

FILED/IN EFFECTIVE

ARTICLES OF MERGER

OF

Apr 4 3 47 PM '01

**JULES HARRISON, L.L.C., AN IDAHO LIMITED LIABILITY COMPANY,
INTO**

**HARRISON REAL ESTATE, L.L.C., AN IDAHO LIMITED LIABILITY COMPANY
IN ACCORDANCE WITH IDAHO CODE § 53-663**

* * * * *

1. Name and jurisdiction of organization of each constituent entity (hereinafter individually referred to as a "Constituent Entity" and collectively referred to as the "Constituent Entities"):

JULES HARRISON, L.L.C., AN IDAHO LIMITED LIABILITY COMPANY

HARRISON REAL ESTATE, L.L.C., AN IDAHO LIMITED LIABILITY COMPANY

2. An Agreement of Merger has been approved and executed by each Constituent Entity and is attached hereto as Exhibit A and incorporated herein.

3. The name of the surviving Constituent Entity is Harrison Real Estate, L.L.C., an Idaho limited liability company.

4. The effective date of the merger of the Constituent Entities is the later of December 31, 2000, or the filing of these Articles of Merger.

5. The Agreement of Merger is on file at the following place of business of Harrison Real Estate, L.L.C.:

17751 Baywatch Ct. NE
Poulsbo, Washington, 98370-7308

6. A copy of the Agreement of Merger will be furnished by Harrison Real Estate L.L.C. on request and without cost to any person holding an interest in the Constituent Entities.

IDAHO SECRETARY OF STATE

04/05/2001 09:00
CK: 1106 CT: 144942 BH: 389224

1 @ 38.00 = 38.00 MERGER # 2

W7772

IN WITNESS WHEREOF, the Constituent Entities hereto have caused these Articles of Merger to be duly executed as of this 31st day of December, 2000.

HARRISON REAL ESTATE, L.L.C.,
AN IDAHO LIMITED LIABILITY COMPANY,
BY ITS MEMBERS:


JULES V. HARRISON


TREVA I. HARRISON

JULES HARRISON, L.L.C.,
AN IDAHO LIMITED LIABILITY COMPANY,
BY ITS MEMBERS:


JULES V. HARRISON

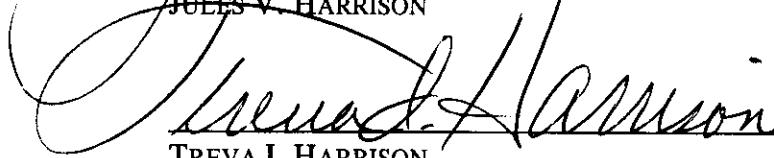

TREVA I. HARRISON

EXHIBIT A

AGREEMENT OF MERGER

**AGREEMENT OF MERGER
OF
JULES HARRISON, L.L.C., AN IDAHO LIMITED LIABILITY COMPANY
AND
HARRISON REAL ESTATE, L.L.C., AN IDAHO LIMITED LIABILITY COMPANY**

* * * * *

THIS AGREEMENT AND PLAN OF MERGER is made and entered into effective the 31st day of December, 2000, by and between HARRISON REAL ESTATE, L.L.C., an Idaho limited liability company ("HRE LLC"), and JULES HARRISON, L.L.C., an Idaho limited liability company ("JH LLC") (collectively the "Constituent Entities").

W I T N E S S E T H :

WHEREAS, each of the Constituent Entities has adopted the plan of merger set forth in this Agreement, and the Constituent Entities and their respective members deem it advisable and in the best interest of each of the Constituent Entities that JH LLC be merged with and into HRE LLC (the "Merger");

NOW, THEREFORE, the Constituent Entities do hereby agree to merge on the terms and conditions herein provided as follows:

1. MERGER.

(a) **GOVERNING LAW.** JH LLC will be merged into HRE LLC in accordance with the applicable laws of the State of Idaho. HRE LLC shall be the surviving entity (the "Surviving Entity") and shall be governed by the laws of the State of Idaho.

(b) **EFFECTIVE DATE.** The "Effective Date of the Merger" shall be, and such term as used herein shall mean, 5:00 p.m., M.S.T., of the day on which the Articles of Merger are executed by the members of the Constituent Entities.

2. MEMBER INTEREST CONVERSION. On the Effective Date the member interests in JH LLC held immediately prior to the merger shall be exchanged into and become an equal interest in HRE LLC.

3. EFFECT OF THE MERGER.

(a) **RIGHTS, PRIVILEGES AND OBLIGATIONS.** On the Effective Date, the Surviving Entity, without further act, deed or other transfer, shall retain or succeed to, as the case may be, and possess and be vested with all of the rights, privileges, immunities, powers, franchises and authority, of a public as well as of a private nature, of the Constituent Entities; all property of every description and every interest therein and all debts and other obligations of or

belonging to or due to the Constituent Entities on whatever account shall thereafter be taken and deemed to be held by or transferred to, as the case may be, or vested in the Surviving Entity without further act or deed; title to any real estate, or any interest therein, vested in the Constituent Entities shall not revert or in any way be impaired by reason of the Merger; and all of the rights of creditors of the Constituent Entities shall be preserved unimpaired, and all liens upon the property of the Constituent Entities shall be preserved unimpaired, and all debts, liabilities, obligations and duties of the Constituent Entities shall thenceforth remain with or attach to, as the case may be, the Surviving Entity and may be enforced against it to the same extent as if all of said debts, liabilities, obligations and duties had been incurred or contracted by it.

