93760

State of Idaho

Department of State

CERTIFICATE OF MERGER

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Merger of WHITE CLOUD COMMUNICATIONS, INC., an Idaho corporation, into MOBEX GEM, INC., an Idaho corporation, 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: March 24, 1997



Fite of Enaveusa SECRETARY OF STATE

By Jally Jellish

ARTICLES OF MERGER OF DOMESTIC CORPORATIONS WHITE CLOUD COMMUNICATIONS, INC. INTO SE MOBEX GEM, INC.

DATE ON FEBRUARY BY SECRETARY B

Pursuant to the provisions of Section 30-1-74 of the Idaho Besiness Corporation Act, the undersigned corporations adopt the following Articles of Merger for the purpose of merging White Cloud Communications, Inc., an Idaho corporation ("White Cloud"), into Mobex Gem, Inc., an Idaho corporation ("Mobex Gem").

FIRST: The Plan of Merger for the merger of White Cloud into Mobex Gem is as follows:

a. The Merger.

Subject to the terms and conditions hereof, effective as of March 24, 1997 (the "Closing Date"):

- i. White Cloud shall be merged with and into Mobex Gem (the "Merger"), the separate existence of White Cloud shall cease and Mobex Gem shall continue as the surviving corporation in the Merger;
- ii. The Articles of Incorporation and By-laws of Mobex Gem shall continue as the Articles of Incorporation and By-laws of the surviving corporation;
- iii. The officers and directors of Mobex Gem shall continue as the officers and directors of the surviving corporation;
- iv. The Merger shall have all of the effects prescribed by applicable law.

b. <u>Effect of the Merger on the Capital Stock of the Constituent Corporations.</u>

i. Effective as of the Closing Date, all of the issued and outstanding shares of the capital stock, no par value, of White Cloud (the "White Cloud Shares") in the aggregate shall, by virtue of the Merger and without any action by or on the part of the holder thereof, be converted into the right to receive not fewer than one hundred twenty thousand eight hundred thirty-four (120,834) shares of the Series E Convertible Preferred Stock of Mobex Communications, Inc., a Delaware corporation, (the "Series E Shares") and, except as provided in Sections (1) and (2)

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below, not more than two million six hundred twenty-four thousand nine hundred eighty-eight dollars (\$2,624,988) in cash (the "Cash Portion" and, together with the Series E Shares, the "Merger Consideration"); and all other White Cloud Shares shall be cancelled. The Cash Portion shall be increased or decreased as provided in Sections (1) and (2) below.

(1) White Cloud and Mobex Gem shall prorate as of the Closing Date all payroll (including accrued vacation, sick leave and liabilities under any employee benefit or welfare plan), rentals, utilities, fees, unearned revenues, taxes and other items of cost and expense ongoing in the ordinary course of the business of White Cloud and incurred by White Cloud or otherwise relating to the property or the business of White Cloud. The Cash Portion shall be decreased by the sum of: (i) all unearned revenue as of the Closing Date; (ii) all accrued and unpaid fees and expenses of White Cloud incurred in connection with the business or the property of White Cloud attributable to the period prior to the Closing Date; and (iii) all outstanding liabilities of White Cloud on the Closing Date, except to the extent forgiven or contributed to the capital of White Cloud on or prior to the Closing Date, in addition to the items referred to in clause (ii) including, without limitation, all indebtedness for borrowed money, for the deferred portion of the purchase price of any asset, in respect of capitalized leases of any asset or under conditional sales or other title retention agreements and all other obligations, whether accrued, absolute, contingent or otherwise, whether now existing or hereafter arising and whether due or to become due (collectively, the "Assumed Debt"). For the purposes of this Section (1) only, the Assumed Debt shall exclude, and there shall be no deduction from the Cash Portion with respect to, those capital expenditure obligations of White Cloud either set forth on Schedule 1.2.1.2 to the Plan of Merger (the "Plan"), dated as of August 14, 1996, among Mobex Communications, Inc.; Mobex Gem and White Cloud or incurred by White Cloud between the date thereof and the Closing Date with the prior written approval of Mobex Gem, in each case to the extent not theretofore paid by White Cloud.

