

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 INTERMOUNTAIN INVESTIGATIONS, LTD., an Idaho corporation, file number C 100134 into VECTEL CORPORATION, an Idaho corporation, file number C 105839, 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: January 15, 1997



Pete T. Cenarrusa
SECRETARY OF STATE

By

L. Dumas

JAN 16 10 53 AM '97 JAN 16 12 32 PM '97

ARTICLES OF MERGER OF VecTel CORPORATION AND INTERMOUNTAIN INVESTIGATIONS, LTD. STATE OF IDAHO

The undersigned officers of VecTel Corporation and Intermountain Investigations, Ltd. submit the following Articles of Merger of the corporations:

ARTICLE 1

PLAN OF MERGER

The Plan of Merger is described on Exhibit A attached hereto and is incorporated into these Articles as though fully set out herein.

ARTICLE 2

SURVIVING CORPORATION

The name of the corporation following merger shall be VecTel Corporation.

ARTICLE 3

NUMBER OF SHARES OUTSTANDING

The number of shares outstanding in Intermountain Investigations, Ltd. prior to merger is:

<u>Shareholder</u>	<u>Number of Shares</u>
Bruce A. Barnes	11,600
Ralph D. Berenger	59,360
Christopher R. Clark	56,730
Billy R. Crystal	11,360
Larry W. Knight	116,800

IDAHO SECRETARY OF STATE
DATE 01/10/1997 0900 54070

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CK #: 413539 CUST# 3708

MERGER

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Kerry B. Patterson	172,685
Dennis O. Peterson	12,156
B. Kent Spaulding	50,408
Bruce W. Spaulding	3,000
TOTAL	494,099

The number of shares outstanding in VecTel Corporation prior to merger is:

<u>Shareholder</u>	<u>Number of Shares</u>
Kathy Knight	5,000
Larry Knight	3,000
Kerry Patterson	120,000
Linda Patterson	29,991
Ina D. Sano	4,000
T. Kenneth Sano	2,000
TOTAL	163,991

ARTICLE 4

VOTE OF SHAREHOLDERS

All of the Shareholders of VecTel Corporation voted in favor the merger.

All of the Shareholders of Intermountain Investigations, Ltd. except Ralph Berenger voted in favor of the merger. Ralph Berenger is exercising his rights as a dissenting Shareholder pursuant to the provisions of Idaho Code §§ 30-1-80

and 30-1-81.

ARTICLE 5

REGISTERED AGENT, OFFICERS, AND DIRECTORS

The Registered Agent, Officers, and Directors of VecTel Corporation shall continue to serve in those respective capacities until their successors are duly appointed or elected pursuant to the Bylaws of VecTel Corporation.

DATED this 19th day of December, 1996.

INTERMOUNTAIN INVESTIGATIONS, LTD.

BY 
Kerry B. Patterson, President

VecTel CORPORATION

BY 
Kerry B. Patterson, President

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2 AGREEMENT AND PLAN OF MERGER

3 This Agreement is made between INTERMOUNTAIN
4 INVESTIGATIONS, LTD., an Idaho corporation (Intermountain) and
5 VecTel CORPORATION, an Idaho corporation (VecTel).

6 RECITALS

7 Intermountain is a corporation incorporated under the
8 laws of the State of Idaho on November 16, 1992. VecTel is a
9 corporation incorporated under the laws of the State of Idaho on
10 April 5, 1994.

11 The respective Boards of Directors of Intermountain and
12 VecTel have determined that it is desirable, subject to terms of
13 this Agreement, to merge Intermountain with VecTel and that
14 VecTel be the surviving corporation.

15 In consideration of the covenants and agreements set
16 forth, Intermountain and VecTel agree:

17 1. MERGER: Effective the date of the filing of
18 Articles of Merger with the Secretary of State of Idaho,
19 Intermountain shall be merged with and into VecTel, the separate
20 existence of Intermountain shall cease, and VecTel shall continue
21 in existence as the surviving corporation.

22 2. ARTICLES OF INCORPORATION: The Articles of
23 Incorporation of VecTel in effect immediately prior to the filing
24 of the Articles of Merger shall be and continue to be the
25 Articles of Incorporation of the surviving corporation, until
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2 amended in accordance with the provisions of those Articles.

3 3. BYLAWS: The Bylaws of VecTel shall be amended to
4 provide that VecTel shall have four (4) Directors; the Bylaws of
5 VecTel, as amended, shall be and remain the Bylaws of the
6 surviving corporation until amended as described in those Bylaws.

7 4. BOARD OF DIRECTORS AND OFFICERS: The Directors and
8 Officers of VecTel at the time of the filing of the Articles of
9 Merger shall be the Directors and Officers of the surviving
10 corporation until their successors are elected and qualified.

