

FILED

ARTICLES OF MERGER

Dec 31 2 08 PM '97

Pursuant to the provisions of Idaho state statutes, the undersigned Hopkins Mortgage Fund, Inc., an Idaho corporation, and Hopkins Mortgage Fund, L.L.C., an Idaho limited liability company, have adopted the following Articles of Merger for the purpose of merging Hopkins Mortgage Fund, Inc. ("Corporation") into Hopkins Mortgage Fund, L.L.C. ("LLC").

- 1. The Agreement and Plan of Merger, a copy of which is attached and marked as Exhibit "A", was duly approved by unanimous written consent of the Board of Directors of Hopkins Corporation and the Board of Managers of Hopkins LLC effective as of December 31, 1997.
- 2. The Agreement and Plan of Merger was approved by the stockholders of Hopkins Corporation and the Members of Hopkins LLC in the manner prescribed by state statutes.
- 3. Hopkins Corporation has only one class of common stock outstanding and Hopkins LLC has only one class of membership interest outstanding. As to each of the undersigned companies, the number of beneficial interests outstanding and entitled to vote are as follows:

- 1. Hopkins Mortgage Fund, Inc. 20,000 shares of common stock.
- 2. Hopkins Mortgage Fund, L.L.C. 100% Ownership Interest

4. As to each of Hopkins Corporation and Hopkins LLC, the total number of common shares and membership interest voted for and against the Agreement and Plan of Merger, respectively, are as follows:

<u>Name of Company</u>	<u>Total For</u>	<u>Total Against</u>	<u>Date of Vote</u>
Hopkins Corporation:	20,000	-0-	December 30, 1997
Hopkins LLC	100%	-0-	December 30, 1997

In Witness Whereof:

Dated: December 30, 1997

Hopkins Mortgage Fund, Inc.

By Randall A Hopkins

Hopkins Mortgage Fund, L.L.C.

By Randall A Hopkins

IDAHO SECRETARY OF STATE
01/02/1998 09:00
CT: 68955 RH: 69001
LE 30.00 = 30.00 MERGER

W5226

AGREEMENT AND PLAN OF MERGER

This Agreement for Merger (Agreement) is dated December 30, 1997, by and between Hopkins Mortgage Fund, Inc., an Idaho corporation, (Hopkins Corporation), Hopkins Mortgage Fund, L.L.C., an Idaho limited liability company (Hopkins LLC), Randall H. Hopkins, personally, and Dennis J. Whitmore, personally (the "Shareholders and Membership Interest holders").

WITNESSES:

WHEREAS, Hopkins Corporation and Hopkins LLC desire to (i) enter into this Agreement and Plan of Merger (Agreement); (ii) qualify as a tax-free exchange, and (iii) continue with Hopkins LLC as the surviving company;

NOW, THEREFORE, in consideration of the mutual covenants and Agreements, the parties agree as follows:

1. **Merger.** Hopkins Corporation will merge with and into Hopkins LLC in accordance with the laws of Idaho and the terms of this Agreement.
2. **Name.** The name of the surviving company shall be Hopkins Mortgage Fund, L.L.C. The existence of Hopkins Corporation shall be merged into Hopkins LLC whose existence, as the surviving limited liability company, shall remain unimpaired. The corporate existence of Hopkins Corporation shall cease when it merges into Hopkins LLC.
3. **Effective Date of Merger.** The merger shall become effective December 31, 1997, or 6:00 p.m. on the day on which the following have been completed, whichever last occurs (the "Effective Date"):
 - a. This Agreement has been approved by the Board of Directors and shareholders of Hopkins Corporation and Board of Managers and membership interest holders of Hopkins LLC in accordance with the laws of Idaho, and the action has been certified by the Secretary or Assistant Secretary of Hopkins Corporation and Hopkins LLC.
 - b. Articles of Merger have been signed and filed according to law and a Certificate of Merger has been issued by the Secretary of State;
 - c. All conditions precedent to each party's duties of performance under this Agreement exist or have occurred, unless waived in writing; and
 - d. No event giving either party the right to terminate this Agreement has occurred.

4. **Articles of Organization and Operating Agreements.** On the Effective Date, the Articles of Organization and the Operating Agreements of Hopkins LLC shall become the Articles of Organization and Operating Agreements of the surviving limited liability company.
5. **Managers.** The Board of Managers of the surviving limited liability company who shall serve until their successors are elected and qualified at the next annual meeting of the membership interest holders of Hopkins LLC shall be: Randall H. Hopkins, Dennis J. Whitmore, and Terry G. Nyborg.
6. **Officers.** On the Effective Date, the initial officers of the surviving limited liability company shall be the following:

<u>Office</u>	<u>Name</u>
President and Chief Executive Officer:	Randall H. Hopkins
Secretary-Treasurer:	Dennis J. Whitmore

7. **Future Operations.** The parties presently intend, subject to the changes as the managers of the surviving limited liability company in their judgment may deem appropriate, that after the Effective Date:
 - a. The business presently conducted by Hopkins Corporation shall continue in substantially its present form and be operated and conducted as the sole business of Hopkins LLC, the surviving limited liability company;
 - b. The officers and staff of Hopkins Corporation shall continue to act in their present capacities in conducting the business of Hopkins LLC; and
 - c. The headquarters of the surviving limited liability company shall be those of Hopkins Corporation located in Boise, Idaho.
8. **Conversion of Shares.** The manner of converting the common stock of Hopkins Corporation to the membership interest of Hopkins LLC shall be as follows:

At the Effective Date, each issued and outstanding share of common stock of Hopkins Corporation shall be converted into members Ownership Interest of Hopkins LLC, an exchange based on book value, for book value, computed December 31, 1997, i.e. the combined book value of the merged companies shall equal 100% Ownership Interest which shall be allocated to each of the combined members proportionate to their respective ratio of contribution of book value. Hopkins LLC membership interest will be issued into certificates in such denominations or registered in such names as are necessary to make the contemplated exchange.

