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Articles of Merger

CLERK OF DISTRICT COURT
STATE OF IDAHO

Pursuant to the provisions of I.C. §30-1-1101, the undersigned corporations have adopted the following Articles of Merger for the purpose of combining the undersigned corporations:

1. Archibald Insurance Agency, Inc. is an Idaho corporation organized and existing pursuant to the laws of the State of Idaho.
2. Archibald Insurance Center, Inc. is an Idaho corporation organized and existing pursuant to the laws of the State of Idaho.
3. Archibald Phillips Insurance Agency, Inc. is an Idaho corporation organized and existing pursuant to the laws of the State of Idaho.
4. Mountain Valley Insurance, Inc., is an Idaho corporation organized and existing pursuant to the laws of the State of Idaho.
5. The attached plan of merger was approved by the stockholders of each of the undersigned corporations in the manner prescribed by I.C. §30-1-1103.
6. As to each of the undersigned corporations, the number of shares outstanding, and the total number of shares voting for and against the plan of merger, respectively, are as follows:

<u>Name of Corporation</u>	<u>Number of Shares Outstanding</u>	<u>Voted For</u>	<u>Voted Against</u>
Archibald Insurance Agency, Inc.	80	80	0
Archibald Insurance Center, Inc.	2,000	2,000	0
Archibald Phillips Insurance Agency, Inc.	10	10	0
Mountain Valley Insurance, Inc.	100	100	0

7. 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 I.C. §30-1-1103 and with the articles of incorporation and bylaws of the undersigned corporations.

8. The effective date of the merger is January 1, 2005.

IDAHO SECRETARY OF STATE
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IN WITNESS WHEREOF, these Articles of Merger are executed by an officer of Archibald Insurance Agency, Inc., by an officer of Archibald Insurance Center, Inc., by an officer of Archibald Phillips Insurance Agency, Inc., and by an officer of Mountain Valley Insurance, Inc. on the dates set forth below.

Archibald Insurance Agency, Inc.

D. Gary Archibald
D. Gary Archibald, President

Date: 3/20/05

Archibald Insurance Center, Inc.

D. Gary Archibald
D. Gary Archibald, President

Date: 3/29/05

Archibald Phillips Insurance Agency, Inc.

D. Gary Archibald
D. Gary Archibald, President

Date: 3/29/05

Mountain Valley Insurance, Inc.

Jason Nielson
Jason Nielson, President

Date: 3/28/05

PLAN OF MERGER

Part A--The Parties.

This Plan of Merger (the "Plan"), effective January 1, 2005, involves the following corporations and persons. Equity positions shown below are as of December 31, 2004, or prior to the effective date of the Plan. The persons and corporations listed below are hereinafter sometimes jointly referred to as the "Parties."

- I. Archibald Insurance Agency, Inc., an Idaho corporation which sells insurance and insurance-related products and services to the public, hereinafter referred to as "AIA";
- II. Archibald Insurance Center, Inc., an Idaho corporation which sells insurance and insurance-related products and services to the public, hereinafter referred to as "AIC";
- III. Archibald Phillips Insurance Agency, Inc., an Idaho corporation which sells insurance and insurance-related products and services to the public, hereinafter referred to as "APIA";
- IV. Mountain Valley Insurance, Inc., an Idaho corporation which sells insurance and insurance-related products and services to the public, hereinafter referred to as "MVI";
- V. Barbara R. Archibald, an individual residing in the state of Idaho, hereinafter referred to as "Barbara";
- VI. D. Gary Archibald, an individual residing in the state of Idaho, hereinafter referred to as "Gary";
- VII. Lynn Archibald, an individual residing in the state of Idaho, hereinafter referred to as "Lynn";
- VIII. Patricia S. Archibald, an individual residing in the state of Idaho, hereinafter referred to as "Patricia"; and
- IX. Jason Nielson, an individual residing in the state of Idaho, hereinafter referred to as "Nielson".

Part B--Plan of Merger

The name of the subsidiary corporations to be merged are AIA, APIA, and MVI. The surviving corporation is AIC.

With regard to the shares of AIA, Gary owns seventy percent (70%) of the shares of AIA; and Lynn owns thirty percent (30%) of the shares of AIA.

With regard to the shares of APIA, Gary owns seventy percent (70%) of the shares of APIA; and Lynn owns thirty percent (30%) of the shares of APIA.

