

FILED/EFFECTIVE

ARTICLES OF MERGER

DEC 31 AM 8:49

STATE OF IDAHO

Pursuant to the provisions of the Idaho Business Corporation Act, the undersigned corporations have adopted these Articles of Merger for the purpose of combining the undersigned corporations according to the following Plan and Agreement of Merger. Both corporations held a shareholder meeting and the Plan and Agreement of Merger was approved by each. Dinuba Forest Industries, Inc. has 100,000 shares authorized of which 1,000 are issued and outstanding and all such shares voted in favor of the Plan and Agreement of Merger. Dinuba Forest Industries, Inc. has 100,000 shares authorized of which 1,000 shares are issued and outstanding and all 1,000 shares voted in favor of the Plan and Agreement of Merger.

PLAN AND AGREEMENT OF MERGER

DINUBA FOREST INDUSTRIES, INC.

into

R Y TIMBER, INC.

THIS PLAN AND AGREEMENT OF MERGER (hereinafter called the "Agreement"), is entered into to be effective as of January 1, 2003 by and between **R Y TIMBER, INC.**, an Idaho corporation (hereinafter sometimes referred to as either "R Y Timber" or the "Surviving Corporation"), and **DINUBA FOREST INDUSTRIES, INC.**, an Idaho corporation (hereinafter referred to as "Dinuba Forest Industries"), said corporations being hereafter sometimes collectively referred to as the "Constituent Corporations".

RECITALS

- A. R Y Timber is a corporation duly organized and existing under the laws of the State of Idaho, having been incorporated on May 18, 1984 and Dinuba Forest Industries is a corporation duly organized and existing under the laws of the State of Idaho.

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laws of the State of Idaho, having been incorporated on May 18, 1984;

- B. The authorized capital stock of R Y Timber consists of 100,000 shares of Common Stock with no par value, of which 1000 shares are issued and outstanding;
- C. The authorized capital stock of Dinuba Forest Industries consists of 100,000 shares of Common Stock, with no par value, of which 1000 shares are issued and outstanding; and
- D. The Boards of Directors of the Constituent Corporations deem it advisable for the general welfare and advantage of the Constituent Corporations and their respective shareholders that the Constituent Corporations merge into a single corporation pursuant to this Agreement, and the Constituent Corporations respectively desire to so merge pursuant to this Agreement and pursuant to the applicable provisions of the laws of the State of Idaho.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained, the parties hereby agree, in accordance with the applicable provisions of the laws of the State of Idaho, that the Constituent Corporations shall be merged into a single corporation, to wit: R Y Timber, Inc., an Idaho corporation, one of the Constituent Corporations, which is not a new corporation, and which shall continue its corporate existence and be the corporation surviving the merger; and Dinuba Forest Industries, Inc., an Idaho corporation, one of the Constituent Corporations, shall discontinue its operations and its corporate existence; and the terms and conditions of the merger hereby agreed upon (hereafter called the "Merger") which the parties covenant to observe, keep and perform and the mode of carrying the same into effect are and shall be as hereafter set forth:

ARTICLE I

Effective Time of the Merger

At the effective time of the Merger, the separate existence of Dinuba Forest Industries shall cease and Dinuba Forest Industries shall be merged into the Surviving Corporation. Consummation of this Agreement shall be as of January 1, 2003 and effected on the date on which these Articles of Merger are filed with the office of the Secretary of State of the State of Idaho.

ARTICLE II

By-Laws

The By-Laws of R Y Timber at the effective time of the Merger shall be the By-Laws of the Surviving Corporation until the same shall be altered or amended in accordance with the provisions thereof.

ARTICLE III

Directors and Officers

The Directors and officers of R Y Timber at the effective time of the Merger shall become the directors and officers of the Surviving Corporation until their respective successors are duly elected and qualified.

ARTICLE IV

Conversion of Shares in the Merger

The mode of carrying into effect the Merger provided in this Agreement, and the manner and basis of converting the shares of the

Constituent Corporations into shares of the Surviving Corporation are as follows:

1. R Y Timber's Common Stock. None of the shares of R Y Timber issued at the effective time of the Merger shall be converted as a result of the Merger, but all of such shares shall remain issued shares of Common Stock of the Surviving Corporation and shall be fully paid and non-assessable.
2. Dinuba Forest Industries' Common Stock. All of the issued and outstanding shares of the Common Stock of Dinuba Timber Industries is currently owned by the sole shareholder of the Surviving Corporation. Once the Merger has been completed ownership of the issued and outstanding shares of Common Stock of R Y Timber will represent the ownership of all of the issued Common Stock of the Surviving Corporation. Therefore, as of the effective time of the Merger all of the issued and outstanding shares of the Common Stock of Dinuba Forest Industries shall be surrendered to the Surviving Corporation and the stock certificate representing such shares of stock shall be canceled.

