

FILED ELECTRONIC

STATEMENT OF MERGER
OF
SK PROPERTIES L.P.
AN IDAHO LIMITED PARTNERSHIP,
AND

NORQUIST INVESTMENTS LIMITED PARTNERSHIP
AN IDAHO LIMITED PARTNERSHIP

2009 JAN -2 AM 11:44
SECRETARY OF STATE
STATE OF IDAHO

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THIS STATEMENT OF MERGER ("Statement") is submitted by SK PROPERTIES L.P., an Idaho limited partnership (the "Merging Partnership"), and NORQUIST INVESTMENTS LIMITED PARTNERSHIP, an Idaho limited partnership (the "Surviving Partnership"), pursuant to § 30-18-205, Idaho Code:

1. NAME, JURISDICTION OF ORGANIZATION AND TYPE OF EACH MERGING ENTITY THAT IS NOT THE SURVIVING ENTITY:

SK PROPERTIES L.P., an Idaho limited partnership

2. NAME, JURISDICTION OF ORGANIZATION AND TYPE OF SURVIVING ENTITY:

NORQUIST INVESTMENTS LIMITED PARTNERSHIP, an Idaho limited partnership

3. EFFECTIVE DATE OF MERGER: December 31, 2008

4. APPROVAL OF MERGER. The Agreement and Plan of Merger was approved by all partners of Norquist Investments Limited Partnership and SK Properties L.P., as required by the Idaho Entity Transactions Act, effective December 31, 2008.

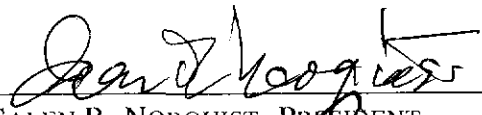
IN WITNESS WHEREOF, the duly authorized General Partners of each of the constituent limited partnerships have executed this Statement effective the 31st day of December, 2008.

SURVIVING PARTNERSHIP:

NORQUIST INVESTMENTS LIMITED PARTNERSHIP,
BY ITS SOLE GENERAL PARTNER:

WESTERN MANAGEMENT CORPORATION

BY:



GALEN R. NORQUIST, PRESIDENT

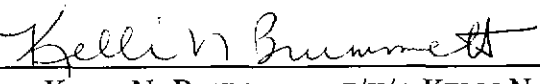
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MERGING PARTNERSHIP:

SK PROPERTIES L.P.

BY: 
STEPHEN G. NORQUIST, GENERAL PARTNER

BY: 
KELLI N. BRUMMETT, F/K/A KELLI N.
BROOKSBY, GENERAL PARTNER

**PLAN OF MERGER
OF
NORQUIST INVESTMENTS LIMITED PARTNERSHIP
AN IDAHO LIMITED PARTNERSHIP,
AND
S.K. PROPERTIES L.P.
AN IDAHO LIMITED PARTNERSHIP**

* * * * *

THIS PLAN OF MERGER (this "AGREEMENT") is made and entered into effective the 31st day of December, 2008, by and between NORQUIST INVESTMENTS LIMITED PARTNERSHIP, an Idaho limited partnership ("NILP"), and S.K. PROPERTIES L.P., an Idaho limited partnership ("SK"), (collectively, the "Constituent Partnerships").

WITNESSETH:

WHEREAS, each of the Constituent Partnerships, acting by and through their general and limited partners, have adopted the plan of merger set forth in this Plan, and the Constituent Partnerships and their respective general and limited partners deem it advisable and in the best interest of each of the Constituent Partnerships that SK be merged with and into NILP (the "Merger"), under and pursuant to Idaho Code § 30-18-101, *et seq.*, the Idaho Entity Transactions Act;

NOW, THEREFORE, the Constituent Partnerships do hereby agree to merge on the terms and conditions herein provided as follows:

1. MERGER.

(a) **SURVIVING PARTNERSHIP.** SK (hereinafter the "Merging Partnership") will be merged into NILP; and NILP shall be the surviving partnership (hereinafter the "Surviving Partnership") and shall be governed by the laws of the State of Idaho.