(2) In addition, the Cash Portion shall be (a) increased by the aggregate amount of capital expenditures set forth on such Schedule 1.2.1.2 paid by White Cloud prior to the Closing Date; (b) increased by an amount equal to the value on the books and records of White Cloud of the equipment leased by White Cloud to Eastern Idaho Communications; (c) reduced by \$18.00 times the number of Series E Shares to be included in the Merger Consideration in excess of 120,834; and (d) either (i) increased by White Cloud's pro rata share of the amount, if any, by which the sum of the value of the post-pay Accounts Receivable (as defined in the Plan) and the Inventory (as defined in the Plan) included in its property on the Closing Date exceeds the Agreed Value (as defined in the Plan) or (ii) reduced by White Cloud's pro rata share of the amount, if any, by which the Agreed Value exceeds the sum of the value of the post-pay Accounts Receivable and the Inventory included in the Property on the Closing Date. White Cloud's pro rata share of any

increase or decrease in the Cash Portion under this Section (2) will be determined in accordance with the provisions of the Plan.

c. <u>Cancellation of White Cloud Shares; Delivery of Merger Consideration.</u>

On the Closing Date the holders of all outstanding White Cloud Shares (the "White Cloud Stockholders") shall surrender to Mobex Gem all certificates theretofore representing all issued and outstanding White Cloud Shares. Effective as of the Closing Date, such certificates shall cease to represent any interest in White Cloud and shall entitle the holders thereof only to receive that portion of the Merger Consideration to which they are entitled. Each White Cloud Stockholder shall be entitled to elect to receive his pro rata share of the Merger Consideration in Series E Shares or in the Cash Portion or both in such ratio as White Cloud Stockholders may agree among themselves; provided, however, that in no event shall the number of Series E Shares included in the Merger Consideration be less than 120,834; and provided, further, that the Cash Portion shall not be less than zero by reason of the adjustments thereto pursuant to Sections (1) and (2) above.

d. Mobex Gem Common Stock.

On the Closing Date, each issued and outstanding share of the Common Stock, par value \$.01 per share, of Mobex Gem shall remain outstanding.

SECOND: As to Mobex Gem, the vote of its shareholders was not required by virtue of subsection (d) of Section 30-1-73, Idaho Business Corporation Act. As to White Cloud, there are 214,284 shares of its capital stock, no par value, outstanding, all of which are entitled to vote on the Merger as a single class.

THIRD: The total number of shares of White Cloud voted for the Merger was 213983; and the number of shares voted against the Merger was

In Witness Whereof, each of Mobex Gem and White Cloud have caused these Articles of Merger to be executed by their officers thereunto duly authorized.

Dated as of March 24, 1997.

MOBEX GEM, INC.

By: / concerns

Its Secretary

WHITE CLOUD COMMUNICATIONS, INC.

By:

Its President

By:

Its Secretary

STATE OF IDAHO)
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COUNTY OF ADA)
I, Margart Schafer a notary public, do hereby certify that on this day of March 2, 1997, personally appeared before me Richard D.
Young, who, being by me first duly sworn, declared that he is the President of Mobex Gem, Inc., that he signed the foregoing document as President of the corporation, and that the statements therein contained are true.
Margaret Schaefer Margaret S. Edille
Notary/Public NOTAR TO
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My Commission Expires: $\frac{OO/O/O}{}$
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I, Mayaret Schaefer a notary public, do hereby certify that on this day of March 3, 1997, personally appeared before me James S. Cox, who, being by me first duly sworn, declared that he is the President of White
Cloud Communications, Inc., that he signed the foregoing document as President of
the corporation, and that the statements therein contained are true.
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Notary Public Q
Residing at:
My Commission Expires: DZ/LO/o/
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