9. **Merger of Interests, Assumption of Liabilities.** At the Effective Date, Hopkins Corporation and Hopkins LLC shall be deemed merged as provided by Statute. All rights, privileges, immunities, powers and franchises of a public or private nature, and all property, real, personal or mixed, of Hopkins Corporation shall be taken and deemed to be transferred, and shall be vested in the surviving limited liability company without further act or deed; but the surviving limited liability company shall thenceforth be liable for all debts, liabilities, obligations, duties and penalties of Hopkins Corporation and Hopkins LLC and all such debts, liabilities, obligations, duties and penalties shall thenceforth attach to the surviving limited liability company and may be enforced against it to the same extent as if the debts, liabilities, obligations, duties and penalties had been incurred or contracted by the surviving limited liability company. When requested by the surviving limited liability company, Hopkins Corporation shall execute and deliver all deeds and other instruments deemed by the surviving limited liability company to be necessary in order to vest the surviving limited liability company with title to and possession of all rights and property of Hopkins Corporation.
10. **Representations and Warranties.**
- (a) Hopkins Corporation and Hopkins LLC are organized and in good standing under the laws of the State of Idaho.
- (b) The signing of this Agreement by Hopkins Corporation and Hopkins LLC and the consummation of the transactions contemplated by this Agreement have been approved by their respective Board of Directors and Board of Managers, subject to approval by their respective shareholders and membership interest holders. On approval by their respective shareholders and membership interest holders in accordance with law, no further corporate or company action is necessary to make this agreement valid and binding upon the parties. The signing of this agreement and the consummation of the transactions contemplated by this agreement do not violate any provisions of Articles of Incorporation, By Laws, Articles of Organization, Operating Agreements, notes or other Agreements or documents to which the undersigned are parties.
11. **Hopkins Corporation and Hopkins LLC agree:**
- (a) **Information.** Each party will afford the officers and authorized representatives of the others access to its offices, bank properties, books and records and will furnish the others with such additional information as the others may reasonably request to thoroughly evaluate each party's business, assets, operations and financial condition.
- (b) **Confidentiality.** Each party will use its best efforts to keep confidential all confidential information obtained by it from the others and will not use the information in a manner detrimental to the others.
- (c) **Preservation of Business.** Each party will use its best efforts to preserve its

business organization intact and to preserve its goodwill with its customers and others having business relations with it.

12. **Negative Covenants:** Hopkins Corporation and Hopkins LLC shall not, without the prior written consent of the other:
- (a) Issue or redeem, buy or sell, grant options to buy, or agree to so act with respect to any shares or membership interest of its capital stock or membership interest;
 - (b) Declare or pay any stock or membership interest or similar dividend on outstanding stock or membership interest or effect any stock or membership interest split or recapitalization;
 - (c) Make any material increase in the compensation or change the nature or terms of employment of any director, officer or chief executive officer;
 - (d) Materially change the nature of its business operation.
13. **Notices.** Any notice of request to be given under this Agreement by one party to another other shall be in writing and shall be delivered personally or by certified mail, postage prepaid, with a copy to the party's counsel, or to such other addresses as any party or counsel may designate in writing to the other.
14. **Waivers.** Each party may, by written instrument, (a) extend the time for the performance of any of the obligations or other acts of another party to this Agreement, (b) waive any inaccuracies of another party in the representations and warranties contained in this Agreement or in any document delivered pursuant to this Agreement, (c) waive compliance by another party with any of the covenants contained in the Agreement; and (d) waive another party's performance of any of the obligations set out in this Agreement. Any agreement on the part of a party hereof for any such extension or waiver shall be validly and sufficiently authorized for the purposes of this Agreement, if it is authorized by the President of the party granting the extension or waiver. No waiver by a party to this Agreement of a breach of any term or condition of this Agreement shall be construed to operate as a waiver of any other or subsequent breach of the same or of any other term or condition, unless otherwise expressly provided.
15. **Expenses.** Hopkins Corporation and Hopkins LLC will pay the respective costs and expenses of their performance of and compliance with all Agreements and conditions contained in this Agreement. If this agreement is terminated and the merger is not effected, each party will pay all costs and expenses of its performance of and compliance with all Agreements and conditions contained herein, including fees, expenses and disbursements of its accountants and counsel.

In Witness Whereof each of the undersigned have executed this Agreement...

Hopkins Mortgage Fund, Inc.

By

Randall A Hopkins

Hopkins Mortgage Fund, L.L.C.

By

Randall A Hopkins

Randall A Hopkins

Randall H. Hopkins

Dennis J Whitmore

Dennis J. Whitmore

Certification: The undersigned Secretary-Treasurer hereby certifies that the Board of Directors and Shareholders of Hopkins Mortgage Fund, Inc., and the Board of Managers and holders of Membership Interests of Hopkins Mortgage Fund, L.L.C. have each duly approved, adopted and ratified the forgoing Agreement and Plan of Merger.

Dated: December 30, 1997.

Dennis J Whitmore

Dennis J. Whitmore, Secretary and Treasurer of Hopkins Mortgage Fund, Inc. and Hopkins Mortgage Fund, L.L.C.