(b) **CHANGE IN STATUS OF SURVIVING PARTNERSHIP.** Upon the Effective Date of the Merger, the Surviving Partnership shall register to do business as a limited liability limited partnership and shall thereafter be known as "Norquist Investments LLLP."

(c) **EFFECTIVE DATE.** The "Effective Date" of the Merger shall be, and such term as used herein shall mean, December 31, 2008.

2. STATUS OF PARTNERS OF SURVIVING PARTNERSHIP. The partnership status of each of the partners of the Surviving Partnership is as follows:

(a) **GENERAL PARTNER.** WESTERN MANAGEMENT CORPORATION, an Idaho corporation, shall act as the General Partner.

(b) **LIMITED PARTNERS.** The Limited Partners are as follows:

WESTERN STEEL MANUFACTURING COMPANY, an Idaho Corporation;
GALEN R. NORQUIST and JEAN C. NORQUIST, husband and wife;
STEPHEN G. NORQUIST, an individual;
KELLI N. BRUMMETT, f/k/a Kelli N. Brooksby, an individual; and
the STEPHEN G. NORQUIST CHILDREN'S TRUST, U/T/D SEPTEMBER 30, 1997.

3. **OFFICE OF THE SURVIVING PARTNERSHIP.** The office of the Surviving Partnership shall be located at 5105 Bel Air Drive, Boise, Idaho 83705.

4. **BUSINESS PURPOSE OF MERGER.** The merger of the Constituent Partnerships is being effected for the following business reasons, among others:

- (a) To enhance the borrowing power of the combined partnerships;
- (b) To provide for centralized management;
- (c) To increase administrative efficiency;
- (d) To simplify filing of informational returns;
- (e) To provide for the consolidation of assets; and
- (f) To strengthen the financial position of the combined partnerships.

5. **PARTNERSHIP INTEREST CONVERSION.** On the Effective Date and pursuant to the plan set forth herein, the partnership interests in the Merging Partnership held immediately prior to the merger shall be exchanged into and become equivalent interests in value in the Surviving Partnership based upon the relative pro rata values of the underlying net assets and liabilities of each partnership associated with such interests, the exact percentage interests to be determined by the valuation advisors of the Constituent Partnerships.

6. **EFFECT OF THE MERGER.**

(a) **RIGHTS, PRIVILEGES AND OBLIGATIONS.** On the Effective Date, the Surviving Partnership, without further act, deed or other transfer, shall retain or succeed to, as the case may be, and possess and be vested with all of the rights, privileges, immunities, powers, franchises and authority, of a public as well as of a private nature, of the Constituent Partnerships; all property of every description and every interest therein and all debts and other obligations of or belonging to or due to the Constituent Partnerships on whatever account shall thereafter be taken and deemed to be held by or transferred to, as the case may be, or vested in the Surviving Partnership without further act or deed; title to any real estate, or any interest therein, vested in the Constituent Partnerships shall not revert or in any way be impaired by reason of the Merger; and all of the rights of creditors of the Constituent Partnerships shall be preserved unimpaired, and all liens upon the property of the Constituent Partnerships shall be preserved unimpaired, and all debts, liabilities, obligations and duties of the Constituent Partnerships shall thenceforth remain with or

attach to, as the case may be, the Surviving Partnership and may be enforced against it to the same extent as if all of said debts, liabilities, obligations and duties had been incurred or contracted by the Surviving Partnership. The legal existence of the Merged Partnership shall cease as of the effective date of the Merger, with all operations and activities of said partnership to be succeeded to by the Surviving Partnership.

(b) **FURTHER ACTION.** From time to time, as and when requested by the Surviving Partnership, or by its successors or assigns, any party hereto shall execute and deliver or cause to be executed and delivered all such deeds and other instruments, and shall take or cause to be taken all such further or other actions, as the Surviving Partnership, or its successors or assigns, may deem necessary or desirable in order to vest in or confirm to the Surviving Partnership, and its successors or assigns, title to and possession of all the property, rights, privileges, powers and franchises referred to herein and otherwise to carry out the intent and purposes of this Plan.

