

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (the "Agreement") is made as of the _____ day of April, 2016, by and between Iliad Water Company, LLC, a Washington limited liability company ("Iliad LLC") and Iliad Water Services, Inc., a Washington corporation ("Iliad"). Iliad LLC and Iliad are referred to herein as the "Parties."

RECITALS

- A. Iliad LLC was formed on February 4, 2016.
- B. Iliad was incorporated on June 23, 1992.
- C. The Parties desire that Iliad be merged with and into Iliad LLC.

NOW, THEREFORE, the Parties agree as follows:

1. Merger. On the Effective Date, Iliad shall be merged with and into Iliad LLC, and the separate existence of Iliad shall cease ("Merger"). Iliad LLC as the surviving entity shall continue its existence under the laws of the State of Washington, and upon and after the Merger, Iliad LLC shall possess all the rights, privileges, immunities, powers and obligations, whether of a public or private nature, of Iliad, all with the effect set forth in RCW 25.15.410.

2. Effective Date. Subject to the Merger conditions in Section 5 below, the "Effective Date" shall be as follows: 12:01 a.m., April 20, 2016.

3. Merger Conditions. The Articles of Merger shall not be filed with the Secretary of State unless the following conditions are fulfilled or waived by the Parties:

(a) There shall be no action, suit or proceeding pending before any governmental authority that would prevent the consummation of the transactions provided for in this Agreement; and

(b) The Parties shall have obtained all consents, permits and waivers necessary for consummation of the transactions contemplated by this Agreement by such Parties prior to the Effective Date, including without limitation the consent of any lender of the Parties.

4. Cancellation Shares. As of the Effective Date, each share of capital stock of Iliad issued and outstanding immediately prior to the Merger shall automatically, and without any further action, be cancelled.

5. Federal Income Tax Issues. The Parties intend that the Merger have no effect for federal income tax purposes as the Parties have been reporting for tax purposes on a consolidated basis.

6. Operating Agreement of Iliad LLC. The Operating Agreement of Iliad LLC, the surviving entity following the Merger, shall continue as the Operating Agreement of Iliad LLC and shall not be changed or amended as a result of the Merger. Iliad LLC reserves the right and power, after the Effective Date, to alter, amend, change, or repeal any of the provisions contained in its Operating Agreement in the manner now or hereafter prescribed by statute or in the Operation Agreement, and all rights conferred on officers, or members herein are subject to this reservation.

7. Members. The members and officers of Iliad LLC as of the Effective Date shall continue in office until the next annual meeting of the members of Iliad LLC.


8. Surviving Limited Liability Company. On the Effective Date of the Merger, the separate existence of Iliad shall cease, and all of the property rights, privileges, and franchises of whatsoever nature and description, shall be transferred to, vest in, and devolve upon Iliad LLC as the surviving limited liability company, without further act or deed. Confirmatory deeds, assignments, or other like instruments, when deemed desirable by Iliad LLC to evidence such transfer, vesting, or devolution of any property, right, privilege, or franchise, shall at any time, or from time to time, be made and delivered in the name of Iliad by the last acting officers, or by the corresponding officers of Iliad LLC as the surviving limited liability company.

9. Termination. This Agreement and the obligations of the Parties may be terminated prior to the Effective Date by a resolution of any of the Parties, by giving written notice to the other Parties.

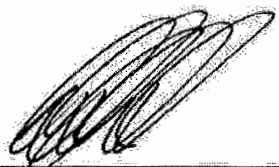
10. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

IN WITNESS WHEREOF, this Agreement, having been duly approved, is hereby executed on behalf of each of the Parties by their respective officers thereunto duly authorized.

ILIAD WATER SERVICES, INC.

By: 
Derek Dorland, President

ILIAD WATER COMPANY, INC.

By: 
Iliad Inc., Manager
by David Dorland, President