(b) FURTHER ACTION. From time to time, as and when requested by the Surviving Entity, or by its successors or assigns, any party hereto shall execute and deliver or cause to be executed and delivered all such deeds and other instruments, and shall take or cause to be taken all such further or other actions, as the Surviving Entity, or its successors or assigns, may deem necessary or desirable in order to vest in or confirm to the Surviving Entity, and its successors or assigns, title to and possession of all the property, rights, privileges, powers and franchises referred to herein and otherwise to carry out the intent and purposes of this Agreement.

4. TERMINATION; AMENDMENT.

(a) TERMINATION PROVISION. Anything contained in this Agreement to the contrary notwithstanding, this Agreement may be terminated and the Merger abandoned upon written notice at any time prior to the Effective Date.

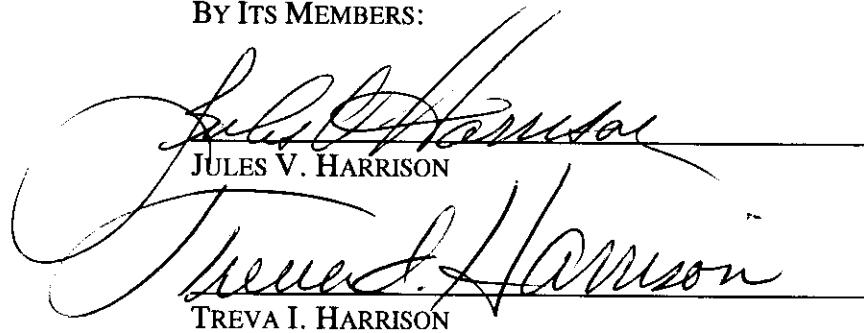
(i) by mutual consent of the Constituent Entities; or

(ii) if there exists a suit, action or other proceeding commenced, pending or threatened, before any court or other governmental agency of the federal or state government, in which it is sought to restrain, prohibit or otherwise adversely affect the consummation of the Merger.

(b) AMENDMENT PROVISIONS. Anything contained in this Agreement notwithstanding, this Agreement may be amended or modified in writing at any time prior to the Effective Date, provided that an amendment made subsequent to the adoption of this Agreement by the general partners of the Constituent Entities shall not (i) alter or change the amount or kind of shares, securities, cash, property and/or rights to be received in exchange for or on conversion of all or any of the interests thereof of the Constituent Entities, (ii) alter or change any term of the Operating Agreement of the Surviving Entity to be effected by the Merger, or (iii) alter or change any of the terms and conditions of this Agreement if such alteration or change would adversely affect the holders of any class or series thereof of the Constituent Entities. Subject of the immediately foregoing sentence, the Constituent Entities may by agreement in writing extend the time for performance of, or waive compliance with, the conditions or agreements set forth herein.

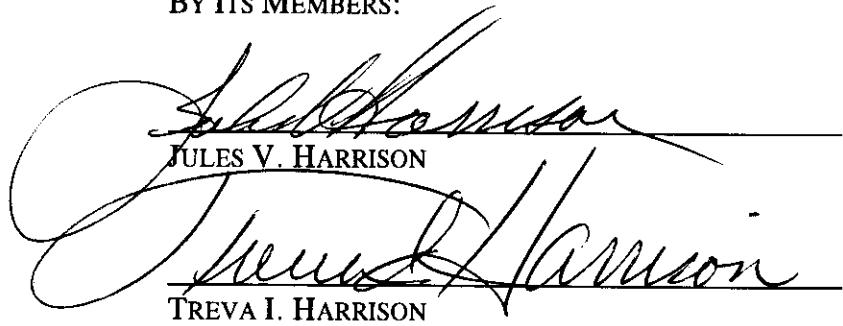
IN WITNESS WHEREOF, this Agreement, having first been duly approved by resolution of the members of each of the Constituent Entities, is hereby executed on behalf of each of the Constituent Entities by their respective members thereunto duly authorized.

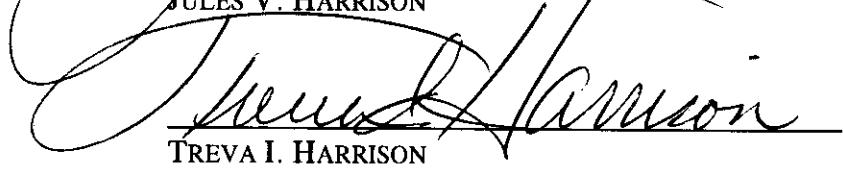
HARRISON REAL ESTATE, L.L.C.,
AN IDAHO LIMITED LIABILITY COMPANY,
BY ITS MEMBERS:


JULES V. HARRISON


TREVA I. HARRISON

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