7. **AMENDMENT OF AGREEMENT OF LIMITED PARTNERSHIP.** The Constituent Partnerships acknowledge and agree that, effective December 31, 2008, the Amended and Restated Agreement of Limited Partnership of NILP, dated December 1, 2003, shall be amended and restated in its entirety to take into account the changes contemplated under this Plan and the merger of the Constituent Partnerships.

8. **TERMINATION; AMENDMENT.**

(a) **TERMINATION PROVISION.** Anything contained in this Plan to the contrary notwithstanding, this Plan may be terminated and the Merger abandoned at any time prior to the Effective Date:

(i) By mutual written consent of the Constituent Partnerships; or

(ii) Written notice of any suit, action or other proceeding commenced, pending or threatened, before any court or other governmental agency of the federal or state government, in which it is sought to restrain, prohibit or otherwise adversely affect the consummation of the Merger.

(b) **AMENDMENT PROVISIONS.** Anything contained in this Plan notwithstanding, this Plan may be amended or modified in writing at any time prior to the Effective Date, provided that an amendment made subsequent to the adoption of this Plan by the general partners of the Constituent Partnerships shall not (i) alter or change the amount or kind of shares, securities, cash, property and/or rights to be received in exchange for or on conversion of all or any of the interests thereof of the Constituent Partnerships, (ii) alter or change any term of the Plan of Limited Partnership of the Surviving Partnership to be effected by the Merger, or (iii) alter or change any of the terms and conditions of this Plan if such alteration or change would adversely affect the holders of any class or series thereof of the Constituent Partnerships. Subject to the immediately foregoing sentence, the Constituent Partnerships may, by agreement in writing, extend the time for performance of, or waive compliance with, the conditions or agreements set forth herein.

(c) **GENERAL PARTNER ACTION.** In exercising their rights under this Section 8, each of the Constituent Partnerships may act by its general partner, and such rights may be so exercised, notwithstanding the prior approval of this Plan by the general and limited partners of the Constituent Partnerships.

9. REPRESENTATIONS AND WARRANTIES OF THE CONSTITUENT PARTNERSHIPS. The Constituent Partnerships hereby represent as follows:

(a) **EXISTENCE AND GOOD STANDING.** The Constituent Partnerships are both Idaho limited partnerships duly organized, validly existing and in good standing under the laws of the State of Idaho.

(b) **AUTHORITY.** The Constituent Partnerships, pursuant to the adoption of the plan set forth herein by their general and limited partners, have full legal right, power and authority to enter into this Plan without obtaining the consent or approval of any other person or governmental authority.

(c) **LAWS AND REGULATIONS; LITIGATION.** Neither of the Constituent Partnerships are knowingly in violation of or in default of any law or regulation, or under any order of any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality having jurisdiction over the Constituent Partnerships; and there are no known claims, actions, suits or proceedings pending or threatened against or affecting either of the Constituent Partnerships at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality having jurisdiction over the Constituent Partnerships, which would impair their ability to execute or perform under this Plan.

(d) **APPROVAL AND AUTHORIZATION.** The execution and delivery of this Plan by and the performance of the transactions contemplated herein have been duly and validly authorized by each of the Constituent Partnerships as set forth above; and this Plan is a legal, valid and binding obligation on each of the Constituent Partnerships.

(e) **NO DEFAULT.** The execution of this Plan by the Constituent Partnerships and the performance of the obligations herein will not violate or result in a breach of or constitute a default of any agreement to which either of the Constituent Partnerships is a party or by which either of said entities is bound.

(f) **NO MISLEADING STATEMENTS.** The representations and warranties contained in this Plan are complete and accurate and do not and will not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made and to be made not misleading.

