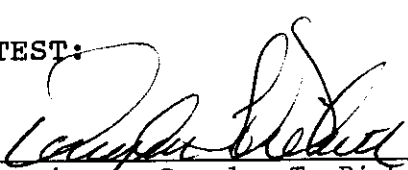
b. The Plan of Merger was adopted by North Oakley Water Company, Inc. at a meeting of its members held on January 27, 2001, at which a quorum was present, and the Plan of Merger received all of the votes which members present or represented by proxy at such meeting were entitled to cast and at a meeting of the Board of Directors held on January 16, 2001, and received the unanimous vote of the Directors in office.

3. The manner of the adoption of the Plan of Merger and the vote by which it was adopted constitute full legal compliance with the provisions of Idaho Code §30-3-101 and with the Articles of Incorporation and By-Laws of the undersigned corporations.

4. The effective date of the merger is April 3, 2001.

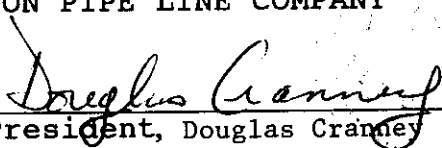
DATED this 3rd day of April, 2001.

ATTEST:


  
Secretary, Douglas T. Pickett

MARION PIPE LINE COMPANY

By:

  
President, Douglas Cranney

ATTEST:

  
Secretary, Karla Robinson

By:

  
President, Randy L. Hardy

IDAHO SECRETARY OF STATE

07/05/2001 09:00  
CK: 33389 CT: 2283 BH: 486370  
1 @ 38.00 = 38.00 MERGER # 2

C 85/181

## PLAN OF MERGER

THIS AGREEMENT, made and entered into this 16th day of January, 2001, by and between Marion Pipe Line Company, a non-profit corporation organized and existing under the laws of the State of Idaho, having its principal office at 204 N. Center, Oakley, Idaho 83346, and North Oakley Water Company, Inc., a non-profit corporation organized and existing under the laws of the State of Idaho, having its principal office and place of business at Route 1, Box 35, Oakley, Idaho 83346.

### 1. Surviving Corporation.

A. North Oakley Water Company, Inc. shall be the non-surviving corporation, and all references in this Plan of Merger to "non-surviving corporation" shall be to North Oakley Water Company, Inc.

B. Marion Pipe Line Company shall be the surviving corporation, and all references in this Plan of Merger to "surviving corporation" shall be to Marion Pipe Line Company.

### 2. Management.

A. The Article of Incorporation of Marion Pipe Line Company shall continue to be its Articles of Incorporation following the effective date of the merger, until the same shall be altered or amended.

B. The By-Laws of Marion Pipe Line Company shall be and remain the By-Laws of the surviving corporation until altered, amended, or repealed.

C. The officers and directors of Marion Pipe Line Company in office on the effective date of the merger shall continue in office and shall constitute the officers and directors of the surviving corporation until their respective successors shall be elected or appointed and qualified.

### 3. Rights, Privileges.

A. On the effective date of the merger, Marion Pipe Line Company shall possess all the rights, privileges, immunities, powers, and franchises of a public and private nature, and shall be subject to all of the restrictions, disabilities and duties of the non-surviving corporation; and all of the property, real, personal and mixed, and all debts due on whatever account, and all other choices in action and all and every other interest of or belonging to or due to the non-surviving corporation shall be deemed to be transferred to and vested in Marion Pipe Line Company without further act or

deed, and the title to any property or any interest therein, vested in the non-surviving corporation shall not revert or be in any way impaired by reason of the merger.

B. On the effective date of the merger, Marion Pipe Line Company shall be deemed responsible and liable for all the liabilities and obligations of the non-surviving corporation; and any claims existing by or against the non-surviving corporation may be prosecuted to judgment as if the merger had not taken place, or Marion Pipe Line Company may be substituted in place of the non-surviving corporation. The rights of the creditors shall not be impaired by this merger. Marion Pipe Line Company shall execute and deliver any and all documents which may be required for it to assume or otherwise comply with the outstanding obligations of the non-surviving corporation.

#### 4. Conversion of Shares.

A. North Oakley Water Company, Inc., the non-surviving corporation, has issued and there is outstanding 200 shares of capital stock, all of one class, and membership rights are evidenced by ownership of these shares of stock. Marion Pipe Line Company has issued and there is outstanding 172 shares of capital stock and membership rights are evidenced by ownership of these shares of stock.

B. On the effective date of the merger, all of the outstanding shares of stock of the non-surviving corporation shall be surrendered and cancelled, and one (1) share of Marion Pipe Line Company shall be issued for each two (2) shares issued and outstanding of North Oakley Water Company, Inc., whether or not said shares of surviving corporation are now authorized and unissued.

