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CONSENT TO ADOPTION OF CORPORATE NAME

GOLCONDA CORPORATION, a duly authorized and existing corporation of the State of Idaho, hereby consents to the adoption and use of the name "GOLCONDA MINING CORPORATION" by the corporation filing Articles of Incorporation stating said name therein, whose incorporators are:

Woolvin Patten

Peter LeSourd

C. Dean Little

Dated: September 14, 1970.

GOLCONDA CORPORATION

By Wray Featherstone  
Wray Featherstone  
President

PLAN AND AGREEMENT OF MERGER  
OF  
ASTRO CONTROLS, INC.  
(A Delaware Corporation)  
INTO  
GOLCONDA MINING CORPORATION  
(An Idaho Corporation)

This Plan and Agreement of Merger, dated as of April 16, 1970, is made by and between ASTRO CONTROLS, INC., a Delaware corporation (herein called "Astro"), and GOLCONDA MINING CORPORATION, an Idaho corporation (herein called "Golconda"),

W I T N E S S E T H:

WHEREAS, the boards of directors of Astro and Golconda, in consideration of the mutual agreements of each corporation as set forth herein, do deem it advisable to merge the business activities of Astro into Golconda to promote the efficient, economical and profitable conduct of said business; and

WHEREAS, Astro has authorized 2,000,000 shares of no par value common stock of which 552,502 shares were, as of December 31, 1969, issued and outstanding; and has authorized 600,000 shares of a cumulative, convertible preferred stock. of which 463,571 shares were, as of December 31, 1969, issued and outstanding; and

WHEREAS, Golconda has authorized 2,000,000 shares of common stock with a par value of 10¢ per share, of which 1,933,000 shares were, as of December 31, 1969, issued and outstanding;

(b) Each share of convertible preferred stock of Astro shall be converted into one share of the convertible preferred stock of Golconda. The terms and provisions of the convertible preferred shares to be issued by Golconda are set forth in EXHIBIT A attached hereto.

(c) Each share of common stock of Astro shall be converted into one and one-half shares of the common stock of Golconda. If, however, during the next sixty (60) trading days following March 24, 1970, the closing price of Golconda on the Pacific Coast Exchange is \$14.00 per share or higher for ten out of any fifteen consecutive trading days, then such shares of common stock of Astro shall be converted into one and four-tenths shares of the common stock of Golconda.

(d) Golconda shall not be required to issue fractional shares of common stock. If any fractional interest is due to any holder of the common stock of Astro, the board of directors of Golconda may at its election (i) issue non-voting scrip for such fractional interest in such form as the board of directors may determine, which scrip shall be exchangeable within a period of one year following the date of its issue, together with other scrip, for one or more full shares of common stock, or (ii) pay an amount in cash equal to the current market value of such fractional interest, calculated to the nearest cent, computed on the basis of the last reported sales price for such common shares on the Pacific Coast Exchange on the effective date of the merger.

NOW, THEREFORE, Astro and Golconda agree each with the other that Astro be merged into Golconda pursuant to the terms and conditions of this Agreement as follows:

1. The Articles of Incorporation of Golconda shall be amended so that they will provide as attached hereto as EXHIBIT A.

2. Astro warrants and represents that the balance sheet of Astro, as of November 30, 1969, with Notes, as certified by Alexander Grant & Company, is true and correct and that there have been no material changes in said balance sheet since that date, except as indicated in the Prospectus dated March 3, 1970, representing the sale of \$5,000,000 in 7% Convertible Subordinated Debentures due January 1, 1990. This balance sheet is attached hereto as EXHIBIT B.

3. Golconda warrants and represents that the balance sheet of Golconda, as of December 31, 1969, with notes, as certified by P. R. O'Shaughnessy, is true and correct and that there have been no material changes in said balance sheet since that date, except as indicated on said balance sheet. This balance sheet is attached hereto as EXHIBIT C.

4. The manner of conversion of the stock and debentures of Astro and Golconda shall be as follows:

(a) Each share of common stock of Golconda shall, without any action by the holder thereof, remain one share of common stock of Golconda.

(e) Each convertible subordinated debenture of Astro shall, without any action by the holder thereof, become a convertible subordinated debenture of Golconda, convertible into the common stock of Golconda, unless previously redeemed, at the conversion price of \$10.67 per share; but, if the conversion ratio is reduced to 1.4, as provided herein, the said subordinated convertible debentures unless previously redeemed shall be convertible into common stock of Golconda at the conversion price of \$11.43 per share. Otherwise all the terms and provisions of said debentures and trust indenture dated January 1, 1970 shall remain in full force and effect.

(f) Each share of the convertible preferred stock of Golconda shall be convertible into one and one-half shares of the common stock of Golconda. However, if during the next sixty (60) trading days following March 24, 1970, the closing price of Golconda on the Pacific Coast Exchange is \$14.00 per share or higher for ten out of any fifteen consecutive trading days, then each share of the convertible preferred stock of Golconda shall be convertible into 1.4 shares of the common stock of Golconda. The terms and conditions of such conversion are set forth in EXHIBIT A attached hereto.

5. The number, names and addresses of the directors of Golconda to be recommended for election by the management of Golconda at the shareholders' meeting called to consider this Plan and Agreement of Merger are as follows:

<u>NAME</u>	<u>ADDRESS</u>
M. J. Coen	Kansas City, Missouri
Albert Thomson	Kansas City, Missouri
Edwin B. Wright	St. Joseph, Missouri
L. N. Lucas	Chicago, Illinois
Albert S. Kepen	Chicago, Illinois
Michael F. Drinkhouse	New York City, New York
Ray Dunn	Mountain Home, Arkansas
A. D. Martin	Dallas, Texas
Wray Featherstone	Wallace, Idaho
Walter L. Sly	Spokane, Washington
L. K. Teel	San Clemente, California
Gordon Smith	San Francisco, California
Norman Smith	Kellogg, Idaho

6. The Bylaws of Golconda shall be amended and said Bylaws attached hereto as EXHIBIT D shall be the Bylaws of Golconda.

7. Upon consummation of the merger herein provided for, Golconda shall possess all the rights, privileges, powers, franchises and immunities as well of a public as of a private nature, and be subject to all the liabilities, restrictions and duties of Astro, and all and singular, the rights, privileges, powers, franchises and immunities of Astro, and all property, real, personal and mixed, wheresoever located, and all debts due to Astro on whatever account, and all other things in action of or belonging to Astro, shall be vested in Golconda; and all property, rights, privileges, powers, franchises and immunities and all and every other interest shall be thereafter as effectually the property of Golconda as they were of Astro and the title to any real estate, whether by deed or otherwise, vested in Astro shall not revert or be in any way impaired

by reason of this merger, provided that all rights of creditors and all liens upon property of Astro shall be preserved unimpaired, limited to the property affected by such liens at the time of this merger, and all debts, liabilities and duties of Astro shall thenceforth attach to Golconda and may be enforced against it to the same extent as if said debts, liabilities and duties had been incurred or contracted by it.

If at any time Golconda shall consider or be advised that any further assignments or any things are necessary or desirable to vest in Golconda, according to the terms hereof, the title to any property, rights, privileges or franchises of Astro, the officers and directors of Astro last in office shall and will execute and make all such proper assignments and do all things necessary or desirable to vest in and confirm to Golconda title to and possession of all such property, rights, privileges and franchises, and otherwise to carry out the purposes of this Plan and Agreement of Merger.

8. Golconda reserves the right to amend its Articles of Incorporation as provided by the laws of the State of Idaho, and all rights conferred upon stockholders herein are subject to this reservation.

9. If the merger contemplated hereby is not consummated for any reason whatsoever, then all expenses incurred in connection with this Plan and Agreement of Merger shall be borne by the respective company that incurred the expense.

10. All outstanding options, agreements, warrants and other rights to purchase or otherwise receive shares of the common stock of Astro shall continue in effect without change, except that they shall be convertible to the common stock of Golconda in accordance with the ratio set forth in paragraph 4(c) above.

11. The boards of directors of Astro and Golconda reserve the right by mutual agreement, to amend, alter, change or repeal any provision contained in this Plan and Agreement of Merger so as to facilitate the performance thereof; provided however, that no amendment shall substantially change the terms of this Plan and Agreement of Merger as set forth in paragraph 4 hereof.

12. The name of the corporation shall be changed to Golconda Corporation.

13. Golconda's principal place of business shall be located in Chicago, Illinois, subject, however, to transfer to such other place or places as the board of directors may determine. Initially, the registered office of the corporation shall be located in Wallace, Idaho, subject to transfer to such other place within the State of Idaho as the board of directors may determine.

14. This agreement is subject to necessary approvals from regulatory agencies, if any, including the Securities and Exchange Commission, if such approval be required. This



Agreement is also subject to approval by banks, insurance companies and other parties, if such approval is required.

15. Golconda shall, by supplemental indenture satisfactory to the trustee, executed and delivered to the trustee by Golconda, expressly assume the due and punctual payment of the principal of (and premium, if any) and interest on all the subordinated debentures issued by Astro under the Indenture dated January 1, 1970, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of said debentures to be performed by Astro.