10. INDEMNIFICATION.

(a) **BY THE MERGING PARTNERSHIP.** The partners of the Merging Partnership agree that they will indemnify the Surviving Partnership for losses, damages, liabilities, claims, deficiencies, costs, expenses or expenditures identified by the Surviving Partnership in a written notice to the partners of the Merging Partnership with respect to any misrepresentation, omission, breach of warranty or nonfulfillment of any agreement relating to events arising prior to the effective date of this Plan of which the partners of the Merging Partnership were aware but of which the Surviving Partnership was not aware.

(b) **BY THE SURVIVING PARTNERSHIP.** The Surviving Partnership agrees that it will indemnify the partners of the Merging Partnership for losses, damages, liabilities, claims, deficiencies, costs, expenses or expenditures identified by the partners of the Merging Partnership in a written notice to the Surviving Partnership with respect to any misrepresentation, omission, breach of warranty or nonfulfillment of any agreement relating to events arising prior to the effective date of this Plan of which the Surviving Partnership was aware but of which the partners of the Merging Partnership were not aware.

(c) **CLAIMS FOR INDEMNIFICATION.** If any claim is made, filed or brought against one of the Parties to this Plan who is or may be subject to a claim for indemnification under this Article 10, the Party seeking indemnification shall promptly give the other Party written notice of the claim and the indemnifying Party shall thereafter have the option to either defend the claim using attorneys selected by and at the expense of the indemnifying Party or to pay the amount of the claim within thirty (30) days of receipt and notice of the claim. The Parties agree to cooperate in the investigation, defense and response to any such claims. Without affecting any applicable duty to indemnify, in the event a claim is covered by insurance, the Parties will work together in good faith to process each such claim through insurance.

11. MISCELLANEOUS

(a) **ADDITIONAL CONVEYANCES.** Upon the execution of this Plan, the Constituent Partnerships mutually agree to promptly undertake and to pursue, cooperatively and diligently, the obtaining of all approvals, consents and authorizations required to be given by third parties, governmental or private, that are necessary or appropriate to effect the transactions contemplated in this Plan in an expeditious and prudent manner. In addition, the Constituent Partnerships shall deliver or cause to be delivered on the closing date, and at such other times and places as shall be reasonably agreed on, any additional information that the other Constituent Partnership may reasonably request for the purpose of carrying out this Plan. The Constituent Partnerships agree that this Plan or any ancillary documentation to implement this Plan, as necessary, may be signed by the general and limited partners of each Constituent Partnership individually, or through a power of attorney exercised by such general and limited partners.

(b) **BINDING AGREEMENT.** This Plan shall be fully binding on the successors, heirs, legal representatives and assigns of the Constituent Partnerships.

(c) **NO ASSIGNMENT.** This Plan and the rights of the Constituent Partnerships hereunder may not be assigned (except by operation of law) and shall be binding upon and shall inure to the benefit of the Constituent Partnerships hereto, their heirs, successors and legal representatives.

(d) **APPLICABLE LAW.** This Plan shall be construed in accordance with the laws of the State of Idaho.

(e) **COUNTERPARTS.** Any number of counterparts of this Plan may be signed and delivered, and each shall be considered an original and together they shall constitute a single agreement.

(f) **CAPTIONS.** The captions in this Plan are for convenience only and shall not be considered a part hereof or affect the construction or interpretation of any provisions of this Plan.

(g) **MODIFICATION; ENTIRE AGREEMENT.** The provisions of this Plan shall not be changed, modified, amended or waived in any way except in a writing signed by the Constituent Partnership or Constituent Partnerships to be charged. This Plan sets forth the entire agreement and understanding among the Constituent Partnerships as to its subject matter and merges with and supersedes all prior discussions, agreements and understandings of every kind and nature with respect to the Merger.

(h) **NUMBER AND GENDER.** Unless the context indicates a contrary intent, the plural and singular forms of words shall each include the other, and every noun and pronoun shall have a meaning that includes the masculine, feminine and neuter genders.

