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State of Idaho

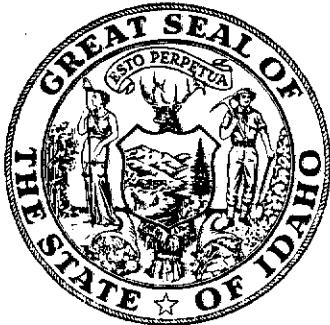
Department of State

CERTIFICATE OF MERGER OR CONSOLIDATION

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of merger of PANHANDLE REALTY ASSOCIATES, INC., an Idaho corporation, file number C 92227 into KANIKSU DEVELOPMENT CORPORATION, an Idaho corporation, file number C 90263, 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: November 12, 1996



Pete T. Cenarrusa
SECRETARY OF STATE

By Sonya Herold

Nov 12 10:32 AM '96
SECRETARY OF STATE
STATE OF IDAHO

ARTICLES OF MERGER

Pursuant to the provisions of the Idaho Business Corporation Act, 30-1-74, the undersigned corporation hereby submits the following Articles of Merger for filing for the purpose of merging Panhandle Realty Associates, Inc., an Idaho corporation, into Kaniksu Development Corporation, an Idaho corporation.

Article I

The Plan of Merger of Panhandle Realty Associates, Inc., into Kaniksu Development Corporation is attached as Exhibit "A".

Article II

The number of shares outstanding for Kaniksu Development Corporation is 222. The number of outstanding shares for Panhandle Realty Associates, Inc., is 500.

Article III

The merger was duly approved by the shareholders of Panhandle Realty Associates, Inc., and Kaniksu Development Corporation, pursuant to Idaho Code Section 30-1-73. The number of Panhandle Realty Associates, Inc., shares voted for the Plan was 500, and the number of shares voted against the Plan was 0. The number of Kaniksu Development Corporation shares voted for the Plan was 222, and the number of shares voted against the Plan was 0.

DATED this 8th day of NOVEMBER, 1996.

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OK # 3420
30.00= MERGER
30.00
69444

DATE 11/12/1996 0900 38503
IDaho SECRETARY OF STATE
CUST# 69444

KANIKSU DEVELOPMENT CORPORATION

By: 
Wendell Shackelford, President

PANHANDLE REALTY ASSOCIATES, INC.

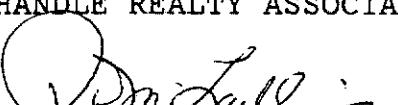
By: 
Dan McLaughlin, President

EXHIBIT "A"

PLAN OF MERGER

November *8/14* This Plan of Merger is made and entered into this 8/14 day of November, 1996, by and between Panhandle Realty Associates, Inc., an Idaho corporation (hereafter "PRA, Inc."), and Kaniksu Development Corporation, an Idaho corporation (hereafter "KDC" or the "Surviving Corporation").

RECITALS

A. PRA, Inc. is a corporation organized and existing under the laws of the State of Idaho and has authorized capital stock consisting of 1000 shares of common fully paid, nonassessable stock with no par value, of which 500 shares are issued and outstanding, and held by Albert Daniel McLaughlin and Patricia McLaughlin, and 500 shares are authorized but not issued.

B. KDC is a corporation organized and existing under the laws of the State of Idaho and has authorized capital stock consisting of 1000 shares of common fully paid, nonassessable stock with no par value, of which 111 shares are issued, outstanding and held by John Gillham and his wife Linda Gillham, 111 shares are issued, outstanding, and held by Wendell Shackelford and his wife Mary Shackelford, 111 shares are issued but held in the treasury, representing shares previously issued to George Gauzza that were recently repurchased by KDC, and 667 shares that are authorized but not yet issued.

C. The Boards of Directors of PRA, Inc. and KDC, respectively, deem it advisable for PRA, Inc. to merge with and into KDC.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, PRA, Inc. and KDC hereby agree to the following Plan of Merger:

1. **Names of Constituent Corporations.** PRA, Inc. will merge with and into KDC. KDC will be the Surviving Corporation.

2. **Terms and Conditions of Merger.** The effective date of merger shall be the date upon which the Articles of Merger are filed with the Secretary of State. Upon the effective date of the merger: the separate corporate existence of PRA, Inc. shall cease; title to all real estate and other property owned by PRA, Inc. or KDC shall be vested in KDC without reversion or impairment; and the Surviving Corporation shall have all liabilities of PRA, Inc. and

KDC. Any proceeding pending by or against PRA, Inc. or KDC may be continued by KDC as the Survivor Corporation. Alternatively, the Surviving Corporation may be substituted in the proceeding for PRA, Inc.