In addition, Golconda shall, if required, assume in writing the payment of any obligation of Astro's notes or other written instruments.

16. The boards of directors of Golconda and Astro shall have the right, after shareholder approval of this Plan and Agreement of Merger and prior to the closing thereof, by the joint actions of both boards to abandon said Plan and Agreement of Merger.

17. Prior to the shareholders' meetings Golconda and Astro shall receive an opinion from their respective counsel that this Plan and Agreement of Merger is a tax free reorganization under the Internal Revenue Code.

18. Pending the closing of this Plan and Agreement of Merger, neither corporation, without the consent of the other, shall effect any change in its capital structure nor declare any dividends except at the annualized rate prevailing in 1969, nor effect any transaction or agreement out of the ordinary course of business involving more than 10% of its assets. Notwithstanding the foregoing provision, Astro may proceed with the liquidation and transfer of its Paris, Illinois, plant and the sale or lease of any surplus real estate resulting from such transfer, and may proceed with the execution of a mortgage in the amount of \$3,000,000 on its Peterson Avenue property and may proceed with the sale of the property adjoining the Peterson Avenue plant, and Golconda may proceed with the finalization of the reorganization of parts of its property and the property of its subsidiaries into Alice Consolidated Mines, Inc. and with its participation in the operating agreement between Alice Consolidated Mines, Inc. and Hecla Mining Company.

19. Golconda agrees that it may be served with process in the States of Illinois and Delaware in any proceeding for the enforcement of the rights of creditors or dissenting shareholders in the same manner as the service of process may now be effected against Astro.

20. It is contemplated that upon completion of the Plan and Agreement of Merger, Golconda will make application to the

Securities and Exchange Commission for withdrawal of its registration as an investment company under the Investment Company Act of 1940.

21. The mode of carrying this merger into effect is as follows:

(a) This Plan and Agreement of Merger shall be submitted to the shareholders of Astro and Golconda, as provided by law, and shall take effect upon the approval or adoption thereof by the shareholders of Astro and Golconda in accordance with the laws of the States of Delaware and Idaho; provided, however, that for all purposes, the effective date of the merger shall be the date this Plan and Agreement of Merger is filed in the office of the Secretary of State of Idaho.

(b) Both parties will cooperate in filing with and obtaining approval of all regulatory bodies.

(c) This Plan and Agreement of Merger may be abandoned at any time prior to its approval by the shareholders of both corporations, by mutual consent of Astro and Golconda.

22. This Plan and Agreement of Merger may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties to this Agreement, pursuant to authority duly given by their respective boards of directors, have caused these presents to be executed by a majority of the directors of each party thereof, and the corporate seals affixed.

DATED: April 16, 1970.

ASTRO CONTROLS, INC.

By M. J. Coen  
L. N. Lucas, President M. J. Coen,  
Chairman of the Board

Daniel L. Brenner  
Daniel L. Brenner, Director

M. J. Coen  
M. J. Coen, Director

Michael F. Drinkhouse  
Michael F. Drinkhouse, Director

Ray Dunn  
Ray Dunn, Director

Albert S. Kepen  
Albert S. Kepen, Director

Robert P. Kepen  
Robert P. Kepen, Director

L. N. Lucas  
L. N. Lucas, Director

A. D. Martin  
A. D. Martin, Director

John M. Stogin  
John M. Stogin, Director

Albert W. Thomson  
Albert W. Thomson, Director

Edwin B. Wright  
Edwin B. Wright, Director

(SEAL)

Attest:

Albert W. Thomson  
Albert W. Thomson, Secretary

GOLCONDA MINING CORPORATION

By Wray Featherstone  
Wray Featherstone, President

Wray Featherstone  
Wray Featherstone, Director

H. F. Korholz  
H. F. Korholz, Director

L. K. Teel, Director (nominee)

Not a director as of April 16, 1970

Walter L. Sly  
Walter L. Sly, Director

Norman M. Smith  
Norman M. Smith, Director

(SEAL)

Attest:

D. L. Hess  
D. L. Hess, Secretary

The Plan and Agreement of Merger having been executed by all the Directors of Golconda Mining Corporation, an Idaho Corporation, and by a majority of the Directors of Astro Controls, Inc., a Delaware Corporation, and having been adopted separately by the stockholders of each corporation in accordance with the provision of Section 30-152 of the General Business Corporation law of Idaho and Section 252 of the General Business Corporation law of Delaware. The President and Secretary of Golconda Mining Corporation being duly authorized so to do execute this Plan and Agreement of Merger under the corporate seal of said corporation this 4th day of September, 1970. The President and Secretary of Astro Controls, Inc., being duly authorized so to do execute this Plan and Agreement of Merger under the corporate seal of said corporation this 11th day of September, 1970.

GOLCONDA MINING CORPORATION

By Gray Skathurstone  
President

By D. L. Hess  
Secretary

ASTRO CONTROLS, INC.

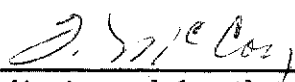
By L. N. Lucas  
President

By Alto Thorne  
Secretary

STATE OF IDAHO     )  
                              : ss.  
County of Shoshone    )

On this 4th day of September, 1970, personally came before me, a Notary Public in and for the County and State aforesaid, WRAY FEATHERSTONE, President, and D. L. HESS, Secretary, respectively, of Golconda Mining Corporation, an Idaho corporation, and one of the corporations described in and which executed the foregoing Plan and Agreement of Merger, known to me personally to be such, and they, as such President and Secretary respectively, duly executed said Agreement before me, and acknowledged the agreement to be the act, deed and agreement of Golconda Mining Corporation, that the signatures of the President and Secretary of the corporation to the foregoing Plan and Agreement of Merger are in the handwriting of the President and Secretary of Golconda Mining Corporation, that they have the authority to execute the same on behalf of the stockholders and the corporation, and that the seal affixed thereto is the corporate seal of the corporation.

In witness whereof, I have hereunto set my hand and seal of office the day and year first aforesaid.

  
\_\_\_\_\_  
Notary Public in and for the State of  
Idaho, Residing at Wallace, Idaho.

My commission expires:  
October 28, 1972

STATE OF ILLINOIS )  
 ) ss.  
COUNTY OF COOK )

On this 11th day of September, 1970, personally came before me, a notary public in and for the county and state aforesaid, L. N. Lucas, president of ASTRO CONTROLS, INC., and Albert W. Thomson, secretary of ASTRO CONTROLS, INC., a Delaware corporation, and one of the corporations described in and which executed the foregoing Plan and Agreement of Merger, known to me personally to be such, and they, as such president and secretary, duly executed said agreement before me, and acknowledged the agreement to be the act, deed and agreement of ASTRO CONTROLS, INC., that the signatures of the president and secretary of the corporation to the foregoing Plan and Agreement of Merger are in the handwriting of the president and secretary of ASTRO CONTROLS, INC., that they have the authority to execute the same on behalf of the stockholders and the corporation, and that the seal affixed thereto is the corporate seal of the corporation, and the facts stated therein are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office the day and year first aforesaid.

  
\_\_\_\_\_  
Notary Public in and for the State  
of Illinois. Residing in Chicago.

My commission expires:  
January 22, 1974



EXHIBIT A

AMENDED ARTICLES OF INCORPORATION

OF

GOLCONDA CORPORATION

ARTICLE 1: The name of the corporation is GOLCONDA CORPORATION.

ARTICLE 2: The registered office of the corporation is in the City of Wallace, County of Shoshone, State of Idaho.

ARTICLE 3: The duration of the corporation is perpetual.

ARTICLE 4: The purpose or purposes for which the corporation is organized are:

To buy, sell, design, engineer, manufacture, create and repair special machines, machine parts, jigs, tools, dies, fixtures, precision parts, and any other product in any manner similar thereto.

To manufacture, assemble, buy, sell, hire, install, research and develop, distribute or dispose of electromechanical components and assemblies, guidance components and assemblies, electropneumatic components and assemblies, precise instrumentation components and assemblies and all kinds of goods, wares, merchandise, manufactures, commodities, machinery, tools, supplies and products, appliances, devices or equipment, of every kind and nature.

To design, develop, manufacture, buy or market various types of control devices, regulators, valves, welding devices, and any other devices of electric and/or mechanical nature.

To design, develop, manufacture, buy or market food serving devices and facilities including, but not limited to, display cases, refrigerators, serving counters, warming devices, carbonators, dispensers of liquids or semi-solid foods, ice cream makers, coffee makers, utensils and other devices used in the preparation, storage, serving and clean up of food or other materials used or consumed by humans, Generally to engage in and conduct any form of manufacturing or mercantile enterprise.

