

ARTICLES OF MERGER OF

M. Canaday, Inc.,
an Idaho corporation,
(The "Surviving Corporation")
and
M. Canaday Logging, Inc.,
an Idaho corporation,
(The "Merging Corporation")

FILED/EFFECTIVE
JUL 13 1 06 PM '01

SECRETARY OF STATE
STATE OF IDAHO

Pursuant to the provisions of Section 30-1-77 of the Idaho Business Corporation Act, the undersigned corporations adopt the following Articles of Merger for the purpose of merging them into one corporation:

FIRST: The names of the corporations are M. Canaday, Inc. and M. Canaday Logging, Inc., Idaho corporations.

SECOND: The laws of the state of Idaho permit such merger.

THIRD: The name of the Surviving Corporation is M. Canaday, Inc., and it is to be governed by the laws of the state of Idaho.

FOURTH: The following Plan of Merger was approved by the shareholders of the corporations in the manner prescribed by Idaho law, under which they were organized:

"PLAN AND AGREEMENT OF MERGER

M. CANADAY, INC.

("Surviving Corporation")

AND

M. CANADAY LOGGING, INC.

("Merging Corporation")

1. DATE, NAMES OF PARTIES AND ADDRESSES

1.1. Date. This agreement is entered into on May 1, 2001.

1.2. Name of Merging Corporation. M. Canaday Logging, Inc., an Idaho corporation, whose mailing address is 10500 Main Street, Montour, ID 83617, is the Merging Corporation.

1.3. Name of Surviving Corporation. M. Canaday Inc., an Idaho corporation whose mailing address is 10500 Main Street, Montour, ID 83617, is the Surviving Corporation.

1.4. Constituent Corporations. The Merging Corporation and the Surviving Corporation are sometimes referred to as the "Constituent Corporations."

2. HISTORY

2.1. Good Standing. The Surviving Corporation was validly organized and is currently in good standing under the laws of the state of Idaho. The Merging Corporation was validly organized and is currently in good standing under the laws of the state of Idaho.

2.2. Premerger Stock Ownership of Surviving Corporation. The Surviving Corporation's capital stock prior to the merger is owned as follows:

SHAREHOLDER'S NAME	CERTIFICATE NO.	CLASS OF STOCK	NO. OF SHARES
Michael R. Canaday	1	Common	2,500
Deon L. Canaday	2	Common	2,500

The Surviving Corporation has authorized capital of 100,000 shares of voting common as provided in the First Amended and Restated Articles of Incorporation dated May ___, 2001.

2.3. Premerger Stock Ownership of Merging Corporation. The Merging Corporation's stock prior to the merger is owned as follows:

SHAREHOLDER'S NAME	CERTIFICATE NO.	CLASS OF STOCK	NO. OF SHARES
Michael R. Canaday	1	Common	2
Deon L. Canaday	2	Common	2

The Merging Corporation has authorized capital of 500 shares of voting common stock.

2.4. Intent. The boards of directors of the constituent corporations deem it advisable and in the best interests of the corporations and their stockholders that the Merging Corporation merge with and into the Surviving Corporation in accordance with the provisions of the applicable statutes of the state of Idaho and have, therefore, entered into this agreement of merger.

3. SPECIFIC TERMS AND CONDITIONS

3.1. Agreement of Merger. The constituent corporations agree to merge into a single corporation which shall be M. Canaday, Inc., the Surviving Corporation pursuant to the laws of the state of Idaho. The constituent corporations further agree upon and prescribe the terms and conditions of the merger, the mode of carrying it into effect and the manner and basis of converting the shares of the Merging Corporation into shares of Surviving Corporation. On

the effective date of the merger, the Merging Corporation shall be merged into the Surviving Corporation. On the effective date of the merger, the Merging Corporation shall be merged into the Surviving Corporation, and the separate existence of the Merging Corporation shall cease. The constituent corporations shall become a single corporation named M. Canaday, Inc., an Idaho corporation.

3.2. Articles of Incorporation of Surviving Corporation. The first restated articles of incorporation of the Surviving Corporation which are attached as Exhibit A shall be the post-merger articles of incorporation until amended in accordance with the laws of the state of Idaho. The first restated articles of incorporation may be certified separately from this agreement as the post-merger articles of incorporation of the Surviving Corporation.

