

MERGER AGREEMENT

THIS AGREEMENT, Made and entered into this 30th day of March, 1968 by and between BATES MOTOR CO., an Oregon corporation, hereinafter referred to as the "Oregon Company", and its directors and stockholders, parties of the first part, and TOWN & COUNTRY VOLKSWAGEN, INC., an Idaho corporation, hereinafter referred to as the "Idaho Company", and its directors and stockholders, parties of the second part,

W I T N E S S E T H :

WHEREAS, the Oregon Company has an authorized capital stock of 1,000 shares of \$100.00 par value common stock, making a total authorized capital of \$100,000.00, of which 380 shares have been duly issued and are now outstanding; and

WHEREAS, all of the business affairs of the Oregon Company are now carried on within the State of Idaho at its new principal place of business at Highway 30 East, Caldwell, Canyon County, Idaho; and

WHEREAS, the Idaho Company has been organized with an authorized capital stock consisting of 1,000 shares of \$100.00 par value common stock, making a total authorized capital of \$100,000.00, of which no shares have yet been issued or are outstanding; and

WHEREAS, the declared principal place of business of the Idaho Company is Highway 30 East, Caldwell, Canyon County, Idaho; and

WHEREAS, the Idaho Company has been organized under the laws of the State of Idaho for the purpose of merging the Oregon Company therein in order to change the name and place of

incorporation under a tax-free reorganization under and pursuant to Section 368 (a) (1) (F) of the Internal Revenue Code; and

WHEREAS, the Boards of Directors and stockholders and incorporators of the Oregon Company and the Idaho Company, respectively, have deemed it advisable and advantageous to the two corporate entities and their respective stockholders that the Oregon Company merge with the Idaho Company under and pursuant to the provisions of the laws of the State of Idaho;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained, it is hereby agreed by and between the parties hereto as follows:

1. MERGER. The Oregon Company shall be and it is hereby merged into the Idaho Company.
2. EFFECTIVE DATE. This Merger Agreement shall become effective at 12:01 A. M. April 1, 1968, upon compliance with the laws of the State of Idaho.
3. SURVIVING CORPORATION. The Idaho Company shall survive the merger herein contemplated and shall continue to be governed by the laws of the State of Idaho, but the separate corporate existence of the Oregon Company shall cease upon the effective date.
4. AUTHORIZED CAPITAL. The authorized capital stock of the Idaho Company following this effective date shall be 1,000 shares of \$100.00 par value common stock, making a total authorized capital stock of \$100,000.00, unless and until the same shall be changed in accordance with the laws of the State of Idaho.
5. ARTICLES AND CERTIFICATE OF INCORPORATION. The

parties hereto have examined and acknowledged receipt of copies of the Articles of Incorporation and Certificate of Incorporation of the Idaho Company, and agree that said Articles and Certificate may be referred to and certified as the Articles of Incorporation and Certificate of Incorporation of the merged Idaho Company after the effective date.

6. BY-LAWS. Each of the parties hereto acknowledge that they have examined the duly enacted and adopted By-Laws of the Idaho Company, and further acknowledge receipt of a copy thereof, which By-Laws shall be and constitute the By-Laws of the Idaho Company following the effective date, and unless and until the same shall be amended or repealed in accordance with the provisions thereof and the laws of the State of Idaho.

7. CONVERSION OF OUTSTANDING STOCK. Forthwith upon the effective date, each of the issued and outstanding shares of common stock of the Oregon Company and all rights in respect thereof, shall be converted into one (1) fully paid and non-assessable share of common stock of the Idaho Company. Each certificate representing shares of common stock of the Oregon Company shall for all purposes be deemed to evidence the ownership of a like number of shares of common stock of the Idaho Company upon the effective date. The holders of such certificates of stock of the Oregon Company shall immediately surrender the same in exchange for certificates of common stock of the Idaho Company. Upon surrender of the certificates of stock of the Oregon Company, said certificates shall be canceled and a proper reference of such cancellation made in the stockbook of the Idaho Company upon issuance of the new certificates of stock.