To locate, buy, acquire, own, enter, lease, sell, convey and deal in mines, and mineral lands of every kind and nature and description, also purchase, locate or otherwise acquire, own, enter or lease, sell and deal in mill sites, water rights and terminal facilities; to work, prospect, or develop mines and mineral lands of every nature or description, either for itself or for other companies, corporations or individuals upon such terms or for such remuneration as it shall deem fit and proper and to accept, take and hold mineral lands of every nature or description, either as an entirety or any interest in the same; to hold, purchase or otherwise acquire or be interested in, and to sell, assign, pledge or otherwise dispose of, shares of the capital stock bonds, or other evidences of debt issued or created by any other corporation; whether foreign or domestic, and whether now or hereafter organized; and while the holder of any such shares of stock, to exercise all the rights and privileges of ownership, including the right to vote thereon to the same extent, as a natural person might or could do; to do everything that may be necessary or proper in the conduct of its business in the way of locating, prospecting, developing, acquiring, buying and selling mineral lands and mining claims of every kind, nature and description, and working such mines and the production of ores and minerals therefrom, and in the reducing such ores and minerals to the most merchantable value, and in doing the same, to contract, build, buy, sell, own and operate all necessary mills, smelters, machinery, roads, railroads, tramways, ditches, flumes, and such other property as shall be fit and necessary in carrying out the objects herein stated; to sell, buy, lease mines and mining property of all kinds and property of every kind and nature and description, useful and necessary in operating and maintaining the same, and in reducing the ores and in refining the minerals taken therefrom upon commission, whether such commission be paid in money or otherwise; to erect buildings, operate saw-mills and engage in trade of every kind both in stores and provisions, steam and other transportation, road building and engineering, freighting and carrying.

To conduct a general mining, milling and smelting business.

To purchase, secure, use, own and enjoy any and all franchises useful and beneficial for the prosecution of the business of this corporation.

To exercise the right of eminent domain according to law and condemn and acquire rights of way for tunnels, shafts, hoisting works, dumps, cuts, ditches, canals, reservoirs, storage basins, dams, road, railroads and tramways incident, necessary or convenient for the uses and purposes and objects of this corporation and do all

things incident to the general business of this corporation in the State of Idaho, in the other states and territories of the United States and elsewhere, that this corporation may desire or conclude to do business.

To buy and sell ores, bullion, metals, minerals and concentrates, and all other materials and supplies, and to reduce ores and minerals for pay.

To acquire, and pay for in cash, stock or bonds of this corporation or otherwise, the good will, rights, assets and property, and to undertake or assume the whole or any part of the obligations or liabilities of any person, firm, association or corporation.

To acquire, hold, use, sell, assign, lease, grant licenses in respect of, mortgage or otherwise dispose of letters patent of the United States or any foreign country, patent rights, licenses and privileges, inventions, improvements and processes, copyrights, trade-marks and trade names, relating to or useful in connection with any business of this corporation.

To acquire by purchase, subscription, or otherwise, and to receive, hold, own, guarantee, sell, assign, exchange, transfer, mortgage, pledge or otherwise dispose of or deal in and with any of the shares of the capital stock, or any voting trust certificates in respect of the shares of capital stock, scrip, warrants, rights, bonds, debentures, notes, trusts receipts, and other securities, obligations, choses in action and evidences of indebtedness or interest issued or created by any corporations, joint stock companies, syndicates, associations, firms, trusts or persons, public or private, or by the government of the United States of America, or by any foreign government, or by any state, territory, province, municipality or other political subdivision or by any governmental agency, and as owner thereof to possess and exercise all the rights, powers and privileges of ownership, including the right to execute consents and vote thereon, and to do any and all acts and things necessary or advisable for the preservation, protection, improvement and enhancement in value thereof.

To borrow or raise moneys for any of the purposes of the corporation and, from time to time without limit as to amount, to draw, make, accept, endorse, execute and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable or non-negotiable instruments and evidences of indebtedness, and to secure the payment of any thereof, and of the interest thereon by mortgage upon or pledge, conveyance or assignment in trust of the whole or any part of the property of the corporation,

whether at the time owned or thereafter acquired, and to sell, pledge or otherwise dispose of such bonds or other obligations of the corporation for its corporate purposes.

To purchase, receive, take by grant, gift, devise, bequest or otherwise, lease, or otherwise acquire, own, hold, improve, employ, use and otherwise deal in and with real or personal property, or any interest therein, wherever situated, and to sell, convey, lease, exchange, transfer or otherwise dispose of, or mortgage or pledge, all or any of the corporation's property and assets, or any interest therein, wherever situated.

To enter into partnership or joint venture agreements with other corporations, partnerships or individuals.

In general, to possess and exercise all the powers and privileges granted by the General Corporation Law of Idaho or by any other law of Idaho or by this document together with any powers incidental thereto, so far as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business or purposes of the corporation.

The business and purposes specified in the foregoing clauses shall, except where otherwise expressed, be in nowise limited or restricted by reference to, or inference from, the terms of any other clause in this document, but the business and purposes specified in each of the foregoing clauses of this article shall be regarded as independent business and purposes.

ARTICLE 5: The total number of shares of stock which Golconda shall have authority to issue is eight million, five hundred thousand (8,500,000) of which seven million, five hundred thousand (7,500,000) shares shall be common stock without par value and one million (1,000,000) shall be convertible preferred stock having a par value of \$1.00 per share. All such shares shall be fully paid and non-assessable.

Each share of preferred stock of Golconda shall be convertible

into one and one-half shares of the common stock of Golconda; provided, if during the next sixty (60) trading days following March 24, 1970, the closing price of Golconda common stock on the Pacific Coast Exchange is \$14.00 per share or higher for ten (10) out of any fifteen (15) consecutive trading days; then each share of preferred stock of Golconda shall be convertible into one and four-tenths shares of the common stock of Golconda, upon surrender to the corporation of the certificates of convertible preferred stock so to be converted, duly assigned in blank for transfer. No adjustment of dividends will be made upon the exercise of the conversion privilege.

Golconda shall not be required to issue fractional shares of common stock in exchange for shares of its convertible preferred stock. If any fractional interest is due any holder of its preferred stock, the Board of Directors of Golconda may at its election (i) issue non-voting scrip for such fractional interest in such form as the Board of Directors may determine, which scrip shall be exchangeable within a period of one year following the date of its issue, together with other scrip, for one or more full shares of common stock, or (ii) pay an amount in cash equal to the current market value of such fractional interest, calculated to the nearest cent, computed on the basis of the last reported sales price for such common shares on the Pacific Coast Exchange on the date of conversion.

The holders of the convertible preferred stock shall be

entitled to receive, when and as declared, dividends at the rate of \$1.00 per share per annum payable quarterly. The dividends on the said preferred stock shall be cumulative and shall be payable before any dividends on the common shall be paid or set apart. If in any year, the dividends declared and paid upon the said preferred stock shall not amount to \$1.00 per share, the deficiency shall be payable before any dividends shall be thereafter paid upon or set apart for the common stock; provided, however, that whenever all cumulative dividends on the said preferred stock for all previous years shall have been declared and become payable, and the accrued quarterly installments for the current year shall have been declared, and the corporation shall have paid such cumulative dividends for previous years, and such accrued quarterly installments, or shall have set aside from its surplus or net profits a sum sufficient for the payment thereof, the Board of Directors may declare dividends on the common stock payable then or thereafter out of any remaining surplus or net profits.

The convertible preferred shares shall be preferred as to assets as well as dividends, as aforesaid, and upon the dissolution, liquidation or winding up of the corporation, the holders of said preferred shares shall be entitled to receive and be paid for each said preferred share, out of the assets of the corporation (whether capital or surplus) \$42.00 per share where such event is voluntary or \$37.50 per share where such event is involuntary, plus an amount

equal to dividends accumulated and unpaid thereon, whether earned or declared or not, before any distribution of assets shall be made to the holders of common shares, but the holders of said preferred shares shall not be entitled to further participation in such distribution, and the holders of the common shares shall be entitled, to the exclusion of the holders of said preferred shares, to all assets of the corporation remaining after payment to the holders of the said preferred shares of the full preferential amount aforesaid.

Neither a consolidation nor merger of the corporation with or into any other corporation, nor a merger of any other corporation into the corporation, nor the purchase or redemption of all or any part of the outstanding shares of any class or classes of stock of the corporation, nor the sale or transfer of the property and business of the corporation as or substantially as an entirety, shall be construed to be a liquidation, dissolution, or winding up of the corporation within the meaning of the foregoing provisions.

The holders of the convertible preferred shares shall be entitled to one vote for each share held and shall have the power to vote cumulatively for the election of directors. The said preferred shares and the common shares shall vote together as one class.

The corporation, at its option to be exercised by its Board of Directors, may redeem in whole or in part the convertible preferred shares at any time after May 5, 1974, at \$37.50 per share, plus an amount equal to dividends accumulated and unpaid thereon,

whether earned or declared or not. Payment of the redemption price of the said preferred shares shall be made in cash. Notice of such redemption, stating the redemption date, the redemption price and the place of payment thereof shall be given by mailing a copy of such notice at least thirty (30) days prior to the date fixed for redemption to the holders of record of the said preferred shares to be redeemed at their respective addresses as the same appear on the books of the corporation. If such notice of redemption shall have been duly given and if on or before the redemption date specified in such notice all funds necessary for such redemption shall have been set aside so as to be available therefor, then notwithstanding that any certificate for said preferred shares so called for redemption shall not have been surrendered for cancellation, the shares represented thereby shall no longer be deemed outstanding, the right to receive dividends thereon shall cease to accrue from and after the date of redemption so fixed and all rights with respect to such preferred shares so called for redemption not theretofore expired shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable upon redemption thereof, but without interest.

