



laws of the State of Idaho, that the Constituent Corporations shall be merged into a single corporation, to wit: LMT, 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 (said corporation hereafter being sometimes called the "Surviving Corporation"); 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, March 31, 1998, the separate existence of THI shall cease and THI shall be merged into the Surviving Corporation.

## ARTICLE II

### Bylaws

The Bylaws of LMT at the effective time 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.

## ARTICLE III

### Directors and Officers

The Directors and officers of LMT 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. LMT's Common Stock. All of the shares of LMT issued and outstanding at the effective time of the Merger shall be transferred as a result of the Merger to the owners of the common stock of THI by exchanging four (4) shares of common stock of LMT for each share of common stock of THI.

2. THI's Common Stock. At the effective time of the Merger, each share of common stock of THI issued and outstanding shall be cancelled in return for the transfer to the

shareholders of THI of four (4) shares of common stock of LMT. Each holder of outstanding common stock of THI upon surrender to the Surviving Corporation of one or more stock certificates for cancellation, shall be entitled to receive one or more stock certificates for the full number of shares of common stock of the Surviving Corporation.

3. Surrender of THI Certificates. As soon as practicable after the Merger becomes effective, the stock certificates for THI issued and outstanding at the time the Merger becomes effective shall be surrendered for exchange to the Surviving Corporation as above provided. Until so surrendered for exchange, each such stock certificate nominally representing common stock of THI shall be deemed for all corporate purposes to evidence the ownership of the number of shares of common stock of the Surviving Corporation which the holder thereof would be entitled to receive upon its surrender.

4. Status of New Common Stock. All shares of common stock of the Surviving Corporation into which shares of common stock of THI are converted as herein provided shall be fully paid and non-assessable and shall be issued in full satisfaction of all rights pertaining to such shares of common stock of THI

## 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

### Accounting Matters

The assets and liabilities of the Constituent Corporations, as of the effective time of the Merger, shall be taken up on the books of the Surviving Corporation at the amounts at which they shall be carried at that time on the books of the respective Constituent Corporations. The amount of capital of the Surviving Corporation after the Merger shall be equal to the sum of the aggregate capital of the common stock to be issued in the Merger and the aggregate capital of the common stock that will remain issued upon the Merger. The surplus of the Surviving Corporation after the Merger, including any surplus arising in the Merger, shall be available to be used for any legal purposes for which surplus may be used.

## ARTICLE VII

### Approval of Shareholders

This Agreement shall be submitted to the shareholders of THI and LMT, as provided by law and their respective certificates of incorporation and bylaws. Each issued and outstanding share of THI and LMT stock is validly issued, fully paid, non-assessable and entitled to one vote.

## ARTICLE VIII

### Termination and Abandonment

Anything herein or elsewhere to the contrary notwithstanding, this Agreement may be terminated and abandoned at any time before the effective time of the Merger, whether before or after approval of this Agreement by the shareholders of the Constituent Corporations under any one or more of the following circumstances:

1. By the mutual consent of the Boards of Directors of the Constituent Corporations;
2. By LMT if the holders of any of the outstanding shares of common stock of THI shall have voted against the Merger and shall be entitled to compliance with the provisions of the Idaho Corporation Code regarding payment of the fair value of their shares;
3. By either of the Constituent Corporations if the requisite approval of the shareholders of THI shall not have been obtained on or before March 31, 1998.

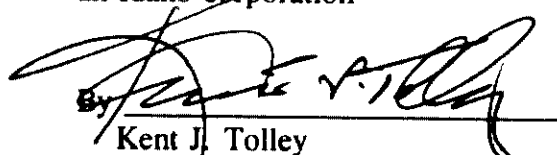
Upon any such termination and abandonment, neither party shall have any liability or obligation hereunder to the other and each party will pay all costs and expenses of its performance of and compliance with all agreements and conditions contained herein on its part to be performed or complied with, including fees, expenses and disbursements.

## ARTICLE X

### 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 such party 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.

THI COMPANY,  
an Idaho corporation

By   
Kent J. Tolley  
Its President

LMT, INC.,  
an Idaho corporation

By   
Lee H. Tolley  
Its President