3.3. By-laws of Surviving Corporation. The first amended and restated by-laws of the Surviving Corporation in effect immediately prior to the effective date of the merger shall continue to be the by-laws of the Surviving Corporation until altered or repealed in the manner provided by the laws of the state of Idaho. The by-laws are attached as Exhibit B.

3.4. Directors and Officers of Surviving Corporation. The directors and officers of the Surviving Corporation immediately prior to the effective date of the merger shall continue to be the directors and officers of the Surviving Corporation, to hold office for the terms specified in the by-laws of the Surviving Corporation and until their respective successors are duly elected and qualified.

3.5. Manner and Basis of Conversion. The treatment of the ownership of the shares of the Surviving Corporation and the manner of converting the ownership of shares of the Merging Corporation into shares of the Surviving Corporation shall be as follows:

3.5.1. Each share of common stock of the Surviving Corporation which is issued and outstanding immediately prior to the effective date of the merger shall not be affected, converted or exchanged as a result of the merger, and shall continue to be one fully paid and nonassessable share of the Surviving Corporation's common stock.

3.5.2. The shares of common stock of the Merging Corporation which are issued and outstanding immediately prior to the effective date of the merger shall, by virtue of the merger, be converted into and become, without action on the part of the holders of such common stock, 1,210.80 shares of the fully paid and nonassessable shares of common stock of the Surviving Corporation.

3.5.3. As soon as practicable after the effective date of the merger, the holders of outstanding certificates of common stock of the Merging Corporation shall be entitled, upon surrender of the same by the holders for cancellation as directed by the Surviving Corporation, to receive new certificates for the number of shares of common stock of the Surviving Corporation to which they are entitled. Upon issuance of new certificates, the stock of the Surviving Corporation will be held as follows:

NAME OF SHAREHOLDER	PREMERGER ISSUE		CONVERSION ISSUE		TOTAL # OF SHARES
	<u>Cert. #</u>	<u># of Shares</u>	<u>Cert. #</u>	<u># of Shares</u>	
Michael R. Canaday	1	2,500	3	2,421.60	4,921.60
Deon L. Canaday	2	2,500	4	2,421.60	4,921.60

3.6. Effect of Merger

3.6.1. On the effective date of the merger, the Surviving Corporation shall possess all the rights, privileges, powers and franchises of a public as well as a private nature of each of the constituent corporations and shall become subject to all the restrictions, disabilities liabilities and duties of each of the constituent corporations. All property, real and personal and mixed, and debts due to each of the constituent corporations on whatever account, including stock subscriptions as well as all other things belonging to each of the constituent corporations, shall be vested in the Surviving Corporation; and all property, assets, rights, privileges, powers, franchises and immunities, and every other interest shall be the property of the Surviving Corporation as they were of the respective constituent corporations, and the title to any real estate vested by deed or otherwise, in either of the constituent corporations, shall not revert or be in any way impaired by reason of the merger; provided, however, that all the unimpaired, and all debts, liabilities, obligations and duties of the respective constituent corporation shall attach to the Surviving Corporation, and may be enforced against it to the same extent as if said debts, liabilities, obligations and duties had been originally incurred or contracted by it.

3.6.2. If at any time the merger becomes effective it shall appear to the Surviving Corporation that any further assignments or assurances are necessary or desirable to evidence the vesting in the Surviving Corporation of the title to any of the property or rights of the Merging Corporation, those persons who were the proper officers and directors of the Merging Corporation as of the effective date of the merger shall execute, acknowledge and deliver such assignments or other instruments and do such acts as may be necessary or appropriate to evidence the vesting of title to such property or rights in the Surviving Corporation. For such purposes, the capacity and authority of the Merging Corporation and the respective officers and directors of the Merging Corporation shall be deemed to be continuing.

3.7. Accounting and Stated Capital. When the merger becomes effective, subject to such changes, adjustments or eliminations as may be made in accordance with generally accepted accounting principles the assets and liabilities of the constituent corporations shall be recorded in the accounting records of the Surviving Corporation at the amounts at which they were carried at that time in the accounting records of the constituent corporations.

