

7-103744

# State of Idaho

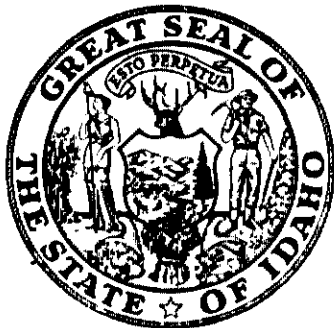
## Department of State

### 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 3 FLAGS BOISE INCORPORATED, an Idaho corporation, file number C 105744 into 3 FLAGS INCORPORATED, an Idaho corporation, file number C 103725, 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: October 8, 1996



*Pete T. Cenarrusa*  
SECRETARY OF STATE

By *[Signature]*

**ARTICLES OF MERGER  
OF A DOMESTIC CORPORATION OF IDAHO,  
3 FLAGS BOISE INCORPORATED,  
INTO A DOMESTIC CORPORATION OF IDAHO,  
3 FLAGS INCORPORATED**

IDAHO SECRETARY OF STATE  
DATE: 10/05/1996 0900 30805  
ON 6:133 0 0518 71405  
MERGER 30.00 30.00  
F11 '96

Pursuant to the provisions of the Idaho Business Corporations Act, the undersigned Corporations adopt the following Articles of Merger for the purpose of merging them into one of such Corporations.

The following Plan of Merger was approved by the Stockholders of each of the undersigned Corporations as follows:

Name of Corporation	Number of Outstanding Shares of Voting Common Stock	Total Voted For	Total Voted Against
3 Flags Incorporated	75,333	75,333	0
3 Flags Boise Incorporated	11,495	11,495	0

**PLAN OF MERGER**

This plan of merger (this "Plan") dated October 5, 1996 by and between 3 Flags, Incorporated and 3 Flags Boise, Incorporated such corporations being hereinafter collectively referred to as the "Constituent Corporations",

**WITNESSETH**

Whereas 3 Flags, Incorporated ("3 Flags") is a corporation duly organized and existing under the laws of the State of Idaho, having been incorporated on October 15, 1993, and having an authorized capital stock without par value of 100,000 shares of Voting Common and 100,000 shares of Nonvoting Common (the "3 Flags Common Stock"), of which 75,333 shares Voting Common are issued and outstanding and no shares Nonvoting Common are issued and outstanding, there being no certificates for stock issued or outstanding, and the holders of all such Voting Common shares are entitled to vote on this Plan; and

Whereas, 3 Flags Boise, Incorporated ("3 Flags Boise") is a corporation duly organized and existing under the laws of the State of Idaho, having been incorporated on March 29, 1994, and having an authorized capital stock without par value of 1,000,000 shares of Voting Common and 1,000,000 shares of Nonvoting Common (the "3 Flags Boise Common Stock"), of which 11,495 shares Voting Common are issued and outstanding and no shares of Nonvoting Common are issued and outstanding, there being no certificates for stock issued or outstanding, and the holders of all such Voting Common shares are entitled to vote on this Plan;

Whereas, the respective boards of directors of 3 Flags and of 3 Flags Boise deem it advisable and for the best interests of 3 Flags and of 3 Flags Boise that 3 Flags Boise be merged with and into 3 Flags as the Surviving Corporation as authorized by the statutes of the State of Idaho under and pursuant to the terms and conditions thereafter set forth, and for the 3 Flags Boise Common Stock issued and outstanding at the Effective Date defined in Article Six to be converted into shares of 3 Flags Common Stock without par value, and each such board has duly approved this Plan; and

Now therefore, in consideration of the premises and the mutual covenants and agreements herein contained, and for the purpose of setting forth the terms and conditions of said merger, the mode of carrying the same into effect, the manner and basis of converting the shares of each Constituent Corporation into shares of the Surviving Corporation and such other details and provisions as are deemed necessary or desirable, the parties hereto have agreed and do hereby agree, subject to the approval of adoption of this Plan by the requisite vote of the Stockholders of each Constituent Corporation, and subject to the conditions hereinafter set forth, as follows:

#### Article One MERGER AND NAME OF SURVIVING CORPORATION

At the Effective Date, defined in Article Six, 3 Flags Boise shall be merged with and into 3 Flags, which is hereby designated the "Surviving corporation", which shall not be a new corporation, which shall continue its corporate existence to be governed by the laws of the State of Idaho, which shall continue to be named 3 Flags Incorporated and which shall maintain its current registered office in the State of Idaho.

#### Article Two TERMS AND CONDITIONS OF MERGER

The terms and conditions of merger are (in addition to those set forth

elsewhere in this Plan) as follows:

(a) At the Effective Date:

(1) The Constituent Corporations shall be a single corporation, which shall be 3 Flags Incorporated, the Corporation designated herein as the Surviving Corporation.

(2) The separate existence of 3 Flags Boise shall cease.

(3) The Surviving Corporation shall thereupon and thereafter possess all the rights, privileges, powers, and franchises of a public as well as of a private nature, and be subject to all the restrictions, disabilities, and duties of each Constituent Corporation; and all and singular, the rights, privileges, powers and franchises of each constituent Corporation, and all property, real, personal, and mixed, and all debts due to either Constituent Corporation on whatever account, as for stock subscriptions as all other things in action or belonging to each Constituent Corporation shall be vested in the Surviving Corporation; and all property, rights, privileges, 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 Corporation, and the title to any real estate vested by deed or otherwise in either Constituent Corporation shall not revert or be in any way impaired by reason of the merger; but all rights of creditors and all liens upon any property of either Constituent Corporation shall be preserved unimpaired, and all debts liabilities and duties of the respective Constituent Corporations 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 it. Any action or proceeding whether civil, criminal, or administrative, pending by or against either Constituent Corporation shall be prosecuted as if the merger had not taken place, or the Surviving Corporation may be substituted in such action or proceeding.

