

# 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 WRS, INC., an Idaho corporation, into J.D. LUMBER, INC., an Idaho corporation, duly signed and verified 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: November 2, 1992



*Pete T. Cenarrusa*  
SECRETARY OF STATE

By *Ray J. Clark*

## ARTICLES OF MERGER

Pursuant to the provisions of Section 30-1-74 of the Idaho Business Corporation Act, the undersigned corporations adopt the following **Articles of Merger** for the purpose of merging them into one of such corporations:

1. Attached hereto as "Exhibit A" and incorporated by reference herein is a copy of the Plan of Merger, dated September 16, 1992 (the "Plan of Merger"), adopted in accordance with the Idaho Business Corporation Act providing for the merger of **WRS, INC.** into **JD LUMBER, INC.**, with **JD LUMBER, INC.** being the surviving corporation in the Merger.

2. As to each undersigned corporation, the number of shares of Common Stock outstanding are as follows:

<u>Name of Corporation</u>	<u>Number of Common Shares Outstanding</u>
<b>JD. LUMBER, INC.</b>	7332
<b>WRS, INC.</b>	5000

3. With respect to **JD LUMBER, INC.**, 6,591 Shares were voted for, and no Shares were voted against, the Plan of Merger. With respect to **WRS, INC.**, 5000 Shares were voted for, and no shares were voted against, the Plan of Merger.

DATED this 22 day of OCTOBER, 1992.

**JD. LUMBER, INC.**

BY: Timothy F. Roberts

Title: V. PRESIDENT

BY: Warren Naughton

Title: SECRETARY-TREASURER

**WRS, INC.**

BY: Warren Naughton

Title: PRESIDENT

BY: Timothy F. Roberts

Title: SECRETARY

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STATE OF IDAHO,           )  
                                      : ss  
County of Bonner.        )

On this 22 day of OCTOBER, 1992, before me, the undersigned, a Notary Public in and for said state, personally appeared TIM RICKARD and DAVID SLAUGHTER, known to me to be the VICE-PRESIDENT and SECRETARY - TREASURER of JD LUMBER, INC., the corporation that executed the instrument or the persons who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Ann L. Wylie  
Notary Public - State of Idaho.  
Residing at Priest River, therein.  
My commission expires: 11/8/94.

STATE OF IDAHO,           )  
                                      : ss  
County of Bonner.        )

On this 22 day of OCTOBER, 1992, before me, the undersigned, a Notary Public in and for said state, personally appeared DAVID SLAUGHTER and TIM RICKARD, known to me to be the PRESIDENT and SECRETARY, of WRS, INC., the corporation that executed the instrument or the persons who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

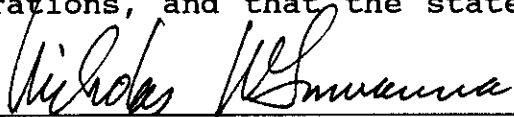
IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Ann L. Wylie  
Notary Public - State of Idaho.  
Residing at Priest River, therein.  
My commission expires: 11/8/94.

**VERIFICATION**

STATE OF IDAHO,            )  
                                      : ss  
County of Bonner.        )

I, Nicholas M. Lamanna, a Notary Public, do hereby certify that on this 22nd day of October, 1992, personally appeared before me David Slaughter, who, being by me first duly sworn, declared that he is the Secretary-Treasurer and President, respectively, of J. D. Lumber, Inc. and WRS, Inc., that he signed the foregoing instrument as such of the corporations, and that the statements therein contained are true.

  
\_\_\_\_\_  
Notary Public - State of Idaho.  
Residing at Priest River, therein.  
My commission expires: 11-4-97.

## A PLAN OF MERGER

This Plan of Merger (the "Plan of Merger") is entered into as of the 16th day of September, 1992 by J D Lumber, Incorporated, an Idaho corporation ("J D Lumber"), and WRS, Inc, an Idaho corporation ("WRS"), and provides for the merger of WRS into J D Lumber. J D Lumber and WRS are hereinafter sometimes collectively referred to as the "Constituent Corporations."

## RECITALS

WHEREAS, the Board of Directors of each of the Constituent Corporations has unanimously approved the merger (the "Merger") of WRS into J D Lumber in accordance with the Idaho Business Corporation Act (the "Act") and the provisions of this Plan of Merger; and

WHEREAS, the result of the Merger will be that the holders of the issued and outstanding shares of Common Stock, \$1.00 par value ("J D Lumber Common Stock"), of J D Lumber (other than WRS and those holders who exercise their appraisal rights) shall receive in exchange for each share of J D Lumber Common Stock (i) \$368.25 in cash or (ii) \$368.25 in principal amount of J D Lumber's 10% Notes (the "Notes"), all as more fully described herein;

NOW, THEREFORE, in consideration of the above premises, and the mutual covenants, agreements and conditions herein contained, and in accordance with the provisions of the Act, the parties hereby agree as follows:

## ARTICLE I

Merger

At the Effective Time (hereinafter defined) (i) WRS shall be merged into J D Lumber, (ii) the separate corporate existence of WRS shall cease and J D Lumber shall continue in existence, and (iii) the Merger shall in all respects have the additional effects provided for in the Act.