3.8. Abandonment. This Plan and Agreement of merger may be abandoned by action of the boards of directors of the Surviving Corporation or the Merging Corporation at any time prior to the effective date of the merger whether before or after submission to their respective stockholders if, not later than December 31, 2001 the merger fails to obtain the requisite vote of the stockholders of the Surviving Corporation or of the stockholders of the Merging Corporation.

3.9. Representations and Warranties. The Surviving Corporation and the Merging Corporation each represent and warrant to the other that between the date of this agreement and the time when the merger becomes effective, they will not enter into any employment contracts, grant any options or issue any stock or securities, or declare or pay any dividends in stock or cash, or make other distribution on or with respect to their outstanding stock.

3.10. Effective Date. The effective date of the merger provided for by this agreement shall be May 1, 2001."

FIFTH: As to each of the undersigned corporations, the number of shares outstanding and the designation and number of outstanding shares of each class entitled to vote as a class on such plan, are as follows:

NAME OF CORPORATION	NUMBER OF SHARES OUTSTANDING	ENTITLED TO VOTE AS A CLASS NUMBER OF SHARES
M. Canaday Logging, Inc.	4	4
M. Canaday, Inc.	5,000	5,000

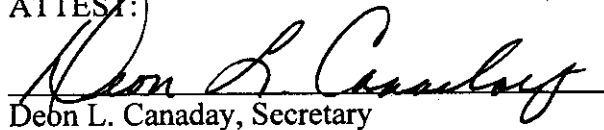
SIXTH: As to each of the undersigned corporations, the total number of shares voted for and against such Plan, respectively, are as follows:

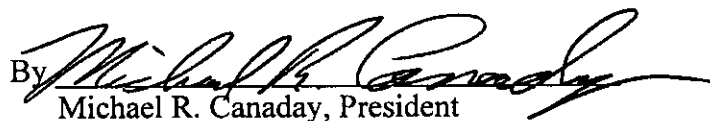
NAME OF CORPORATION	NUMBER OF SHARES	
	Total Voted For	Total Voted Against
M. Canaday Logging, Inc.	4	0
M. Canaday, Inc	5,000	0

DATED: May 31, 2001.

M. Canaday Logging, Inc

ATTEST:

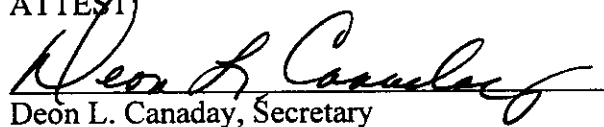

Deon L. Canaday, Secretary

By 
Michael R. Canaday, President

"Merging Corporation"

M. Canaday, Inc

ATTEST:


Deon L. Canaday, Secretary

By 
Michael R. Canaday, President

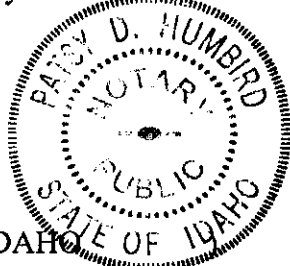
"Surviving Corporation"

STATE OF IDAHO)

County of Seam) ss.

I, Patsy D. Humbird, a notary public, do hereby certify that on this 31st day of May, 2001, personally appeared before me Michael R. Canaday, who, being by me first duly sworn, declared that he is the president of M. Canaday Logging, Inc, an Idaho corporation, that he signed the foregoing document as president of the corporation, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the same day and year in this certificate first above written.



Patsy D. Humbird
NOTARY PUBLIC FOR IDAHO

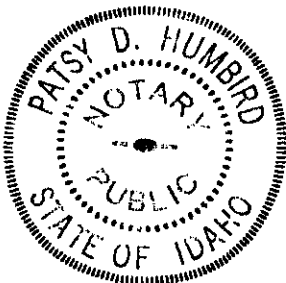
Residing at Emmett
Commission Expires 3-14-2005

STATE OF IDAHO)

County of Seam) ss.

I, Patsy D. Humbird, a notary public, do hereby certify that on this 31st day of May 2001, personally appeared before me Michael Canaday, who, being by me first duly sworn, declared that he is the president of M. Canaday, Inc, an Idaho corporation, that he/she signed the foregoing document as president of the corporation, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the same day and year in this certificate first above written.



Patsy D. Humbird
NOTARY PUBLIC FOR IDAHO

Residing at Emmett
Commission Expires 3-14-2005