(i) **SEVERABILITY.** The invalidity or unenforceability of any provision of this Plan shall not affect its other provisions. This Plan shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

(j) **ARBITRATION.** Any dispute, controversy or claim arising out of, in connection with, or relating to, this Plan or any breach or alleged breach of this Plan that cannot be settled through negotiation or mediation, shall be submitted to, and be settled by binding arbitration in Coeur d'Alene, Kootenai County, Idaho, pursuant to the rules then in effect of the American Arbitration Association (or at any other place or under any other form of arbitration mutually acceptable to the parties so involved). Any decision or award rendered shall be final and conclusive upon the Constituent Partnerships, and a judgment on such decision or award may be entered in the highest court of the forum, state or federal, having jurisdiction. The expenses of the arbitration shall be borne equally by the parties to the arbitration, provided that each party shall pay for and bear the cost of their own respective experts, evidence and counsel's fees. THE CONSTITUENT PARTNERSHIPS UNDERSTAND THAT EACH OF THEM WOULD HAVE HAD A RIGHT OR OPPORTUNITY TO LITIGATE THROUGH A COURT AND TO HAVE A JUDGE OR JURY DECIDE THEIR CASE, BUT EACH OF THEM CHOOSE TO HAVE ANY DISPUTES DECIDED THROUGH BINDING ARBITRATION.

(k) **ADVICE OF COUNSEL.** BY EXECUTING THIS PLAN, EACH CONSTITUENT PARTNERSHIP ACKNOWLEDGES, INDICATES AND AGREES AS FOLLOWS:

(1) THAT THE LAW FIRM OF THORNTON BYRON LLP HAS BEEN RETAINED TO ADVISE THE CONSTITUENT PARTNERSHIPS AND THEIR REPRESENTATIVES WITH RESPECT TO THIS PLAN;

(2) THAT EACH CONSTITUENT PARTNERSHIP HAS BEEN ADVISED AND FULLY COMPREHENDS THAT EACH OF THEM SHOULD SEEK THE ADVICE OF INDEPENDENT COUNSEL PRIOR TO EXECUTION OF THIS PLAN; AND

(3) THAT EACH CONSTITUENT PARTNERSHIP HAS HAD THE OPPORTUNITY TO SEEK THE ADVICE OF INDEPENDENT COUNSEL AND THAT EACH CONSTITUENT PARTNERSHIP HAS EITHER SOUGHT AND RECEIVED SUCH ADVICE PRIOR TO THE EXECUTION OF THIS PLAN OR HAS CHOSEN TO FOREGO SEEKING SUCH ADVICE.

IN WITNESS WHEREOF, this Plan, having first been duly approved by resolution of the general and limited partners of each of the Constituent Partnerships, is hereby executed on behalf of each of the Constituent Partnerships by each of their general and limited partners.


SURVIVING PARTNERSHIP:

NORQUIST INVESTMENTS LIMITED PARTNERSHIP

GENERAL PARTNER:

WESTERN MANAGEMENT CORPORATION

BY:


GALEN R. NORQUIST, PRESIDENT

LIMITED PARTNERS:

WESTERN STEEL MANUFACTURING COMPANY


By:


STEPHEN G. NORQUIST, PRESIDENT


GALEN R. NORQUIST


JEAN C. NORQUIST


STEPHEN G. NORQUIST


KELLI N. BRUMMETT,
F/K/A KELLI N. BROOKSBY

STEPHEN G. NORQUIST CHILDREN'S TRUST
U/T/D SEPTEMBER 30, 1997

BY: Margarita Shore 12-26-08
MARGARITA SHORE, TRUSTEE

MERGING PARTNERSHIP:

SK PROPERTIES L.P.

GENERAL AND
LIMITED PARTNERS:

Stephen G. Norquist
STEPHEN G. NORQUIST
Kelli N. Brummett
KELLI N. BRUMMETT,
F/K/A KELLI N. BROOKSBY

ADDITIONAL LIMITED
PARTNERS:

STEPHEN G. NORQUIST CHILDREN'S TRUST
U/T/D SEPTEMBER 30, 1997

BY: Margarita Shore 12-26-08
MARGARITA SHORE, TRUSTEE
Galen R. Norquist
GALEN R. NORQUIST