11 5. OUTSTANDING SHARES IN EACH CORPORATION: At the
12 time of the merger, the outstanding shares of Intermountain and
13 the shareholder's name are described on Exhibit A attached
14 hereto.

15 At the time of the merger, the outstanding shares of
16 VecTel and each shareholder's name are described on Exhibit B
17 attached hereto.

18 6. SHARES IN VECTEL FOLLOWING MERGER: The number of
19 shares held by each shareholder following the merger are
20 described on Exhibit C attached hereto.

21 7. MANNER AND BASIS OF CONVERTING SHARES: Each share
22 of VecTel outstanding upon filing of the Articles of Merger shall
23 remain in place. Each share of Intermountain issued and
24 outstanding at the time of the filing of the Articles of Merger,
25 without any action on the part of the holder thereof, be
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2 converted into one share of common stock of VecTel. The holders
3 of shares in Intermountain shall surrender all Stock Certificates
4 to the Secretary of VecTel in exchange for shares issued by
5 VecTel.

6 8. TRANSFER OF ASSETS AND DEBTS: Upon filing of the
7 Articles of Merger, VecTel shall acquire from Intermountain all
8 existing assets and physical inventory, including but not limited
9 to books, office supplies, audiotapes, video tapes, office
10 furniture, computers, computer software, proprietary information,
11 phone numbers, current and old case files, all accounts
12 receivable, all clients, and lists of potential clients, and
13 shall assume and be responsible for all debts of Intermountain.

14 9. BUY-SELL AGREEMENT: Simultaneously with the
15 issuance of shares in VecTel, all shareholders in VecTel shall be
16 required to execute the Buy-Sell Agreement as set forth on
17 Exhibit D. Until the Agreement described on Exhibit D is
18 executed by a shareholder, stock shall not be issued to that
19 shareholder and that shareholder shall have no right to vote,
20 dividends, or any other benefit of ownership of VecTel.

21 10. SHAREHOLDER APPROVAL: This Agreement shall be
22 submitted to the shareholders of each corporation as required by
23 the laws of the State of Idaho. If the Agreement is adopted by a
24 majority of the shareholders of each corporation, the Directors
25 of each corporation are instructed to file and record, in
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2 accordance with the laws of the State of Idaho, Articles of
3 Merger as soon as practicable after the approval of the
4 shareholders.

5 11. ADDITIONAL ACTION: By approving this Agreement,
6 the shareholders of each corporation are authorizing the
7 Directors of Intermountain and VecTel to take all action required
8 in order to complete the merger.

9 DATED this 23rd day of November, 1996.


10 INTERMOUNTAIN INVESTIGATIONS, LTD.

11 
12 Kerry B. Patterson, President

13 ATTEST:

14 
15 Bruce A. Barnes, Secretary

16 VecTel CORPORATION

17 
18 Kerry B. Patterson, President

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20 ATTEST:

21 
22 Ina D. Sano, Secretary

SHARES OF INTERMOUNTAIN INVESTIGATIONS, LTD.
PRIOR TO MERGER

<u>Shareholder</u>	<u>Number of Shares</u>
Bruce A. Barnes	11,600
Ralph D. Berenger	59,360
Christopher R. Clark	56,730
Billy R. Crystal	11,360
Larry W. Knight	116,800
Kerry B. Patterson	172,685
Dennis O. Peterson	12,156
B. Kent Spaulding	50,408
Bruce W. Spaulding	3,000

EXHIBIT A

SHARES OF VecTel CORPORATION
PRIOR TO MERGER

<u>Shareholder</u>	<u>Number of Shares</u>
Kathy Knight	5,000
Larry Knight	3,000
Kerry Patterson	120,000
Linda Patterson	29,991
Ina D. Sano	4,000
T. Kenneth Sano	2,000

EXHIBIT B

SHARES IN VecTel CORPORATION
FOLLOWING MERGER

<u>Shareholder</u>	<u>Number of Shares</u>
Bruce A. Barnes	11,600
Ralph D. Berenger	59,360
Christopher R. Clark	56,730
Billy R. Crystal	11,360
Kathy Knight	5,000
Larry W. Knight	119,800
Kerry B. Patterson	292,685
Linda Patterson	29,991
Dennis O. Peterson	12,156
Ina D. Sano	4,000
T. Kenneth Sano	2,000
B. Kent Spaulding	50,408
Bruce W. Spaulding	3,000

EXHIBIT C

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2 BUY-SELL AGREEMENT

3 This Agreement is entered into between VecTel
4 CORPORATION, an Idaho corporation (VecTel) and all of its
5 stockholders who own the following numbers of shares in the
6 corporation:

7 Bruce A. Barnes 11,600 shares
8 Ralph D. Berenger 59,360 shares
9 Christopher R. Clark 56,730 shares
10 Billy R. Crystal 11,360 shares
11 Kathy Knight 5,000 shares
12 Larry W. Knight 119,800 shares
13 Kerry B. Patterson 292,685 shares
14 Linda Patterson 29,991 shares
15 Dennis O. Peterson 12,156 shares
16 Ina D. Sano 4,000 shares
17 T. Kenneth Sano 2,000 shares
18 B. Kent Spaulding 50,408 shares
19 Bruce W. Spaulding 3,000 shares
20

21 The parties desire to enter into an agreement for the
22 sale and purchase of stock and agree:

23 1. RESTRICTED TRANSFER: No shareholder may transfer
24 any interest in any share of the common stock of the corporation
25 except as is expressly permitted by this Agreement. Each
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2 certificate representing shares of common capital stock shall
3 bear a legend in substantially the following form:

4 Transfer of shares of stock represented by
5 this certificate are restricted by a Stock
6 Purchase Agreement and any amendment thereto.

7 2. LIMITATION ON ENCUMBRANCE: No shareholder shall
8 encumber any share of stock nor allow any share to be subject to
9 a lien without the prior written consent of all of the
10 shareholders.

11 3. TRANSFER SUBJECT TO OPTIONS: The transfer or
12 disposition of any interest in any share of stock of the
13 corporation shall be subject to the redemption and cross purchase
14 options of this Agreement. The corporation will not recognize
15 any transfer or disposition until the notice requirements have
16 been complied with and the periods for redemption or cross
17 purchase have expired.

18 4. REDEMPTION OPTION: Upon the death of any
19 shareholder or should any shareholder desire to transfer or
20 dispose of corporate shares, either voluntarily or involuntarily,
21 the corporation shall have the option to redeem the shares of
22 stock owned by the shareholder. The corporation shall have a
23 period of sixty (60) days from receipt of written notice of death
24 of the shareholder or written notice of proposed disposition to
25 exercise its right of redemption. It shall be exercised by
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2 delivering written notice to all shareholders or their appointed
3 Personal Representative and any interested party whose name and
4 address has been provided in the notification to the corporation.
5 The value of the shares held by the shareholder shall be fixed by
6 the then current fair market value as set forth in paragraph 6.

7 5. CROSS-PURCHASE OPTION: If the corporation does
8 not exercise any right of redemption or gives notice of inability
9 to perform the remaining shareholders shall have the option to
10 purchase the shares. The option may be exercised for a period of
11 thirty (30) days following the expiration of the corporation's
12 redemption period, or receipt of notice, by providing written
13 notification to the corporation, all shareholders or their
14 appointed Personal Representative and any interested party whose
15 name and address was provided in the notice of proposed
16 disposition. If the option is exercised by two or more
17 shareholders they shall purchase in the proportion their
18 shareholdings bear to each other or as otherwise agreed.

19 6. PURCHASE PRICE: In the event of redemption by the
20 corporation or purchase by the remaining shareholders the price
21 shall be the sum of One Dollar (\$1.00) per share, which is agreed
22 by the shareholders to represent the fair market value as of the
23 date of this agreement. This value may be changed at any annual
24 or special meeting of the shareholders of the corporation by the
25 majority vote of the outstanding shares. If the value is changed
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2 in this manner it shall be endorsed on Schedule A to be attached
3 to and made a part of this agreement. Each entry shall set forth
4 the date of the meeting when adopted, the new value expressed as
5 a price per share and shall be signed by the secretary of the
6 corporation.

7 The price shall be determined as of the date written
8 notification is received by the corporation.

9 7. PAYMENT TERMS AND CLOSING: Closing shall take
10 place within thirty (30) days from the date the right of
11 redemption or cross purchase is exercised by written
12 notification. The purchase price shall be paid in cash at the
13 time of closing or, at the election of the purchaser, the
14 purchase price may be amortized over a period of ten (10) years
15 providing for equal monthly installments and interest at the rate
16 of five percent (5%) per annum. This obligation shall be secured
17 by a perfected security interest in the shares of stock being
18 purchased.

19 The closing shall be performed by a closing agent to be
20 agreed upon by the parties. At the time of closing the seller
21 shall deliver the certificates representing the effected shares
22 to the closing agent properly endorsed from transfer together
23 with proof of compliance with the notification requirements of
24 this Agreement. The buyer shall notify the closing agent in
25 writing whether it intends to pay in cash or amortize the
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2 obligation as provided above. At the time of closing the buyer
3 shall deliver either the agreed upon cash or the promissory note
4 and security agreement complying with the terms of this Agreement
5 together with appropriate documents to perfect the security
6 interest. The buyer shall also deliver to the closing agent
7 proof of compliance of the notification requirements of this
8 Agreement.