3. **Governing Law.** The laws of the State of Idaho shall govern the Surviving Corporation.

4. **Name.** The name of the Surviving Corporation shall be Kaniksu Development Corporation.

5. **Registered Office.** The address of the registered office of the Surviving Corporation shall be 121 N. 1st Ave., Sandpoint, Idaho, 83864.

6. **Accounting.** The assets and liabilities of PRA, Inc. and KDC (collectively the "Constituent Corporations") as of the effective date of the merger shall be taken up on the books of the Surviving Corporation at the amounts at which they are carried at that time on the respective books of the Constituent Corporations.

7. **Articles of Incorporation.** The Articles of Incorporation of KDC shall not be effected or changed by the merger.

8. **Bylaws.** The Bylaws of KDC as of the effective date of the merger shall be the Bylaws of the Surviving Corporation until the same shall be altered or amended in accordance with the provisions thereof.

9. **Directors.** The directors of KDC as of the effective date of the merger shall be the directors of the Surviving Corporation until their respective successors are duly elected and qualified.

10. **Manner and Basis of Converting Shares.** As of the effective date of the merger:

(a) Each share of KDC common stock, with no par value per share, issued and outstanding shall continue to be one share of common stock with no par value of the Surviving Corporation.

(b) KDC shall issue 111 shares of its common stock to Dan McLaughlin, in exchange for all outstanding shares of PRA, Inc. owned by Dan McLaughlin and Patty McLaughlin. These shares of PRA, Inc. shall be subsequently cancelled. On the effective date of the merger, the holder of certificates of common stock in PRA, Inc. shall surrender them to the Surviving Corporation, or its appointed agent, in such manner as the Surviving Corporation legally shall require. Upon receipt of such certificate, the Surviving

Corporation shall issue in exchange therefor a certificate of shares of common stock in the Surviving Corporation representing the number of shares of stock to which such holder shall be entitled as set forth above.

(c) Any shares of stock of PRA, Inc. in the treasury of PRA, Inc. on the effective date of the merger shall be surrendered to the Surviving Corporation for cancellation, and no shares of the Surviving Corporation shall be issued in respect thereof.

(d) In addition, such shareholders shall be entitled to receive any dividends on such shares of common stock of the Surviving Corporation which may have been declared and paid between the effective date of the merger and the issuance to such shareholder of the certificate of such common stock.

11. **Shareholder Approval.** This Plan of Merger shall be submitted to the shareholders of PRA, Inc. and KDC for their approval in the manner provided under Idaho Code § 30-1-73, at meetings to be held at such time as the Boards of Directors of PRA, Inc. and KDC shall agree. After approval by a vote of the holders of two-thirds (2/3) of the shares entitled to vote thereon of each such corporation and the holders of two-thirds (2/3) of the shares entitled to vote thereon, if any, of each voting group, the Articles of Merger shall be filed as required under the laws of the State of Idaho.

12. **Rights of Dissenting Shareholders.** Any shareholder of PRA, Inc. or KDC who has the right to dissent from this merger as provided in I.C. 30-1-80, and who so dissents in accordance with the requirements of I.C. 30-1-81, shall be entitled, upon surrender of the certificate or certificates representing certificated shares or upon imposition of restrictions of transfer of uncertificated shares, to receive payment of the fair value of such shareholder's shares as provided pursuant to I.C. 30-1-81.

13. **Termination of Merger.** This merger may be abandoned at any time prior to the filing of Articles of Merger with the Secretary of State, upon a vote of a majority of the Board of Directors of both PRA, Inc. and KDC. If the merger is terminated, there shall be no liability on the part of either Constituent Corporation, their respective Boards of Directors, or shareholders.

14. **Counterparts.** This Plan of Merger may be executed in any number of counterparts, and all such counterparts and copies shall be and constitute an original instrument.

IN WITNESS WHEREOF, this Plan of Merger has been adopted by
the undersigned corporations as of this 8 day of November,
1996.

PANHANDLE REALTY ASSOCIATES, INC.

By: Daniel McLaughlin
Name: Daniel McLaughlin
Its: President

KANIKSU DEVELOPMENT CORPORATION

By: Wendell Shackelford
Name: Wendell Shackelford
Its: President