ARTICLE V

Effect of the Merger

At the effective time of the Merger, the Surviving Corporation shall succeed to, without other transfer, and shall possess and enjoy, all the rights, privileges, immunities, powers and franchises both of a public and a private nature, and be subject to all the restrictions, disabilities and duties of each of the Constituent Corporations, and all the rights, privileges, immunities, powers and franchises of each of the Constituent Corporations and all property, real, personal and mixed, and all debts due to either of said Constituent Corporations on whatever account, for stock subscriptions as well as for all other things in action or belonging to each of said corporations, shall be vested in the Surviving Corporation; and all property, rights, privileges,

immunities, powers and franchises, and all and every other interest shall be thereafter as effectually 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 said Constituent Corporations shall not revert or be in any way impaired by reason of the Merger; provided, however, that all rights of creditors and all liens upon any property of either of said Constituent Corporations shall be preserved unimpaired, limited in lien to the property affected by such liens at the effective time of the Merger, and all debts, liabilities and duties of said Constituent Corporations, respectively, shall thenceforth attach to the Surviving Corporation and may be enforced against it to the same extent as if said debts, liabilities and duties had been incurred or contracted by the Surviving Corporation.

ARTICLE VI

Representations and Warranties

Each Constituent Corporation represents and warrants that it has disclosed to the other a complete description of all assets and liabilities and all information materially affecting the business, property or assets of the Corporation.

ARTICLE VII

Conduct of Businesses Pending the Merger

From and after the date of this Agreement and prior to the effective time of the Merger, neither of the Constituent Corporations will, without the prior written consent of the other:

- (a) amend its Articles of Incorporation or By-Laws;

- (b) engage in any material activity or transaction or incur any material obligation (by contract or otherwise) except in the ordinary course of business;
- (c) issue or sell any shares of its capital stock; or
- (d) declare or pay any dividend on or make any distributions in respect of any shares of its capital stock.

ARTICLE VIII

Amendments

Any of the terms or conditions of this Agreement may be modified or waived at any time before the effective time of the Merger by the party which is, or the shareholders of which are, entitled to the benefit thereof upon the authority of the Board of Directors of such party, provided that any such modification or waiver shall in the judgement of the party making it not affect substantially or materially and adversely the benefits to such party or its shareholders intended under this Agreement.

R Y TIMBER, INC.

By: 
Ronald C. Yanke, President

By: 
Richard D. Heaton, Secretary

DINUBA FOREST INDUSTRIES, INC.

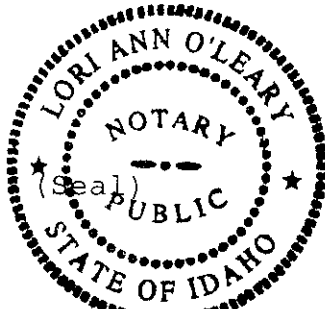
By: 
Ronald C. Yanke, President

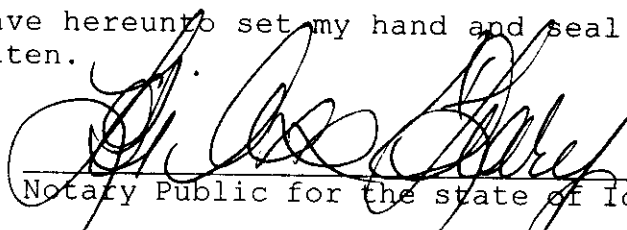
By: 
Richard D. Heaton, Secretary

STATE OF IDAHO)
) ss
County of ADA)

On this 19th day of December, 2002, before me the undersigned Notary Public for the state of Idaho, personally appeared **RONALD C. YANKE and RICHARD D. HEATON**, President and Secretary respectively, of **R Y TIMBER, INC.**, the corporation which executed the foregoing document, known to me or identified to me to be the persons whose names are subscribed to the foregoing, and acknowledged to me that they executed the same for and on behalf of the corporation and in its name.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.





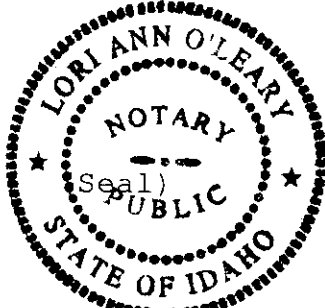
Notary Public for the state of Idaho
Residing at: Nampa, Idaho

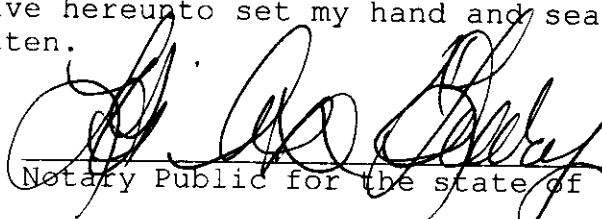
My commission expires: 7/12/2007

STATE OF IDAHO)
) ss.
COUNTY OF ADA)

On this ____ day of December, 2002, before me the undersigned Notary Public for the state of Idaho, personally appeared **RONALD C. YANKE and RICHARD D. HEATON**, President and Secretary respectively, of **DINUBA FOREST INDUSTRIES, INC.**, the corporation which executed the foregoing document, known to me or identified to me to be the persons whose names are subscribed to the foregoing, and acknowledged to me that they executed the same for and on behalf of the corporation and in its name.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.





Notary Public for the state of Idaho
Residing at: Nampa, Idaho

My commission expires: 7/12/2007

ARTICLES OF MERGER