9 So long as the purchaser remains current in the
10 payments required to be made, the purchaser shall be entitled to
11 vote the shares of stock, shall be entitled to all dividends
12 attributed to the shares of stock and shall otherwise be entitled
13 to exercise the rights of ownership of the shares.

14 8. RELEASE OF SHARES: If the corporation or
15 shareholders do not elect to redeem or purchase the effected
16 shares then they may be transferred or disposed of as the
17 transferring shareholder deems appropriate, subject to all
18 restrictions contained in this Agreement.

19 9. INABILITY TO PERFORM: If at any time the
20 corporation is unable to perform the obligations created by this
21 agreement and the parties are unable to reach an agreement with
22 respect to the inability to perform, the corporation may meet its
23 obligations hereunder by submitting the stock to cross-purchase
24 under paragraph 5 or, if not purchased, voluntary dissolution.
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2 10. NONRECOGNITION OF TRANSFERS: The corporation
3 shall not under any circumstance recognize a transfer of any
4 interest in any share of stock of the corporation which has
5 failed to comply strictly with the terms of this Agreement.

6 11. HEIRS AND SUCCESSORS BOUND: This Agreement is
7 binding upon the heirs and successors of the parties. The
8 restrictions set forth herein shall be binding upon the heirs,
9 successors, representatives and assigns of the parties. The
10 restrictive provisions shall be deemed to run with the shares of
11 stock including those released for purchase or transfer to third
12 parties. Any new certificates issued by the corporation shall
13 bear the legend required in paragraph 1 and the purchaser shall
14 be required to agree in writing to be bound by the provisions of
15 this Agreement. In the event the options to redeem or purchase
16 are not exercised upon the death of any shareholder, any
17 subsequent transfer or disposition by the Personal Representative
18 shall be subject to the provisions of this Agreement.

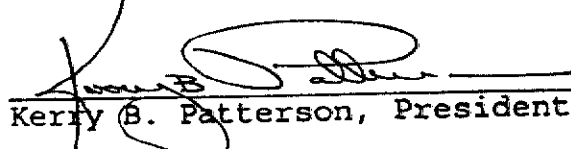
19 12. TAX CLASSIFICATIONS: The corporation is an "S"
20 corporation for tax purposes. Any transfer hereunder shall be
21 conditioned upon retention of "S" status unless otherwise agreed
22 by all shareholders.

23 13. TERM: This Agreement shall remain in effect until
24 repealed by the agreement of all shareholders or dissolution of
25 the corporation.
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2 14. ENTIRE AGREEMENT: This represents the entire
3 agreement. All prior negotiations and agreements shall be deemed
4 merged herein. This Agreement may not be modified except by a
5 writing signed by all shareholders and the corporation.

6 15. SIGNATURES: The parties agree that there may be
7 multiple signature pages to this Agreement and that once all
8 signatures are obtained, the original signature pages shall be
9 attached to the Agreement, kept with the corporate records and
10 that the Agreement shall be as binding as though all of the
11 parties executed the same signature page.

12 VecTel CORPORATION

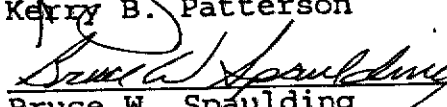
13 
14 Kerry B. Patterson, President

15 ATTEST:

16 BY 
17 Ina D. Sano, Secretary

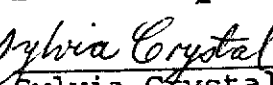
18 
19 Kerry B. Patterson


Linda Patterson

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21 Bruce W. Spaulding

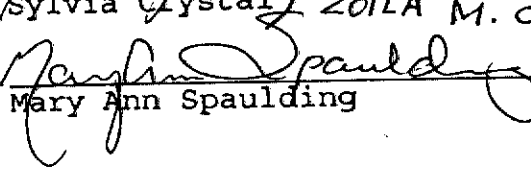

Linda W. Spaulding

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23 Billy R. Crystal


(Sylvia Crystal)


ZOILA M. CRYSTAL

24 
B. Kent Spaulding


Mary Ann Spaulding

25 Ralph D. Berenger

Carol Berenger

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Larry W. Knight
Larry W. Knight

Kathy Knight
Kathy Knight

Bruce A. Barnes
Bruce A. Barnes

Trudy Barnes
Trudy Barnes

Christopher R. Clark
Christopher R. Clark

Leslie Clark
Leslie Clark

Dennis O. Peterson
Dennis O. Peterson

Carolyn Peterson
Carolyn Peterson

T. Kenneth Sano
T. Kenneth Sano

Ina D. Sano
Ina D. Sano

PARSONS, SMITH, STONE & FLETCHER
LAWYERS
BURLEY, IDAHO

PURCHASE PRICE - PARAGRAPH 6

<u>Date of Meeting</u>	<u>Value (price per share)</u>	<u>Secretary's Signature</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

SCHEDULE A