Convertible preferred shares which are redeemed, purchased or otherwise acquired by the corporation shall be cancelled and shall not be reissued.



In case the corporation shall at any time or from time to time subdivide the outstanding shares of common stock into a greater number of shares, then with respect to each such subdivision the number of shares of common stock deliverable upon conversion of each share of convertible preferred stock hereby designated shall be increased in proportion to the increase resulting from such subdivision in the number of outstanding shares of common stock; and in case the corporation shall at any time, or from time to time, combine the outstanding shares of common stock into a smaller number of shares, then with respect to each such combination the number of shares of common stock deliverable upon the conversion of each share of convertible preferred stock hereby designated shall be decreased in proportion to the decrease resulting from such combination in the number of outstanding shares of common stock.

In case, prior to the conversion or redemption of the convertible preferred stock, the corporation shall be recapitalized by reclassifying its outstanding common stock into shares with a different par value or shall thereafter reclassify any such shares in like manner, or the corporation or a successor corporation shall consolidate or merge with or convey all or substantially all its or any successor corporation's property or assets to any other corporation or corporations, the holder of the convertible preferred stock shall thereafter have the right to convert pursuant to and on the terms and conditions and during the time specified herein, in lieu of the shares

theretofore convertible, such shares of stock, securities or assets as may be issued or payable with respect to, or in exchange for, the number of shares theretofore receivable upon the conversion of the said preferred stock had such recapitalization, consolidation, merger or conveyance not taken place; and in any such event, the rights of the holder of said preferred shares to an adjustment in the number of common shares into which said preferred stock is convertible shall continue and be preserved in respect of any stock, securities or assets which the holder of said preferred stock is thus entitled.

In the event:

(A) The corporation shall take a record of the holders of its common stock for the purpose of entitling them to receive a dividend otherwise than in cash, or any other distribution in respect of the common stock (including cash), pursuant to, without limitation, any spin-off, split-off or distribution of the corporation's assets; or

(B) The corporation shall take a record of the holders of its common stock for the purpose of entitling them to subscribe for or purchase any shares of stock of any class or to receive any other rights; or

(C) Of any classification, reclassification, or other reorganization of the capital stock of the corporation, consolidation or merger of the corporation with or into another corporation or conveyance of all or substantially all of the assets of the corporation; or

(D) Of the voluntary or involuntary dissolution, liquidation or winding up of the corporation;

then, and in any such case, the corporation shall mail to the holders of convertible preferred stock, at least twenty (20) days prior to such record date, a notice stating the date or expected date on which

a record is to be taken for the purpose of such dividend, distribution or rights, or the date on which such classification, reclassification, reorganization, consolidation, merger, conveyance, dissolution, liquidation, or winding up is to take place, as the case may be.

In case the corporation, at any time while convertible preferred stock shall remain issued and outstanding, shall sell all or substantially all its property or dissolve, liquidate or wind up its affairs, the holder of said preferred stock may thereafter receive upon conversion thereof in lieu of each share of common stock of the corporation which such holder would have been entitled to receive, the same kind and amount of any securities or assets as may be issuable, distributable, or payable upon any such sale, dissolution, liquidating or winding up with respect to each share of common stock of the company.

ARTICLE 6: At all elections of directors of Golconda, each common and convertible preferred stockholder shall be entitled to as many votes as shall equal the number of votes which (except for such provision as to cumulative voting) he would be entitled to cast for the election of directors with respect to his shares of stock multiplied by the number of directors to be elected, and he may cast all of such votes for a single director or may distribute them among the number to be voted for, or for any two or more of them as he may see fit.

ARTICLE 7: No common or preferred stockholder of Golconda shall by reason of his holding shares of any class have any preemptive or preferential right to purchase or subscribe to any shares of any class of the corporation, now or hereafter to be authorized, or any notes, debentures, bonds, or other securities convertible into or carrying options or warrants to purchase shares of any class, now or hereafter to be authorized, whether or not the issuance of any such shares, or such notes, debentures, bonds or other securities, would adversely affect the dividend or voting rights of such stockholder, other than such rights, if any, as the Board of Directors, in its discretion from time to time may grant, and at such price as the Board of Directors in its discretion may fix; and the Board of Directors may issue shares of any class of Golconda, or any notes, debentures, bonds or other securities convertible into or carrying options or warrants to purchase shares of any class, without offering any such shares of any class, either in whole or in part, to the existing stockholders of any class.

ARTICLE 8: In furtherance and not in limitation of the powers conferred by statute, the Board of Directors of Golconda is expressly authorized:

To make, alter or repeal the by-laws of Golconda except as otherwise provided for in the by-laws.

To authorize and cause to be executed mortgages and liens upon the real and personal property of Golconda.

To set apart out of any of the funds of Golconda available for dividends a reserve or reserves for any proper

purpose and to abolish any such reserve in the manner in which it was created.

By a majority of the whole Board, to designate one or more committees, each committee to consist of two or more of the directors of Golconda. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in the resolution or in the by-laws of Golconda, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of Golconda, and may authorize the seal of the corporation to be affixed to all papers which may require it; provided, however, the by-laws may provide that in the absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

When and as authorized by the affirmative vote of the holders of a majority of the stock issued and outstanding having voting power given at a stockholders' meeting duly called upon such notice as is required by statute, or when authorized by the written consent of the holders of a majority of the voting stock issued and outstanding, to sell, lease or exchange all or substantially all of the property and assets of Golconda, including its good will and its corporate franchises, upon such terms and conditions and for such consideration, which may consist in whole or in part of money or property including shares of stock in, and/or other securities of, any other corporation or corporations, as its Board of Directors shall deem expedient and for the best interests of Golconda.

ARTICLE 9: Meetings of stockholders may be held within or without the State of Idaho as the by-laws may provide. The books of Golconda may be kept (subject to any provision contained in the statutes) outside the State of Idaho at such place or places as may be designated from time to time by the Board of Directors or in the by-laws of the corporation. Elections of directors need not be by written ballot unless the by-laws of the corporation shall so provide.

ARTICLE 10: The corporation reserves the right to amend, alter, change or repeal any provision contained herein in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

ARTICLE 11: All outstanding options, agreements, warrants and other rights, to purchase or otherwise receive or acquire shares of stock of Astro Controls, Inc. shall be deemed options, agreements, warrants, or other rights, as the case may be, to purchase or otherwise receive or acquire under the same circumstances a number of shares of the common or convertible preferred stock of Golconda at the applicable exchange ratio.

ARTICLE 12: The business of the corporation shall be managed by a Board of Directors elected by the shareholders at any annual or special meeting of shareholders. Directors of the corporation need not be shareholders. The number of such directors shall be not less than ten (10) nor more than fifteen (15). The exact number of directors shall be fixed by the by-laws of the corporation. Vacancies in the Board of Directors shall be filled by the remaining members of the Board and each person so elected shall be a director of the corporation until his successor shall have been elected.

## EXHIBIT B

## ASTRO CONTROLS, INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEET

November 30, 1969

## ASSETS

## CURRENT ASSETS

Cash .....	\$ 1,472,600
Commercial notes—at cost (which approximates market) .....	450,000
Accounts receivable .....	
Trade, less allowance for uncollectible receivables of \$49,900 .....	7,035,948
Federal income tax refund .....	199,482
Inventories (Note B) .....	15,791,664
Prepaid expenses and sundry deposits .....	95,997
Total current assets .....	<u>25,045,691</u>

PROPERTY, PLANT AND EQUIPMENT—At Cost, less accumulated depreciation and amortization of \$8,224,291 (Note C) .....	7,175,522
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## OTHER ASSETS

Excess of cost over underlying equity of net assets acquired (Note A) .....	4,374,476
Sundry .....	694,705
	<u>\$37,290,394</u>

## LIABILITIES AND STOCKHOLDERS' EQUITY

## CURRENT LIABILITIES

Notes payable .....	\$ 4,000,000
Banks .....	175,000
Other .....	2,278,051
Accounts payable .....	241,855
Income taxes .....	
Accrued liabilities .....	
Salaries, wages and commissions .....	553,597
Property and other taxes .....	251,379
Interest .....	198,269
Other accrued liabilities .....	134,326
Total current liabilities .....	<u>7,832,477</u>

## LONG-TERM DEBT (NOTE D)

Bank .....	4,526,654
7% Subordinated Notes payable to insurance companies .....	<u>5,000,000</u>

## DEFERRED INCOME TAXES AND OTHER LIABILITIES

Federal income taxes .....	381,377
Compensation plan cost .....	104,174

## COMMITMENTS AND CONTINGENT LIABILITIES (NOTE E)

## STOCKHOLDERS' EQUITY (NOTES D, F, G AND H)

\$1.00 Cumulative Convertible Preferred Stock—	
Authorized, 600,000 shares of \$1.00 par value; issued and outstanding 468,445 (redemption value \$17,566,687) .....	468,445
Common stock—authorized, 2,000,000 shares of no par value; issued and outstanding 547,628 at a stated value of \$1.00 per share .....	547,628
Additional contributed capital .....	6,529,803
Retained earnings .....	11,899,836
	<u>19,445,712</u>
	<u>\$37,290,394</u>