C. The total number of shares of stock of Marion Pipe Line Company that are to be authorized by amendment to its Articles of Incorporation, if necessary, shall be 330 shares, 172 shares of which have been issued to members of Marion Pipe Line Company, the pro rata share of each of the 172 shareholders in the 28 shares now unissued which such shareholder may request be issued to him (.1627906 of a share), and 100 shares which shall be issued upon merger to the members of North Oakley Water Company, Inc. The Articles of Incorporation of Marion Pipe Line Company, as amended, shall on the effective date of the merger be amended to authorize the issuance of 330 shares of capital stock of the corporation, all of which shall be of one class, and which shall constitute membership in the corporation.

5. Amendments to Articles of Incorporation.

The Articles of Incorporation of Marion Pipe Line Company shall on the effective date of the merger be amended in the following respects, to-wit:

A. The name of the corporation shall be changed to the "Oakley Valley Water Company."

B. The total shares of capital stock authorized to be issued by the surviving corporation shall be three hundred and thirty (330) shares.

6. Amendment of By-Laws of Surviving Corporation.

The By-Laws of the surviving corporation may be amended by the Board of Directors on the effective date of the merger, in the following respects, to-wit:

A. Directors of the corporation shall be elected for a term of three (3) years. At the first annual meeting of the surviving corporation, a new Board of Directors shall be elected, one director to serve for a term of one year, two directors to serve for a term of two years, and two directors to serve for a term of three years. All directors thereafter elected shall be for a term of three years.

B. The Board of Directors of the corporation shall establish and assess a maintenance fee for each share of stock, which fee shall be billed on a monthly basis to all members, which maintenance fee may be amended from time to time as may be deemed necessary by the Board of Directors of the corporation. The initial maintenance fee shall be \$12.00 per month, payable in advance, until otherwise determined by the Board.

C. Each member shall be entitled to 40,000 gallons of water per month for each share held, until otherwise determined by the Board of Directors. In the event the Board determines that any member has exceeded his allotted gallons of water in any month, the Board may establish an overage fee for the excessive use.

7. Subsequent Acts.

A. Upon completion of the merger and the election of a new Board of Directors, the Board shall elect a new slate of officers, including President, Vice President and Secretary at its first Board meeting.

B. The issued and outstanding shares of the surviving corporation and 28 shares of unissued shares shall be deemed to have a value of \$2,500.00 per share.

C. It is recommended that the new Board of Directors establish a maintenance fee for each share of stock upon completion of the merger of \$12.00 per month, which shall be billed on a monthly basis. There is further recommended that the Board establish an excessive use fee of 30¢ per 1,000 gallons or any fraction thereof, assessed each month for any excessive use over and above the allotment of 40,000 gallons per member.

D. The surviving corporation shall immediately proceed with the improvement plan previously outlined by the respective corporations prior to the merger. Financing has tentatively been approved for the surviving corporation by the Department of Environmental Quality of the State of Idaho to carry out the improvement plan.

E. If at any time the surviving corporation shall consider that any further assignment or assurances in law are necessary or desirable to vest or to perfect or confirm of record in the surviving corporation the title to any property or rights of the non-surviving corporation or to otherwise carry out the provisions hereof, the proper officers and directors of the non-surviving corporation as of the effective date of the merger shall execute and deliver any and all proper assignments and assurances in law, and do all things necessary or proper to vest, perfect, or confirm title to such property or rights in the surviving corporation and to otherwise carry out the provisions hereof.

#### 8. Objects and Purposes.

A. The nature of the business and objects and purposes proposed to be transacted, promoted and carried on by the surviving corporation shall be the same as those objects and purposes that now exist for the surviving corporation and non-surviving corporation.

B. Neither corporation shall, prior to the effective date of the merger, engage in any activity or transaction other than in the ordinary course of business, except as contemplated by this agreement.

#### 9. Abandonment of Merger.


Anything to the contrary herein notwithstanding, if the Board of Directors of the surviving corporation, or the Board of Directors of the non-surviving corporation, shall determine, either before or after the meeting of the stockholders of the respective

corporations called to vote on the adoption or rejection of this agreement of merger, that for any legal, financial, economic, or business reason deemed sufficient by such Board it is not in the interest of the corporation it represents, or the stockholders of such corporation, or is otherwise inadvisable or impracticable to consummate the merger, such Board of Directors may abandon the merger by directing the officers of the corporation to refrain from executing or filing any agreement of merger under this Plan.

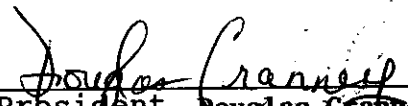
Duly executed on the day and year first above written.

MARION PIPE LINE COMPANY

ATTEST:

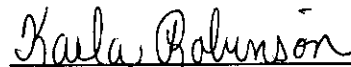
  
Secretary, Douglas T. Pickett

By:

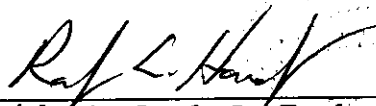
  
President, Douglas Cranney

NORTH OAKLEY WATER COMPANY, INC.

ATTEST:

  
Secretary, Karla Robinson

By:

  
President, Randy L. Hardy