

State of Idaho

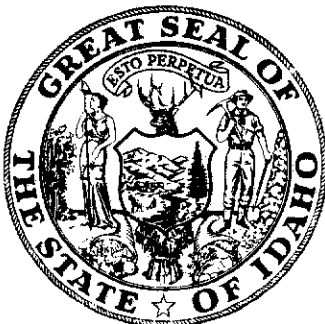
Department of State

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 CHADALEE FARMS, INC., a Michigan corporation, not qualified in Idaho, into LITEHOUSE, INC., an Idaho corporation, file number C 60535, 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: May 19, 1997



Pete T. Cenarrusa
SECRETARY OF STATE

By *Sonya Herold*

ARTICLES OF MERGER

MAY 19 9 23 AM '97
 SECRETARY OF STATE
 STATE OF IDAHO

TO: THE SECRETARY OF STATE OF THE STATE OF IDAHO

The undersigned corporations, pursuant to Section 30-1-74 of the Idaho Business Corporation Act and Section 450-1707 of the Michigan Business Corporation Act, hereby execute in duplicate the following Articles of Merger:

1. The Plan of Merger is attached hereto as Exhibit "A".
2. The name of the Surviving Corporation shall be Litehouse, Inc.
3. As to each of the undersigned corporations, the number of shares outstanding entitled to vote on such Plan are as follows:

<u>Name of Corporation</u>	<u>Number of Shares Entitled to Vote</u>
Litehouse, Inc.:	
Voting Common	2,000
Nonvoting Common	262
Chadalee Farms, Inc.:	
Voting Preferred:	42
Nonvoting Common	5,010


4. As to each of the undersigned corporations, the total number of shares voted for and against such Plan are as follows:

<u>Name of Corporation</u>	<u>Shares Voted For</u>	<u>Shares Voted Against</u>
Litehouse, Inc.:		
Voting Common	2,000	-0-
Nonvoting Common	262	-0-
Chadalee Farms, Inc.:		
Voting Preferred	42	-0-
Nonvoting Common	5,010	-0-


5. This merger shall be effective on the later of the date of filing of these Articles of Merger or the close of business on May 19, 1997.

DATED this 15 day of MAY, 1997.

LITEHOUSE, INC.

By 
 DOUGLAS V. HAWKINS, President
 "Surviving Corporation"

CHADALEE FARMS, INC.

By 
 WENDELL L. CHRISTOFF, President

IDAHO SECRETARY OF STATE
 DATE 05/19/1997
 0900 93847 2
 ON FILE # 6901 CUST# 4260
 MERGER 1@ 30.00= 30.00
 CORP SUR 1@ 20.00= 20.00

PLAN OF MERGER

MAY 19 9 23 AM '97

PLAN OF MERGER, dated the 15th day of May, 1997, by and between LITEHOUSE, INC., an Idaho corporation (herein "Litehouse" or "Surviving Corporation"), and CHADALEE FARMS, INC., a Michigan corporation (herein "Chadalee").

A. Litehouse is a corporation organized and existing under the laws of the State of Idaho, with authorized capital of twenty-five thousand (25,000) shares of voting common stock, \$1.00 par value, and one thousand (1,000) shares of nonvoting common stock, \$1.00 par value. There are two thousand (2,000) shares of voting common stock and two hundred sixty-two (262) shares of nonvoting common stock issued and outstanding as of the date of this Agreement.

B. Chadalee is a corporation organized and existing under the laws of the State of Michigan, with authorized capital of fifty thousand (50,000) shares of nonvoting common stock with a par value of One Dollar (\$1.00), and four thousand four hundred (4,400) shares of voting preferred stock with a par value of One Hundred Dollars (\$100.00). There are five thousand ten (5,010) shares of nonvoting common stock and forty-two (42) shares of voting preferred stock issued and outstanding as of the date of this Agreement.

C. The Boards of Directors of Litehouse and Chadalee, the parties hereto, deem it desirable and in the best interests of the corporations and their shareholders that Chadalee be merged into Litehouse.

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants, and subject to the conditions herein set forth, the merging corporations agree as follows:

1. **Merger.** The merging corporations shall be merged into a single corporation by Chadalee merging into and with Litehouse, the Surviving Corporation, which shall survive the merger, pursuant to the provisions of Section 30-1-71, *et seq.*, of the Idaho Business Corporation Act, and Section 450.1701, *et seq.*, of the Michigan Business Corporation Act. Upon such merger, the separate corporate existence of Chadalee shall cease, and the Surviving Corporation shall become the owner, without other transfer, of all the rights and property of the merging corporations, and the Surviving Corporation shall become subject to all debts and liabilities of the merging corporations in the same manner as if the Surviving Corporation had itself incurred them.