**ASTRO CONTROLS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF ADDITIONAL CONTRIBUTED CAPITAL**

	Fiscal Year ended 1967/8 (Note A)	Fiscal year ended November 30,	
		1968	1969
Balance—beginning of period .....	\$ —	\$ 6,178,263	\$ 6,307,018
The Bastian-Blessing Company .....	3,249,253	—	—
Pioneer Astro Industries, Inc. ....	—	—	—
Contributed capital of Bastian applicable to portion of merger (41%) accounted for as purchase .....	(1,331,888)	—	—
Amount applicable to cancellation of 7,889 Bastian shares held in treasury .....	(30,742)	—	—
Excess of par value of Pioneer and Bastian Common stock exchanged for Astro shares .....	4,291,640	—	—
Costs relating to the merger of Pioneer and Bastian .....	—	(138,452)	(52,711)
Balance—beginning of period as restated .....	6,178,263	6,039,811	6,254,307
Proceeds in excess of par value arising from sale of 7,000 shares of Pioneer treasury stock and conversion of note payable prior to merger with Astro .....	—	267,207	—
Allocation of debt discount attributable to warrants issued in connection with 7% subordinated notes to insurance companies .....	—	—	275,496
Balance—end of period .....	<u>\$ 6,178,263</u>	<u>\$ 6,307,018</u>	<u>\$ 6,529,803</u>

**CONSOLIDATED STATEMENT OF RETAINED EARNINGS**

Balance—beginning of period .....	\$ —	\$10,741,512	\$10,924,415
The Bastian-Blessing Company—November 30, 1966 .....	15,343,997	—	—
Pioneer Astro Industries, Inc.—April 30, 1967 .....	1,297,551	—	—
Retained earnings of Bastian applicable to portion of merger (41%) accounted for as purchase .....	(6,289,530)	—	—
Amount applicable to cancellation of 7,889 Bastian shares held in treasury .....	(53,902)	—	—
Balance beginning of period as restated .....	10,298,116	10,741,512	10,924,415
Net earnings for the period .....	1,053,523	804,430	1,441,212
	<u>11,351,639</u>	<u>11,545,942</u>	<u>12,365,627</u>
Cash dividends paid			
The Bastian-Blessing Company .....	922,250	736,826	370,956
Less portion (41%) accounted for as a purchase .....	(378,123)	(302,098)	—
	544,127	434,728	370,956
Pioneer Astro Industries, Inc. ....	66,000	66,000	—
Astro Controls, Inc.—\$.50 per preferred share .....	—	—	242,300
Duplication of earnings (\$164,799), less dividends (\$44,000) due to change in Pioneer's fiscal year end .....	—	120,799	—
Elimination of portion of Bastian dividends paid to Pioneer in 1968 .....	—	—	(147,465)
	<u>610,127</u>	<u>621,527</u>	<u>465,791</u>
Balance—end of period .....	<u>\$10,741,512</u>	<u>\$10,924,415</u>	<u>\$11,899,836</u>



# ASTRO CONTROLS, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE A—PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Astro Controls, Inc. and its subsidiaries. The Company is the result of a combination, on a partial pooling of interests basis, of Pioneer Astro Industries, Inc. and The Bastian-Blessing Company as of May 5, 1969.

Excess of cost over underlying equity of net assets acquired arose from the purchase by Pioneer of Bastian common stock which stock was cancelled under the terms of the consolidation into Astro Controls, Inc. In the opinion of management, the cost in excess of net assets acquired is of continuing value and, accordingly, is not subject to amortization.

### NOTE B—INVENTORIES

Inventories used in the computation of cost of goods sold are as follows:

Fiscal year ended		
1966/7	.....	\$13,997,967
1967/8	.....	15,353,184
November 30,		
1967	.....	15,258,732
1968	.....	14,279,549
1969	Raw materials and supplies .....	\$ 2,423,027
	Work in process .....	2,603,716
	Finished goods .....	10,764,921
		15,791,664

Inventories are stated at the lower of cost (determined by the first-in, first-out method) or market.

### NOTE C—PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at November 30, 1969 is comprised as follows:

Buildings and improvements .....	\$ 4,198,300
Machinery, equipment and tools .....	9,974,306
Office furniture and fixtures .....	553,749
	14,726,355
Accumulated depreciation and amortization .....	8,224,291
	6,502,064
Land .....	673,458
	<u>\$ 7,175,522</u>

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. The estimated service lives and methods used in determining depreciation are as follows:

<u>Description</u>	<u>Service lives</u>	<u>Method of depreciation</u>
Buildings and improvements	8 to 50 years	Straight-line
Machinery and equipment	5 to 20 years	Straight-line and double declining-balance
Furniture and fixtures	8 to 20 years	Straight-line
Automobiles and aircraft	3 to 6 years	Primarily double declining-balance
Land improvements	20 years	Straight-line
Leasehold improvements	Life of asset or term of lease whichever is shorter	Straight-line

# ASTRO CONTROLS, INC.

## NOTES TO FINANCIAL STATEMENTS (continued)

Maintenance and repairs are charged to operations as incurred. Betterments and major renewals are capitalized. Upon sale or disposition of properties, the asset account is relieved of the cost and the accumulated depreciation account is charged with the depreciation taken prior to the sale with any resultant gain or loss reflected in earnings.

### NOTE D—LONG-TERM DEBT

Long-term debt at November 30, 1969 is comprised of the following:

Notes payable to bank at a rate of $\frac{1}{2}\%$ above the prime rate (currently 9%)	
Due January 15, 1971 .....	\$4,100,000
Due January 15, 1971 .....	426,654
7% subordinated notes payable to insurance companies due January 15, 1981 .....	5,000,000(a)
	<u>\$9,526,654</u>

(a) Semiannual sinking fund payments of \$250,000 are due each January 15 and July 15 commencing July 15, 1971.

The loan agreement underlying the 7% subordinated notes payable contains a covenant that the Company will use its best efforts to consummate a public offering of equity or junior subordinated debt securities, and that the net proceeds of any such offering will be applied first to the retirement of the \$4,000,000,  $7\frac{1}{2}\%$  note payable to bank due March 27, 1970, and the \$426,654 note payable to bank due January 15, 1971, and second, to the prepayment of \$1,000,000 principal amount of notes payable to insurance companies. Prepayment of these notes shall be credited to required sinking fund payments in inverse order of their due dates.

Covenants of the loan agreement further provide, among other things, that the Company:

(1) Will maintain consolidated net working capital of \$10,000,000 and consolidated net worth, as defined, of \$10,000,000. At November 30, 1969, consolidated net working capital and consolidated net worth as defined were \$17,213,214 and \$14,789,407, respectively.

(2) Will not pay cash dividends in excess of 50% of consolidated net income, as defined, after December 31, 1968. At November 30, 1969, retained earnings in the amount of \$312,807 were free of such restriction. The current annual cash dividend requirement on the Cumulative Convertible Preferred Stock outstanding is \$468,445. No dividends were in arrears at November 30, 1969.

(3) Will not incur unsecured bank indebtedness due within one year in excess of \$3,000,000, or less depending upon the unpaid balance on the \$4,100,000 bank note due January 15, 1971, and for a period of 60 consecutive days during each calendar year the Company shall not have any such unsecured indebtedness outstanding, other than that outstanding as of May 6, 1969.

(4) Will not incur secured indebtedness in excess of \$500,000 until the required \$1,000,000 prepayment of these notes has been made; thereafter, secured indebtedness will be limited to \$2,000,000.

(5) Shall not incur obligations under long term leases, (except for data processing equipment) in excess of \$150,000 per year. The current annual obligation under such leases is \$125,000.

### NOTE E—COMMITMENTS AND CONTINGENT LIABILITIES

Approximately \$1,917,000 of gross sales of the Pioneer Division are subject to renegotiation at November 30, 1969. The Company does not expect any renegotiation adjustments. For additional information see "Business—Pioneer Astro Division".

At November 30, 1969, the Company is contingently liable on \$241,077 of notes receivable discounted.

### NOTE F—EMPLOYEE BENEFIT PLANS

The Company has various benefit plans, including pensions, profit sharing and executive incentive compensation plans covering a substantial portion of its employees. Provisions for these plans for the fiscal year ended November 30, 1969 approximated \$654,000. The pension plan is for substantially all salaried employees

# ASTRO CONTROLS, INC.

## NOTES TO FINANCIAL STATEMENTS (continued)

and full-time hourly rated employees of the Bastian Division. Unfunded past-service costs approximating \$3,200,000 at November 30, 1969 are being funded on a thirty-year basis; current costs are being funded as accrued. The actuarially computed value of vested benefits for all plans as of November 30, 1969 exceeded the total of the pension funds by \$3,300,000. The charges to earnings for the cost of the pension plans were as follows:

Year ended	
November 30, 1968 .....	\$501,430
November 30, 1969 .....	501,882

On July 9, 1969, the Company adopted a Monthly Investment Plan whereby substantially all full-time employees may purchase the Company's common stock. The Company will contribute an amount equal to 20% of the first \$20.00 per month paid to the Plan by the employee. The Plan is on file with the Securities and Exchange Commission but the registration of the shares offered pursuant to the Plan has not yet become effective.