8. TRANSFER OF ASSETS AND ASSUMPTION OF LIABILITIES. The execution of this Agreement by the parties hereto shall be

and constitute a transfer from the Oregon Company to the Idaho Company of each and all of the assets and liabilities from the Oregon Company to the Idaho Company pursuant to this Agreement. The parties hereto expressly acknowledge and agree that said transfer is, for the sole purposes of changing the name and place of incorporation of the Oregon Company and in nowise to be considered as a sale of assets. All of the parties hereto acknowledge that they have examined financial statements of the Oregon Company as the same exist on date hereof, and acknowledge receipt of a copy thereof, and further agree that the Idaho Company hereby assumes all of the liabilities and obligations of the Oregon Company as listed thereon. It is further agreed that the officers of the Oregon Company shall execute any and all necessary assignments, deeds or transfers necessary to place the assets of the Oregon Company in the name of the Idaho Company pursuant to the intent of this Agreement.

9. BOOK ENTRIES. The merger contemplated hereby shall be treated as a pooling of interests and as of the effective date entries shall be made upon the books of the Idaho Company in accordance with the following:

(a) The assets and liabilities of the Oregon Company shall be recorded in the amounts at which they are carried on the books of the Oregon Company immediately prior to the effective date.

(b) There shall be credited to the capital account of the Idaho Company such amounts which are carried on the books of the Oregon Company immediately prior to the effective date.

(c) There shall be credited to the surplus and earnings accounts of the Idaho Company amounts equal to the amount carried on the respective accounts of the Oregon Company immediately prior to the effective date.

(d) All other bookkeeping practices and entries of the Oregon Company shall be perpetuated and carried on in the books of the Idaho Company until otherwise directed by the Board of Directors.

10. DIRECTORS. The names and post office addresses of the first directors of the Idaho Company following the effective date shall be four in number, and who shall hold office from the effective date until the annual meeting of the stockholders of the Idaho Company held on October 1, 1968, and until their successors shall be elected and qualified, are as follows:

Merle Taylor, 255 Country Club Lane, Albany,
Oregon

William Johnson, 102 Weatherford Way, Corvallis,
Oregon

Robert Osborne, 842 N. E. 44th Avenue, Portland,
Oregon

Donald G. Hull, 503 W. Colorado, Nampa, Idaho

11. OFFICERS. The names and post office addresses of the first officers of the Idaho Company following the effective date, who shall be President and Secretary-Treasurer, and who shall hold office from the effective date until their successors shall be appointed and shall qualify, or until they shall resign or be removed from office, are as follows:

Donald G. Hull, President, 503 W. Colorado, Nampa,
Idaho

Phyllis M. Hull, Secretary-Treasurer, 503 W. Colorado,
Nampa, Idaho

12. VACANCIES. If, after the effective date, a vacancy shall exist in the Board of Directors or in any of the offices of the Idaho Company as the same are specified above, such vacancy shall thereafter be filled in the manner as provided by the law of the State of Idaho and the By-Laws of the Idaho Company.

13. FILING AND RECORDING OF MERGER AGREEMENT. This Agreement shall be filed and recorded in the records of the Secretary of State of the State of Idaho, the Secretary of State of the State of Oregon, and the County of Canyon, State of Idaho, and at all other places required by the laws of the State of Oregon or the State of Idaho.

14. NON-TAXABLE REORGANIZATION. This merger, as stated herein, is intended to be, and is hereby declared to be, a mere change in form as to the State of incorporation, name, and the principal place of business of the Oregon Company by merging the same into the Idaho Company under and pursuant to Section 368 (a) (1) (F) of the Internal Revenue Code, United States of America, and the parties hereto hereby agree that any act or provision in or contemplated by this Agreement which would disqualify this merger under and pursuant to said Section of the Internal Revenue Code, shall be deemed void and unenforceable.