This Plan of Merger shall be submitted to the shareholders of the Constituent Corporations as provided by the Act. If this Plan of Merger is duly authorized and adopted by the requisite votes or written consents of such shareholders and is not terminated and abandoned pursuant to the terms of Paragraph A of Article IV, Articles of Merger and this Plan of Merger shall be filed and recorded in accordance with the Act as soon as practicable after the approval by such shareholders. In addition to the approval of the Merger by the holders of a majority of the outstanding J D Lumber Common

Stock required by the Act, the Constituent Corporations agree that the Merger must also be approved by the affirmative vote of the holders of a majority of the outstanding shares of J D Lumber Common Stock other than WRS. The Merger shall become effective upon the issuance of the certificate of merger by the Secretary of State of the State of Idaho (the time of such issuance is the "Effective Time").

## ARTICLE II

### Conversion of Shares

At the Effective Time, the following shall occur by virtue of the Merger and without further action by the Constituent Corporations or the holders of capital stock thereof:

A. Each outstanding share of Common Stock, \$1.00 par value, of WRS shall be converted into, and shall represent solely, one share of Common Stock of J D Lumber, \$1.00 par value.

B. Each outstanding share of J D Lumber Common Stock owned by the shareholders who are not named in paragraphs C or E of this Article II shall be converted into, and shall represent solely, the right to receive \$368.25 in cash.

C. Each outstanding share of J D Lumber Common Stock owned by WRS immediately prior to the Effective Time shall be cancelled without entitlement to any consideration in the Merger.

D. Any holder of shares of J D Lumber Common Stock may elect to receive a Note (a form of which is attached as Annex I) in the principal amount contemplated by paragraph B of this Article II; provided, however, that no more than one Note will be issued to any holder. The form of election will be included in the letter of transmittal sent to each holder after the Effective Time. Any election to receive a Note may be revoked by the holder by written notice to J D Lumber prior to the issuance of the Notes.

E. Notwithstanding anything in this Agreement to the contrary, shares of J D Lumber Common Stock that are outstanding immediately prior to the Effective Time and are held by a shareholder (other than WRS) who shall not have voted such shares in favor of adoption of this Agreement and who has demanded appraisal for such shares in accordance with the Act shall not be converted into a right to receive the consideration to which the holder of such shares is entitled as provided in this Article II (unless such holder fails to perfect or withdraws or otherwise loses his right to appraisal).

### ARTICLE III

#### Articles of Incorporation, Bylaws, Directors, and Officers of Surviving Corporation

Immediately after the Merger, the Articles of Incorporation and bylaws of J D Lumber shall continue to be the Articles of Incorporation and bylaws of the Surviving Corporation until changed as provided by law and their respective provisions<sup>^</sup>. The directors and officers of J D Lumber immediately prior to the Effective Time will be the directors and officers of the Surviving Corporation, in each case until their successors are elected and qualified.

### ARTICLE IV

#### Miscellaneous

A. Termination. At any time prior to the filing of the Articles of Merger with the Secretary of State of Idaho, this Plan of Merger may be terminated by the mutual consent of the Boards of Directors of the Constituent Corporations notwithstanding favorable action with respect to the Merger by the stockholders or directors of any of the Constituent Corporations. In addition, WRS may terminate this Plan of Merger upon the occurrence of any of the following events:

(1) <sup>^</sup> SeattleFirst National Bank shall fail to consent to the Merger;<sup>^</sup>

(2) any change (or any development involving a prospective change) shall have occurred in the business, properties, financial condition, operations, results of operations or prospects of J D Lumber that is or could reasonably be expected to be materially adverse to J D Lumber;

(3) a court of competent jurisdiction or other governmental body shall have issued an order, decree, or ruling, or taken any other action, restraining, enjoining, or otherwise challenging or prohibiting, or awarding substantial damages or imposing material limitations on either of the Constituent Corporations in connection with, the transactions contemplated hereby; or

(4) the death or disability of any officer of J D Lumber.

B. Amendments. The boards of directors of the Constituent Corporations, prior to the Effective Time, may amend, modify or supplement this Plan of Merger in such manner as they may determine at any time before or after approval or adoption hereof by the shareholders of any Constituent Corporation; provided, however, that, after favorable action by the shareholders of either Constituent Corporation, no such amendment, modification or supplement shall 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 shares of any class or series thereof of a Constituent Corporation, alter or change any term of the Articles of Incorporation of J D Lumber as the surviving corporation or affect the rights of such shareholders in a manner that is materially adverse to such shareholders in the judgment of the board of directors of such Constituent Corporation.

IN WITNESS WHEREOF, WRS and J D Lumber, pursuant to the approval and authority duly given by resolutions adopted by their boards of directors, have caused this Plan of Merger to be executed.

WRS, INC.

By: \_\_\_\_\_  
Title: President

J D LUMBER, INCORPORATED

By: \_\_\_\_\_  
Title: President

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^ Appendix I-NoteA