For additional information regarding employee benefit plans see "Management—Remuneration and Retirement Benefits".

### NOTE G—STOCK OPTION PLAN

The Company has a qualified stock option plan at November 30, 1969 in which options covering 7,644 shares of cumulative convertible preferred stock were granted but not exercised. The options were priced at 100% of fair market value at the date of grant and may be exercised in whole or in part at any time prior to five years thereafter. All options were granted in prior years and no additional options may be granted under the plan. At November 30, 1969, the 7,644 shares under option had a fair market value at date of grant of \$162,325. During the year, options to purchase 5,641 shares (having a fair market value at date of exercise of \$191,600) were exercised for \$120,574. Options to purchase 10,382 shares expired during the year.

Reference is made to "Stock Option Plan and Warrants" contained elsewhere herein.

### NOTE H—CAPITAL STOCK

During the period from May 6, 1969 (date of consolidation) to November 30, 1969, 18,935 shares of cumulative convertible preferred stock were exchanged into common stock.

### NOTE I—SUPPLEMENTARY PROFIT AND LOSS INFORMATION

Supplementary profit and loss information for the three fiscal periods ended November 30, 1969 is as follows:

	<i>Fiscal</i> <i>1967/8</i>	<i>November 30</i>	
		<i>1968</i>	<i>1969</i>
Maintenance and repairs			
Cost of goods sold or operating expenses .....	\$ 805,985	\$ 771,059	\$ 765,740
Other expenses .....	47,675	16,579	17,557
	<u>\$ 853,660</u>	<u>\$ 787,638</u>	<u>\$ 783,297</u>
Depreciation and amortization			
Cost of goods sold or operating expenses .....	\$ 729,017	\$ 654,253	\$ 833,055
Other expenses .....	104,782	85,267	88,618
	<u>\$ 833,799</u>	<u>\$ 739,520</u>	<u>\$ 921,673</u>
Taxes other than income taxes (a)			
Cost of goods sold or operating expenses .....	\$ 711,983	\$ 747,999	\$ 853,147
Other expenses .....	160,566	159,668	193,393
	<u>\$ 872,549</u>	<u>\$ 907,667</u>	<u>\$1,046,540</u>

**ASTRO CONTROLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

	<i>Fiscal</i> <i>1967/8</i>	<i>November 30</i>	
		<i>1968</i>	<i>1969</i>
Rents and royalties			
Cost of goods sold or operating expenses .....	\$ 133,937	\$ 81,400	\$ 103,682
Other expenses .....	122,154	134,964	190,450
	<u>\$ 256,091</u>	<u>\$ 216,364</u>	<u>\$ 294,132</u>
 (a) Taxes other than income taxes comprise:			
Real estate and personal property taxes .....	\$ 223,443	\$ 232,029	\$ 302,663
Social security taxes .....	589,045	601,341	691,402
Sundry state taxes .....	60,061	74,297	52,475
	<u>\$ 872,549</u>	<u>\$ 907,667</u>	<u>\$1,046,540</u>

## GOLCONDA MINING CORPORATION

## BALANCE SHEET

December 31, 1969 and 1968

1969

1968

## ASSETS

## CURRENT ASSETS:

Cash in banks  
Receivables

\$ 182,011	\$ 20,174
<u>35,823</u>	<u>103,013</u>
217,834	123,187

## PROPERTY, PLANT AND EQUIPMENT,

at cost

697,096 697,096

Less accumulated amortization,  
depletion and depreciation

<u>631,173</u>	<u>631,173</u>
65,923	65,923

Remaining cost

## OTHER MINING ASSETS:

Capital stock in mining companies,  
at cost (approximate market  
value 12/31/69 \$23,001,400;  
12/31/68 \$28,702,000)

<u>5,095,399</u>	<u>3,865,297</u>
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Total

<u>\$5,379,156</u>	<u>\$4,054,407</u>
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## LIABILITIES AND CAPITAL

## CURRENT LIABILITIES:

Accounts payable  
Income taxes payable (1)

\$ 206,206	\$ 135,445
<u>47,834</u>	<u>47,834</u>
206,206	183,279

NOTES PAYABLE, banks

2,245,000	1,060,000
-----------	-----------

## CAPITAL:

Capital stock, non-assessable, par  
value ten cents per share,  
authorized 2,000,000 shares,  
all of which are issued

200,000	200,000
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Capital surplus

184,142	184,142
---------	---------

Retained earnings

3,029,408	2,912,586
-----------	-----------

Treasury stock, at cost, 67,000 shares

<u>(485,600)</u>	<u>(485,600)</u>
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Total

<u>\$5,379,156</u>	<u>\$4,054,407</u>
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# COLCONDA MINING CORPORATION

## INCOME STATEMENT

For the years ended December 31, 1969 and 1968

	1969	1968
<b>INCOME:</b>		
Dividend income:		
Hecla Mining Company	\$479,080	\$427,980
Other	11,683	14,573
Miscellaneous	61	2,175
	<u>490,824</u>	<u>444,728</u>
<b>EXPENSES:</b>		
Interest	73,675 (2)	70,198
Salaries	39,000	37,050
Office expense	40,325	32,286
General expenses	22,275	14,334
Mine and mill expense	5,077	6,537
	<u>180,352</u>	<u>160,405</u>
<b>NET INVESTMENT INCOME</b>	<u>\$310,472</u>	<u>\$284,323</u>
<b>REALIZED GAIN ON INVESTMENTS</b>		
For the years ended December 31, 1969 and 1968		
Aggregate sales price	\$ 48,626	\$350,623
Book cost	<u>10,316</u>	<u>102,446</u>
Gain on sales	38,310	248,177
Less income taxes (1)		<u>50,924</u>
<b>NET REALIZED GAIN ON INVESTMENTS</b>	<u>\$38,310</u>	<u>\$197,253</u>
<b>TOTAL INCOME</b>	<u>\$348,782</u>	<u>\$481,576</u>
<b>PER SHARE</b>	<u>18 cents</u>	<u>25 cents</u>

# GOLCONDA MINING CORPORATION

	1969	1968
Unrealized appreciation on investments	\$17,906,001	\$24,836,703
Aggregate purchase price of investments acquired during year	\$ 1,268,412	\$ 462,125
STATEMENT OF RETAINED EARNINGS For the years ended December 31, 1969 and 1968		
Balance, beginning of period	\$ 2,912,586	\$ 2,662,970
Net investment income less dividends paid (\$231,960 in 1969 and in 1968)	78,512	52,363
Net realized gain on investments	38,310	197,253
Balance, end of period	\$ 3,029,408	\$ 2,912,586

The total remuneration of officers and directors during the year ended December 31, 1969, was \$29,700.

\* \* \* \* \*

- (1) The Internal Revenue Service has examined the federal income tax returns filed by the Company for the years 1962 through 1966 and has proposed additional tax of \$276,571. The Company has contested this proposed liability and has filed a petition with the Tax Court. Returns for 1967, 1968 and 1969 have not been audited.
- (2) During 1969 additional interest in the amount of \$75,200 was capitalized as cost of investments. If this amount had been charged to expense, total income for 1969 would be \$273,582 or 14 cents per share.
- (3) Since December 31, 1969, the following material changes have occurred which affect the balance sheet of Golconda:
  - a. On April 3, 1970, the corporation elected to take a 20% participation in the working agreement between Hecla Mining Company and Alice Consolidated Mines, Inc.
  - b. After December 31, 1969, Golconda received statements from attorneys for legal services totaling \$103,893.00. The balance sheet reserve for this expense was \$63,209.40.

The corporation pays retirement benefits of \$200 per month to C. E. Bloom. This item is not reflected in the balance sheet.

**SCHEDULE OF CAPITAL STOCK IN MINING COMPANIES,  
owned by GOLCONDA MINING CORPORATION, December 31, 1969**

<u>Security</u>	<u>No. of Shares</u>	<u>Approximate Market Value</u>	<u>Cost</u>
<b>Capital stock of operating companies located in the Coeur d'Alene Mining District:</b>			
Hecla Mining Company (affiliate)	691,900	\$20,065,100	\$3,836,959
Gulf Resources & Chemical, \$1.30 Pfd.	1,500	26,625	7,737
<b>Capital stock of companies owning property in the Golconda Area of the Coeur d'Alene Mining District (affiliates):</b>			
Alice Silver-Lead Mining	835,625	52,178*	52,178
Bell Mining Company	203,000	15,000*	15,000
Black Bear Mines Company	880,371	11,014*	11,014
Granada Lead Mines, Inc.	755,442	9,769*	9,769
Great Eastern Mining Company	100,000	5,000*	5,000
Ivanhoe Mining Company, Ltd.	358,000	4,690*	4,690
Mullan Metals, Inc.	426,512	13,983*	13,983
Mullan Silver-Lead Company	1,241,756	558,790	80,104
Square Deal Mining & Milling	997,459	259,339	69,552
United Lead-Zinc Mines	1,413,354	876,279	210,291
Wallace Mining Company	254,025	4,845*	4,845
<b>Capital stock of other mining companies located in the Coeur d'Alene Mining District</b>			
		401,942	241,607
<b>Capital stock of other mining companies:</b>			
American-South African Investment	1,000	27,500	49,435
Campbell Red Lake Mines	1,000	17,250	24,775
Dome Mines, Ltd.	1,000	47,125	53,807
Granduc Mines, Ltd.	48,000	510,000	253,677
La Luz Mines, Ltd.	2,000	21,500	27,250
Homestake Mining Company	2,200	36,850	68,184
Silver Eureka Corporation	5,700	10,121	13,104
President Brand Gold Mining Co.	2,000	26,500	42,438
<b>Totals</b>		<b>\$23,001,400</b>	<b>\$5,095,399</b>

The market value does not purport to represent the amount which might be realized upon disposition of these assets.