IN WITNESS WHEREOF, each of the corporate parties hereto, and their respective directors, stockholders and incorporators, have executed this Merger Agreement and caused the respective corporate seals to be affixed hereto.

BATES MOTOR CO.

(CORPORATE SEAL)

By Donald G. Hull Pres.
Donald G. Hull - President

ATTEST:

Phyllis M. Hull
Phyllis M. Hull
Secretary-Treasurer

Merle F. Taylor
Merle Taylor

William Johnson
William Johnson

Robert Osborne
Robert Osborne

Donald G. Hull
Donald G. Hull

Constituting all of the members of
the Board of Directors of Bates
Motor Co.

Donald G. Hull
Donald G. Hull

Phyllis M. Hull
Phyllis M. Hull

Constituting all of the stockholders
of Bates Motor Co.

TOWN & COUNTRY VOLKSWAGEN, INC.

(CORPORATE SEAL)

ATTEST:

Phyllis M. Hull
Phyllis M. Hull
Secretary-Treasurer

By Donald G. Hull
Donald G. Hull - President

Merle F. Taylor
Merle Taylor

William Johnson
William Johnson

Robert Osborne
Robert Osborne

Donald G. Hull
Donald G. Hull

Constituting all of the members of
the Board of Directors of Town &
Country Volkswagen, Inc.

Donald G. Hull
Donald G. Hull

Phyllis M. Hull
Phyllis M. Hull

Constituting all of the stockholders
of Town & Country Volkswagen, Inc.

C E R T I F I C A T E

STATE OF IDAHO

County of Canyon

ss.

DONALD G. HULL and PHYLLIS M. HULL, being first duly sworn, depose and say:

That they are President and Secretary-Treasurer, respectively, of BATES MOTOR CO.; that they hereby certify that the above and foregoing Merger Agreement is a true and accurate duplicate original of the original Merger Agreement executed and on file in the records of Bates Motor Co.; that the same was adopted and approved by unanimous vote and consent of all of the stockholders of Bates Motor Co. at a special meeting of stockholders duly and lawfully held on the 30th day of March, 1968, and that said Merger Agreement was also approved and adopted by unanimous vote of all of the members of the Board of Directors of Bates Motor Co. at a special meeting duly and lawfully held by the Board of Directors of Bates Motor Co. on the 30th day of March, 1968.

Dated this 30th day of March, 1968.

Donald G. Hull
Donald G. Hull
Phyllis M. Hull
Phyllis M. Hull

Subscribed and sworn to before me this 30th day of March, 1968.

(SEAL)

Leon R. Weeks
Leon R. Weeks
Notary Public for Idaho
Residing at Nampa, Idaho

C E R T I F I C A T E

STATE OF IDAHO

County of Canyon

ss.

DONALD G. HULL and PHYLLIS M. HULL, being first duly sworn, depose and say:

That they are President and Secretary-Treasurer, respectively, of TOWN & COUNTRY VOLKSWAGEN, INC.; that they hereby certify that the above and foregoing Merger Agreement is a true and accurate duplicate original of the original Merger Agreement executed and on file in the records of Town & Country Volkswagen, Inc.; that the same was adopted and approved by unanimous vote and consent of all of the incorporators, shareholders and stock subscribers of Town & Country Volkswagen, Inc. at a special meeting of incorporators and stockholders duly and lawfully held on the 30th day of March, 1968, and that said Merger Agreement was also approved and adopted by unanimous vote of all of the members of the Board of Directors of Town & Country Volkswagen, Inc. at a special meeting duly and lawfully held by the Board of Directors of Town & Country Volkswagen, Inc. on the 30th day of March, 1968.

Dated this 30th day of March, 1968.

Donald G. Hull
Donald G. Hull
Phyllis M. Hull
Phyllis M. Hull

Subscribed and sworn to before me this 30th day of March, 1968.

Leon R. Weeks
Leon R. Weeks
Notary Public for Idaho
Residing at Nampa, Idaho

(SEAL)