2. **Surviving Corporation.** The name of the Surviving Corporation shall be "Litehouse, Inc." The purposes, county where the principal office for the transaction of business shall be located, county where the registered office shall be located, number of directors, and the capital stock of the Surviving Corporation shall be as appears in the Articles of Incorporation of the Surviving Corporation, and as hereinafter set forth.

3. Amendments to Articles of Incorporation of Surviving Corporation. The Articles of Incorporation of Litehouse shall be amended as follows:

(a) ARTICLE III shall be amended to read as follows:

"Shareholders of this corporation shall have preemptive rights to acquire additional shares offered for sale by this corporation."

(b) ARTICLE V shall be amended to read as follows:

"1. The aggregate number of shares this corporation shall have authority to issue is fifty thousand (50,000) shares, consisting of two (2) classes as follows:

VOTING COMMON: Twenty-five thousand (25,000) shares with a par value of One Dollar (\$1.00) per share.

NONVOTING COMMON: Twenty-five thousand (25,000) shares with a par value of One Dollar (\$1.00) per share.

2. The voting common shares shall possess one (1) vote per share.

3. Except for voting rights, the rights, preferences, and restrictions of the nonvoting common shares shall be identical with the voting common shares. Except as expressly required by law or in these Articles, the nonvoting common shares shall have no voting rights."

(b) Paragraph 1 of ARTICLE VII shall be amended to read as follows:

"1. The number of directors of the corporation shall be fixed as provided in the Bylaws and may be changed from time to time by amending the Bylaws."

(c) Paragraphs 4 and 5 of ARTICLE VII shall be deleted and replaced with the following Paragraphs 4 and 5:

"4. A director of the Corporation shall not be personally liable to the Corporation or its share-

holders for monetary damages arising from any conduct as a director, except this limitation on liability shall not apply to (i) acts or omissions involving intentional misconduct by the director or a knowing violation of law by the director, (ii) conduct violating Section 30-1-48 of the Idaho Business Corporation Act, or (iii) any transaction from which the director will personally receive a benefit in money, property, or services to which the director is not legally entitled. This limitation shall not apply to any act or omission occurring before the effective date of this paragraph. If the Idaho Business Corporation Act is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Idaho Business Corporation Act, as so amended. Any repeal or modification of the foregoing paragraph by the shareholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

5. The Corporation has the power to indemnify, and to purchase and maintain insurance for, its directors, officers, trustees, employees, and other persons and agents. Without limiting the generality of the foregoing, the Corporation shall indemnify its directors against all liability, damages, and costs or expenses (including attorney's fees) arising from or in connection with service for, employment by, or other affiliation with this Corporation to the maximum extent and under all circumstances permitted by law."

3. Board of Directors. The names and addresses of the persons who shall constitute the Board of Directors of the Surviving Corporation, and who shall hold office until the first annual meeting of the shareholders of the Surviving Corporation, are as follows:

Douglas V. Hawkins
P. O. Box 1969
Sandpoint, Idaho 83864

Edward W. Hawkins, Jr.
P. O. Box 1969
Sandpoint, Idaho 83864

Wendell L. Christoff
1400 Foreman Road
Lowell, Michigan 49331

Phillip L. Currie
4370 La Jolla Village Drive
Suite 400
San Diego, California 92122-1233

4. Share Exchange. Upon the effective date of the merger:

(a) Chadalee Shareholder. The sole shareholder of Chadalee shall receive, in exchange for all of the outstanding common and preferred stock of Chadalee, ten (10) voting common shares of Litehouse and seven hundred sixty-eight (768) nonvoting common shares of Litehouse, for a total of seven hundred seventy-eight (778) shares of Litehouse.

(b) Litehouse Shares. For the one thousand (1,000) voting common shares in Litehouse held by each of the two pre-merger Litehouse voting shareholders, each such shareholder shall receive fifteen (15) shares of voting common stock of Litehouse and nine hundred eighty-five (985) shares of nonvoting common stock of Litehouse. Each other share of Litehouse common stock issued and outstanding as of the effective date will remain issued and outstanding without change.

This Plan of Merger may be executed in any number of counterparts, with all such counterparts to constitute an original instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Plan of Merger to be executed by their respective officers thereunto the day and year first above written.

LITEHOUSE, INC.

By 
DOUGLAS V. HAWKINS, President

"Litehouse" or
"Surviving Corporation"

CHADALEE FARMS, INC.

By 
WENDELL L. CHRISTOFF, President

"Chadalee"