\*Stated at cost, no quoted market value. The Board of Directors has designated the stated value to be the fair value of the related securities.



GOLCONDA CORPORATION

BY-LAWS

ARTICLE I

Offices

Section 1. The registered office shall be in the City of Wallace, County of Shoshone, State of Idaho.

Section 2. The corporation may also have offices at such other places both within and without the State of Idaho as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II

Meetings of Stockholders

Section 1. All meetings of the stockholders for the election of directors shall be held in the City of Chicago, State of Illinois, at such location as may be fixed from time to time by the board of directors, or at such other city as shall be designated from time to time by the board of directors and stated in the notice of the meeting.

Section 2. Annual meetings of stockholders, commencing with the year 1971, shall be held on the third Friday of April, if not a legal holiday, and if a legal holiday, then on the next secular day following, at 10:00 A.M., or at such other date and time as shall be designated from time to time by the board of directors and stated in the notice of the meeting, at which they shall elect by cumulative voting a board of directors, and transact such other business as may properly be brought before the meeting.

Section 3. Written notice of the annual meeting stating the place, date and hour of the meeting shall be given to each stockholder entitled to vote at such meeting not less than ten nor more than fifty days before the date of the meeting.

Section 4. There shall be prepared, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten

**AUDITOR'S CERTIFICATE**

To the Board of Directors and  
Shareholders of Golconda Mining Corporation

I have examined the balance sheet of Golconda Mining Corporation as of December 31, 1969, and the related statements of income and retained earnings for the year then ended, and the schedule of capital stock in mining companies owned by Golconda Mining Corporation. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances. All securities owned by the Company were verified either by direct examination or confirmation. I made a similar examination for the year ended December 31, 1968.

In my opinion, the accompanying statements present fairly the financial position of Golconda Mining Corporation at December 31, 1969, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year except for the capitalization of interest.

Ellensburg, Washington  
February 23, 1970

P. R. O'SHAUGHNESSY  
Certified Public Accountant

days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 5. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the certificate of incorporation, may be called by the president and shall be called by the president or secretary at the request in writing of a majority of the board of directors, or at the request in writing of stockholders owning a majority in amount of the entire capital stock of the corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

Section 6. Written notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given not less than ten nor more than fifty days before the date of the meeting, to each stockholder entitled to vote at such meeting.

Section 7. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 8. The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the certificate of incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting, at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 9. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before the meeting, unless the question is one upon which by express provision of the statutes or of the certificate of incorporation a

different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 10. Each stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such stockholder, but no proxy shall be voted more than eleven months from its date, unless the proxy provides for a longer period, then, in no event longer than three years. At all elections of directors, each stockholder shall be entitled to as many votes as shall equal the number of shares voted by them multiplied by the number of directors to be elected, and he may cast all of such votes for a single director or may distribute them among the number to be voted for, or for any two or more of them as he may see fit.

Section 11. Whenever the vote of stockholders at a meeting thereof is required or permitted to be taken for or in connection with any corporate action, by any provision of the statutes, the meeting and vote of stockholders may be dispensed with if all of the stockholders who would have been entitled to vote upon the action if such meeting were held shall consent in writing to such corporate action being taken; or if the certificate of incorporation authorizes the action to be taken with the written consent of the holders of less than all of the stock who would have been entitled to vote upon the action if a meeting were held, then on the written consent of the stockholders having not less than such percentage of the number of votes as may be authorized in the certificate of incorporation; provided that in no case shall the written consent be by the holders of stock having less than the minimum percentage of the vote required by statute for the proposed corporate action, and provided that prompt notice must be given to all stockholders of the taking of corporate action without a meeting and by less than unanimous written consent.

### ARTICLE III

#### Directors

Section 1. The number of directors which shall constitute the whole board shall be fourteen. The directors shall be elected at the annual meeting of the stockholders, except as provided in Section 2 of this Article, and each director elected shall hold office until his successor is elected and qualified. Directors need not be stockholders.

Section 2. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by the sole remaining director, and the directors so chosen shall hold office until the next annual election and until

their successors are duly elected and shall qualify, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by the laws of Idaho. If, at the time of filling any vacancy or any newly created directorship, the directors then in office shall constitute less than a majority of the whole board (as constituted immediately prior to any such increase), the Superior Court of Shoshone County, Idaho, may, upon application of any stockholder or stockholders holding at least ten per cent of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office.

Section 3. The business of the corporation shall be managed by its board of directors which may exercise all such power of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these by-laws directed or required to be exercised or done by the stockholders.

#### MEETINGS OF THE BOARD OF DIRECTORS

Section 4. The board of directors of the corporation may hold meetings, both regular and special, either within or without the State of Idaho.

Section 5. The first meeting of each newly elected board of directors shall be held immediately following the annual meeting of stockholders and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present. In the event such meeting is not held, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the board of directors, or as shall be specified in a written waiver signed by all of the directors.

Section 6. Regular meetings of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by the board.

Section 7. Special meetings of the board may be called by the president on two days' notice to each director, either personally or by mail or by telegram; special meetings shall be called by the president or secretary in like manner and on like notice on the written request of two directors.

Section 8. At all meetings of the board, a majority of directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors, except

as may be otherwise specifically provided by statute or by the certificate of incorporation. If a quorum shall not be present at any meeting of the board of directors the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 9. Unless otherwise restricted by the certificate of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting, if all members of the board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board of committee.

#### COMMITTEES OF DIRECTORS

Section 10. The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of two or more of the directors of the corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in the resolution, shall have and may exercise the powers of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; provided, however, that in the absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors.

Section 11. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

#### COMPENSATION OF DIRECTORS

Section 12. The directors may be paid their expenses, if any, of attendance at each meeting of the board of directors and may be paid a fixed sum for attendance at each meeting of the board of directors or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed compensation for attending committee meetings.

## ARTICLE IV

### Notices

Section 1. Whenever, under the provisions of the statutes or of the certificate of incorporation or of these by-laws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at his address as it appears on the records of the corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given by telegram.

Section 2. Whenever any notice is required to be given under the provisions of the statutes or of the certificate of incorporation or of these by-laws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

## ARTICLE V

### Officers

Section 1. The officers of the corporation shall be chosen by the board of directors, and shall be a chairman of the board, vice chairman of the board, a president, a vice president, a secretary and a treasurer. The board of directors may also choose additional vice presidents, and one or more assistant secretaries and assistant treasurers. Any number of offices may be held by the same person, unless the certificate of incorporation or these by-laws otherwise provide.

Section 2. The board of directors at its first meeting after each annual meeting of stockholders shall choose a chairman of the board, vice chairman, a president, one or more vice presidents, a secretary and a treasurer.

Section 3. The board of directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board.

Section 4. The salaries of all officers and agents of the corporation shall be fixed by the board of directors.

Section 5. The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the board of directors may be removed at any time

by the affirmative vote of the board of directors. Any vacancy occurring in any office of the corporation shall be filled by the board of directors.

#### THE CHAIRMAN OF THE BOARD AND VICE CHAIRMAN OF THE BOARD

Section 6. The chairman of the board shall preside over the meetings of the board of directors and of the stockholders, and shall perform such other services as are assigned to him by the board of directors. In the absence of the chairman or in the event of his inability or refusal to act, the vice chairman shall perform the duties of the chairman, and, when so acting, shall have all the powers of and be subject to all the restrictions upon the chairman.

#### THE PRESIDENT

Section 7. The president shall be the chief operating officer of the corporation, shall have general and active management of the business of the corporation and shall see that all orders and resolutions of the board of directors are carried into effect. He shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the corporation.

#### THE VICE PRESIDENTS

Section 8. In the absence of the president or in the event of his inability or refusal to act, the vice president (or in the event there be more than one vice president, the vice presidents in the order designated, or in the absence of any designation, then in the order of their election) shall perform the duties of the president, and, when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice presidents shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

#### THE SECRETARY AND ASSISTANT SECRETARIES

Section 9. The secretary shall attend all meetings of the board of directors and all meetings of the stockholders and record all the proceedings of the meetings of the corporation and of the board of directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or president, under whose supervision he shall be.



He shall have custody of the corporate seal of the corporation and he, or an assistant secretary, shall have authority to affix the same to any instrument requiring it, and when so affixed, it may be attested by his signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his signature.

Section 10. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors (or if there be no such determination, then in the order of their election), shall, in the absence of the secretary or in the event of his inability or refusal to act, perform the duties and exercise the power of the secretary and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

#### THE TREASURER AND ASSISTANT TREASURERS

Section 11. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name of and to the credit of the corporation in such depositories as may be designated by the board of directors.