(4) All corporate acts, plans, policies, contracts, approvals, and authorizations of 3 Flags Boise and its Stockholders, board of directors, committees elected or appointed by the board of directors, officers, and agents, which were valid and effective immediately prior to the Effective Date shall be taken for all purposes as the acts, plans, policies, contracts, approvals, and authorizations of the Surviving Corporation and shall be as effective and binding thereon as the same were with respect to 3 Flags Boise.

(5) The assets, liabilities, reserves, and accounts of each Constituent Corporation shall be recorded on the books of the Surviving Corporation at the amounts at which they, respectively, shall then be carried on the books of such Constituent Corporation subject to such adjustments or eliminations of intercompany items as may be appropriate in giving effect to the merger.

(b) The board of directors and the officers of 3 Flags as of the Effective Date shall be the same as immediately prior to the Effective date.

### **Article Three**

#### **MANNER AND BASIS OF CONVERTING SHARES AND RELATED PROVISIONS**

The manner and basis of converting the issued and outstanding shares of each Constituent Corporation into shares of the Surviving Corporation and the mode of carrying the merger into effect are as follows:

(a) Each share of 3 Flags Boise Voting Common outstanding at the Effective Date shall be converted into one share of 3 Flags Voting Common without any action on the part of the holder thereof.

(b) All shares of Stock into which shares of 3 Flags Boise Common shall have been converted pursuant to this Article Three shall be issued in full satisfaction of all rights pertaining to such converted shares.

### **Article Four**

#### **CERTIFICATE OF INCORPORATION AND BY-LAWS**

(a) The Certificate of Incorporation of 3 Flags as existing and constituted immediately prior to the Effective Date shall, upon the merger becoming effective, be and constitute the Certificate of Incorporation of the Surviving Corporation until amended in the manner provided by law.

(b) The Articles of Incorporation of 3 Flags as existing and constituted immediately prior to the Effective Date shall, upon the merger becoming effective, be and constitute the Articles of Incorporation of the Surviving Corporation until amended in the manner provided by law, except:

(1) Article 4 Authorized Shares Section 4.1 Number of Shares. shall be amended to read "The aggregate number of shares that the Corporation shall have authority to issue is 2,000,000 shares of Common Stock without par value."

(2) The first sentence of Article 4 Authorized Shares Section 4.2 Nonvoting Common Stock. shall be amended to read "Of the aggregate number of shares that the Corporation shall have authority to issue, 1,000,000 shall be designated Nonvoting Common Stock."

(3) The first sentence of Article 4 Authorized Shares Section 4.3 Voting Common Stock. shall be amended to read "Of the aggregate number of

shares that the Corporation shall have authority to issue, those not designated Nonvoting Common Stock shall be designated Voting Common Stock."

(b) The By-Laws of 3 Flags as existing and constituted immediately prior to the Effective Date shall, upon the merger becoming effective, be and constitute the By-laws of the Surviving Corporation until amended in the manner provided by law, except:

(1) Article 5 The Board of Directors Section 5.1 Number and Qualifications. shall be amended to read "The business and affairs of the Corporation shall be managed by a Board of 2 Directors, who need not be residents of the State of Idaho or Shareholders of the Corporation. The number of Directors may be decreased to not fewer than 2 or increased to any odd number from time to time by amendment of this section; but no decrease shall have the effect of shortening the term of any incumbent Director. [Articles, §§11.1 and 11.3]."

(2) Article 6 Section 5.6 Regular Meetings. shall be amended to read "The Board of Directors from time to time may set a time and place for a definite or indefinite number of regular meetings, in addition to the annual meeting of the Board of Directors, at the convenience of all Directors as deemed necessary to effect the business and affairs of the Corporation."

#### Article Five OTHER PROVISIONS WITH RESPECT TO MERGER

(a) This plan shall be submitted to the Stockholders of each Constituent Corporation as provided by the laws of the State of Idaho. After the approval or adoption thereof by the Stockholders of each Constituent Corporation in accordance with the requirements of the laws of the State of Idaho, all required documents shall be executed, and all required acts shall be done in order to accomplish the merger under the provisions of the applicable statutes of the State of Idaho.

(b) This plan may be terminated at any time prior to the Effective Date, whether before or after action thereon by the Stockholders of the Constituent Corporations, by mutual consent of the Constituent Corporations, expressed by action of their respective boards of directors.

#### Article Six APPROVAL AND EFFECTIVE DATE OF THE MERGER

(a) The merger shall become effective when all the following actions shall have been taken:

(1) This Plan shall be adopted and approved on behalf of each Constituent Corporation by the respective board of directors.

(2) This Plan shall be incorporated into Articles of Merger adopted and approved by the Stockholders of each Constituent Corporation.

(3) Said Articles of Merger shall be filed in the office of the Secretary of State of the State of Idaho (the particular date at which such filing shall be accomplished being herein referred to as the "Effective Date").

(b) For the convenience of the parties and to facilitate the filing and recording of this plan, any number of counterparts hereof may be executed, and each such counterpart shall be deemed to be an original instrument.

(c) This Plan and the legal relations between the parties hereto shall be governed by and construed in accordance with the laws of the State of Idaho.

(d) This Plan cannot be altered or amended except pursuant to an instrument in writing signed on behalf of the parties hereto.

Executed this 5th day of October, 1996.

3 Flags Incorporated	President	William R Bachand
	Vice President and Secretary	Russ E. Bachand
3 Flags Boise Incorporated	President	William R Bachand
	Vice President and Secretary	Russ E. Bachand