With regard to the shares of MVI, Gary owns forty-one percent (41%) of the shares of MVI; Lynn owns thirty-four percent (34%) of the shares of MVI; and Nielson owns twenty-five percent (25%) of the shares of MVI.

With regard to the shares of AIC, Barbara (who is the spouse of Lynn) owns twenty-five percent (25%) of the shares of AIC; Gary owns twenty-five percent (25%) of the shares of AIC; Lynn owns twenty-five percent (25%) of the shares of AIC; and Patricia (who is the spouse of Gary) owns twenty-five percent (25%) of the shares of AIC.

As a part of this Plan of Merger, the shareholders shall surrender, and redeem, their stock certificates as follows:

(a) Barbara shall surrender the AIC stock certificate in the amount of five hundred (500) shares, and, in conjunction with the surrender of certificates under subparagraph (c), the interests and equities represented by those shares of the surviving corporation's stock shall be subsumed into and evidenced by the surviving corporation issuing a new stock certificate to Lynn and Barbara as joint tenants with rights of survivorship in the amount of three thousand and ninety-three (3,093) shares.

(b) Gary shall surrender the AIA stock certificate in the amount of fifty-six (56) shares, the AIC stock certificate in the amount of five hundred (500) shares, the APIA stock certificate in the amount of seven (7) shares, and the MVI stock certificate in the amount of forty-one (41) shares, and, in conjunction with the surrender of certificates under subparagraph (d), the interests and equities represented by those shares of the subsidiary corporations' stock, and those shares of the surviving corporation's stock, shall be subsumed into and evidenced by the surviving corporation issuing a new stock certificate to Gary and Patricia as joint tenants with rights of survivorship in the amount of six thousand three hundred and twenty-six (6,326) shares.

(c) Lynn shall surrender the AIA stock certificate in the amount of twenty-four (24) shares, the AIC stock certificate in the amount of five hundred (500) shares, the APIA stock certificate in the amount of three (3) shares, and the MVI stock certificate in the amount of thirty-four (34) shares, and, in conjunction with the surrender of certificates under subparagraph (a), the interests and equities represented by those shares of the subsidiary corporations' stock, and those shares of the surviving corporation's stock, shall be subsumed into and evidenced by the surviving corporation issuing a new stock certificate to Lynn and Barbara as joint tenants with rights of survivorship in the amount of three thousand and ninety-three (3,093) shares.

(d) Patricia shall surrender the AIC stock certificate in the amount of five hundred (500) shares, and, in conjunction with the surrender of certificates under subparagraph (b), the interests and equities represented by those shares of the surviving corporation's stock shall be subsumed into and evidenced by the surviving corporation issuing a new stock certificate to Gary and Patricia as joint tenants with rights of survivorship in the amount of six thousand three hundred and twenty-six (6,326) shares.

(e) Nielson shall surrender the MVI stock certificate in the amount of twenty-five (25) shares, and the interests and equities represented by those shares of the subsidiary corporation's stock shall be subsumed into and evidenced by the surviving corporation issuing a new stock certificate to Nielsen in the amount of five hundred and eighty-one (581) shares.

Part C--Outstanding Shares of Subsidiary Corporations

The only shares of AIA which are issued and outstanding are eighty (80) shares of common stock. All eighty (80) shares of such stock shall be subsumed into and evidenced by shares of the surviving corporation as set forth in Part B, above.

The only shares of APIA which are issued and outstanding are ten (10) shares of common stock. All ten (10) shares of such stock shall be subsumed into and evidenced by shares of the surviving corporation as set forth in Part B, above.

The only shares of MVI which are issued and outstanding are one hundred (100) shares of common stock. All one hundred (100) shares of such stock shall be subsumed into and evidenced by shares of the surviving corporation as set forth in Part B, above.

Part D—Tax-Free Reorganization

The parties intend to utilize a Type A Reorganization, described in the Internal Revenue Code in Section 368(1)(A), to complete the reorganization as tax-free. In sum:

- a. A Type A Reorganization is a merger or consolidation effected under the laws of a state, a territory, the District of Columbia, or the U.S.
- b. In order to have a wholly or partially tax-free reorganization, there must be a "plan" of reorganization (Code Sec. 354). Although there is no statutory requirement for a formal written plan, the regulations require that a copy of the plan be filed with the returns of all corporate parties to a reorganization. The parties intend that this Plan of Merger serve as the written plan under Section 354.