Section 12. He shall disburse the funds of the corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements, and shall render to the president and the board of directors, at its regular meetings, or when the board of directors so requires, an account of all his transactions as treasurer and of the financial condition of the corporation.

Section 13. If required by the board of directors, he shall give the corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

Section 14. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors (or if there be no such determination, then in the order of their election), shall, in the absence of the treasurer or in the event of his inability or refusal to act, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

## ARTICLE VI

### Indemnification of Officers and Directors

Section 1. Any present or future director or officer, or the executor, administrator or other legal representative of any such director or officer, shall be indemnified by the corporation against reasonable costs, expenses (exclusive of any amount paid to the corporation in settlement), judgments, fines, amounts paid in settlement of any action, suit or proceedings, and counsel fees paid or incurred in connection with any action, suit or proceeding to which any such director or officer or his executor, administrator or other legal representative may hereafter be made a party by reason of his being or having been such director or officer; provided, (1) said action, suit or proceeding shall be prosecuted against such director or officer or against his executor, administrator or other legal representative to final determination, and it shall not be finally adjudged in said action, suit or proceeding that he had been derelict in the performance of his duties as such director or officer, or (2) said action, suit or proceeding shall not be settled or otherwise terminated as against such director or officer or his executor, administrator or other legal representative without a final determination on the merits, and it shall be determined that such director or officer had not in any substantial way been derelict in the performance of his duties as charged in such action, suit or proceeding, such determination to be made by a majority of the members of the board of directors who were not parties to such action, suit or proceeding, though less than a quorum, or by any one or more disinterested persons to whom the question may be referred by the board of directors. For purposes of the preceding sentence: (a) "action, suit or proceeding" shall include every action, suit or proceeding, civil, criminal or other; (b) the right of indemnification conferred thereby shall extend to any threatened action, suit or proceeding and the failure to institute it shall be deemed its final determination; (c) the termination of an action, suit or proceeding by a plea of nolo contendere or other like plea shall not constitute a final determination on the merits; (d) a judgment of conviction in any criminal action, suit or proceeding shall not constitute a determination that the person so convicted has been derelict in the performance of his duties if it is determined by a majority of the members of the board of directors who were not a party thereto, though less than a quorum, or by one or more disinterested persons in the manner provided in the preceding sentence that the person so convicted acted in good faith, for a purpose which he reasonably believed to be in the best interests of the company and that he had no reasonable cause to believe that his conduct was unlawful; and (e) advances may be made by the company against costs, expenses and fees as, and upon the terms, determined by the board of directors. The corporation shall indemnify an employee who is not an officer to the same extent that it does an officer. The foregoing right of indemnification shall not be exclusive of any

other rights to which any director or officer may be entitled as a matter of law or which may be lawfully granted to him; and the indemnification hereby granted by the company shall be in addition to and not in restriction or limitation of any other privilege or power which the corporation may lawfully exercise with respect to the indemnification or reimbursement of directors, officers or employees.

## ARTICLE VII

### Certificates of Stock

Section 1. Every holder of stock in the corporation shall be entitled to have a certificate in the name of the corporation bearing the signature or a facsimile thereof of the chairman of the board of directors or the president or a vice president and the treasurer or an assistant treasurer, or the secretary or an assistant secretary of the corporation, certifying the number of shares owned by him in the corporation.

Section 2. Where a certificate is countersigned (1) by a transfer agent, or, (2) by a registrar, such signature on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

### LOST CERTIFICATES

Section 3. The board of directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

### TRANSFERS OF STOCK

Section 4. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new

certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

#### FIXING RECORD DATE

Section 5. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the board of directors may fix, in advance of such action, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

#### REGISTERED STOCKHOLDERS

Section 6. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Idaho.

### ARTICLE VIII

#### General Provisions

#### DIVIDENDS

Section 1. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the certificate of incorporation.

Section 2. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the directors shall think conducive to the interest of the corporation, and the

directors may modify or abolish any such reserve in the manner in which it was created.

#### ANNUAL STATEMENT

Section 3. The board of directors shall present at each annual meeting, and at any special meeting of the stockholders when called for by vote of the stockholders, a full and clear statement of the business and condition of the corporation.

#### CHECKS

Section 4. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the board of directors may from time to time designate.

#### FISCAL YEAR

Section 5. The fiscal year of the corporation shall be determined by the board of directors.

#### SEAL

Section 6. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Idaho". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

#### ARTICLE IX

##### Amendments

Section 1. These by-laws may be altered, amended or repealed or new by-laws may be adopted by the stockholders or by the board of directors.

C E R T I F I C A T E

The undersigned, D. L. HESS, Secretary of Golconda Mining Corporation (hereinafter called "Golconda"), an Idaho Corporation, hereby certifies as such Secretary under the seal of the corporation as follows:


That the Plan and Agreement of Merger of Astro Controls, Inc., into Golconda to which this Certificate is attached, after having been first duly approved and signed on behalf of Golconda by all of the directors thereof, and by a majority of the directors of Astro Controls, Inc., a Delaware corporation, was duly submitted to the stockholders of Golconda at a special meeting thereof called and held separately, after due and timely notice, on August 12, 1970, adjourned until September 4, 1970, for the purpose of considering and taking action on the Plan and Agreement of Merger.

That there were outstanding and entitled to vote at said meeting 1,933,000 shares of the common stock of Golconda. That 1,653,626 shares of said stock were represented either in person or by proxy at the meeting, and that of these, 1,413,450 shares were voted by ballot in person or by proxy for the adoption of said Plan and Agreement of Merger, and 240,176 shares were voted by ballot in person or by proxy for the rejection of said Plan and Agreement of Merger as certified thereto by the duly appointed Tellers at such meeting. That the shares voted

for the adoption of the Plan totalled in excess of two-thirds of the issued and outstanding shares of the common stock of Golconda entitled to vote at such meeting, and that thereby the Plan and Agreement of Merger was duly adopted as the act of the stockholders of Golconda and the duly adopted agreement of such corporation.

WITNESS my hand and seal of Golconda Mining Corporation this 9th day of September, 1970.


GOLCONDA MINING CORPORATION

By   
D. L. Hess, Secretary

STATE OF WASHINGTON    )  
                              ) ss.  
COUNTY OF KING        )

D. L. HESS, being first duly sworn, on oath deposes and says:

That he is the Secretary of GOLCONDA MINING CORPORATION; that he makes this verification for and on behalf of said corporation; that he has read the foregoing Certificate, knows the contents thereof and believes the same to be true.



SUBSCRIBED and SWORN to before me this 9<sup>th</sup> day of September, 1970.



Notary Public in and for the State of Washington, residing at Seattle

# CERTIFICATE

The undersigned, ALBERT W. THOMSON, secretary of Astro Controls, Inc. (hereinafter called "Astro"), a Delaware corporation, hereby certifies as such secretary under the seal of the corporation as follows:


That the Plan and Agreement of Merger of Astro Controls, Inc. into Golconda Mining Corporation to which this certificate is attached, after having been first duly approved and signed on behalf of Astro by a majority of the directors thereof, and by a majority of the directors of Golconda Mining Corporation, an Idaho corporation, was duly submitted to the stockholders of Astro at a special meeting thereof called and held separately, after due and timely notice, on August 14, 1970, for the purpose of considering and taking action on the Plan and Agreement of Merger.

That there were outstanding and entitled to vote at said meeting 562,070 shares of the common stock and 455,253 shares of the convertible preferred stock of Astro. That 854,857 shares of said stock were represented either in person or by proxy at the meeting, and that of these, 786,829 shares were voted by ballot in person or by proxy for the adoption of said Plan and Agreement of Merger and 68,028 shares were voted by ballot in person or by proxy for the rejection of said Plan and Agreement of Merger.

That the shares voted for the adoption of the plan totaled in excess of two-thirds of the common and convertible preferred stock of Astro entitled to vote at such meeting, and that thereby the Plan and Agreement of Merger was duly adopted as the act of the stockholders of Astro and the duly adopted agreement of such corporation.



WITNESS my hand and the seal of Astro Controls, Inc.  
this 11th day of September, 1970.

  
Albert W. Thomson  
Secretary

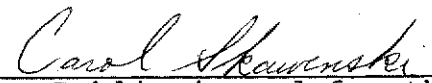
STATE OF ILLINOIS     )  
                              )     ss.  
COUNTY OF COOK     )

ALBERT W. THOMSON, being first duly sworn, on oath  
deposes and says:

That he is the Secretary of ASTRO CONTROLS, INC.;  
that he makes this verification for and on behalf of said  
corporation; that he has read the foregoing Certificate,  
knows the contents thereof and believes the same to be true.

  
Albert W. Thomson

SUBSCRIBED and SWORN to before me this 11th day of  
September, 1970.

  
Notary Public in and for the State  
of Illinois, residing at  
Chicago, Illinois

**NOTARY PUBLIC, STATE OF ILLINOIS**  
**MY COMMISSION EXPIRES JAN. 22, 1974**  
**ISSUED THRU ILLINOIS NOTARY ASSOCIATION**