

FILED

**ARTICLES OF MERGER
OF DOMESTIC AND FOREIGN CORPORATIONS
INTO
RAND SOFTWARE CORPORATION**

Pursuant to the provisions of the Idaho Business Corporation Act, the undersigned domestic and foreign corporations adopt the following Articles of Merger for the purpose of merging them into one of such corporations:

ARTICLE I

The names of the undersigned corporations and the state under the laws of which they are respectively organized are:

<u>Name of Corporation</u>	<u>State</u>
ESI Acquisition Company II	Idaho
Rand Software Corporation	Vermont

ARTICLE II

The laws of the state under which such foregoing corporation is organized permit such a merger.

ARTICLE III

The name of the surviving corporation is "Rand Software Corporation" and it is to be governed by the laws of the state of Vermont.

ARTICLE IV

The Plan of Merger attached hereto as Exhibit "A" was approved by the stockholders of the undersigned domestic corporation in the manner prescribed by the Idaho Business Corporation Act, and was approved by the undersigned foreign corporation in the manner prescribed by the laws of the state under which it is organized.

IDAHO SECRETARY OF STATE

02/23/1999 09:00
CX: 5816 CT: 5560 BN: 198411

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ARTICLES OF MERGER - 1.

ARTICLE V

As to each of the undersigned corporations, the number of shares outstanding, and the designation and number of outstanding shares of each class entitled to vote as a class on such Plan, are as follows:

Name of Corporation	Number of Shares Outstanding	Entitled to Vote as a Class	
		Designation of Class	Number of Shares
ESI Acquisition Company II	1	N/A	
Rand Software Corporation	20,000	N/A	

ARTICLE VI

As to each of the undersigned corporations, the total number of shares voted for and against such Plan, respectively, and, as to each class entitled to vote thereon as a class, the number of shares of such class voted for and against such Plan, respectively, are as follows:

Name of Corporation	Total Voted For	Total Voted Against	Number of Shares Entitled to Vote as a Class		
			Class	Voted For	Voted Against
ESI Acquisition Company II	1	0	N/A		
Rand Software Corporation	20,000	0	N/A		

ARTICLE VII

If the surviving corporation is to be governed by the laws of any other state, such surviving corporation hereby: (a) agrees that it may be served with process in the state of Idaho in any proceeding for the enforcement of any obligation of the undersigned domestic corporation and in any proceeding for the enforcement of the rights of a dissenting stockholder of such domestic corporation against the surviving corporation; (b) irrevocably appoints the Secretary of

State of Idaho as its agent to accept service of process in any such proceeding; and (c) agrees that it will promptly pay to the dissenting stockholders of such domestic corporation the amount, if any, to which they shall be entitled under the provisions of the Idaho Business Corporation Act with respect to the rights of dissenting stockholders.

DATED this 23 day of October, 1998.

ESI ACQUISITION COMPANY II

By Steven D. Simpson
STEVEN D. SIMPSON, President

RAND SOFTWARE CORPORATION

By Senthil A. Krishnapillai
SENTHIL A. KRISHNAPILLAI, President

VERIFICATION

STATE OF IDAHO)

County of Ada)

I, Dianne Jossis, a notary public, do hereby certify that on this 23 day of October, 1998, personally appeared before me STEVEN D. SIMPSON, who, being by me first duly sworn, declared that he is the President of ESI ACQUISITION COMPANY II, that he signed the foregoing document as President of the corporation, and that the statements therein contained are true.



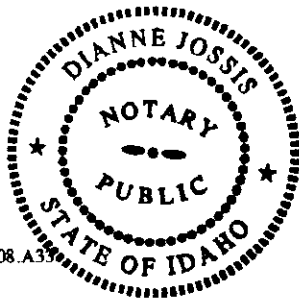
Dianne Jossis
NOTARY PUBLIC
Residing at Boise, Idaho
Commission Expires: 5/1/02

VERIFICATION

STATE OF Idaho)

County of Ada)

I, Dianne Jossis, a notary public, do hereby certify that on this 23 day of October, 1998, personally appeared before me SENTHIL A. KRISHNAPILLAI, who, being by me first duly sworn, declared that he is the President of RAND SOFTWARE CORPORATION, that he signed the foregoing document as President of the corporation, and that the statements therein contained are true.



Dianne Jossis
NOTARY PUBLIC
Residing at Boise, ID
Commission Expires: 5/1/02

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ARTICLES OF MERGER - 4.

PLAN OF MERGER

This Plan of Merger dated October 23rd, 1998, by and between ESI ACQUISITION COMPANY II, an Idaho corporation (hereinafter referred to as "ESI COMPANY"), and RAND SOFTWARE CORPORATION, an Vermont corporation (hereinafter referred to as "RAND SOFTWARE"), and such corporations being hereinafter collectively referred to as the "CONSTITUENT CORPORATIONS."

RECITALS

WHEREAS, RAND SOFTWARE is a corporation duly organized and existing under the laws of the state of Vermont with authorized capital stock of TwentyThousand (20,000) shares of common stock, of which Twenty Thousand (20,000) shares are issued and outstanding, and the holders of such shares are entitled to vote on this Plan of Merger;

WHEREAS, ESI COMPANY is a corporation duly organized and existing under the laws of the state of Idaho with authorized capital stock of One (1) common stock, no par value, which One (1) share of common stock is issued and outstanding and the holder of such shares is entitled to vote on this Plan of Merger; and

WHEREAS, the respective Boards of Directors of RAND SOFTWARE and ESI COMPANY deem it advisable for the best interests of said corporations that ESI COMPANY be merged with and into RAND SOFTWARE as the surviving corporation as authorized by the statutes of the states of Vermont and Idaho under and pursuant to the terms and conditions of that Agreement dated October 23, 1998, by and between the CONSTITUENT CORPORATIONS, and for the shares of capital stock of ESI COMPANY issued and outstanding at the Effective Date (as hereinafter defined) to be converted into shares of RAND SOFTWARE and each such Board has duly approved this Plan of Merger.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements between the parties, and for the purpose of setting forth the terms and conditions of said merger, the CONSTITUENT CORPORATIONS agree as follows:

ARTICLE 1.0
Merger and Name of Surviving Corporation

At the Effective Date, and subject to the terms and conditions of those agreements between the parties, ESI COMPANY shall be merged with and into RAND SOFTWARE, which is hereby designated as the "Surviving Corporation," which shall not be a new corporation, but shall continue its corporate existence as RAND SOFTWARE, an Vermont corporation.

ARTICLE 2.0
Terms and Conditions of Merger

The terms and conditions of the merger at the Effective Date are (in addition to those set forth by agreement between CONSTITUENT CORPORATIONS) as follows:

2.1. The CONSTITUENT CORPORATIONS shall be a single corporation which shall be RAND SOFTWARE, the corporation designated herein as the Surviving Corporation.

2.2. The separate existence of ESI COMPANY shall cease.

2.3. The Surviving Corporation shall thereupon and thereafter possess the rights, privileges, powers, and franchises of whatsoever nature and description, as well of a public as of a private nature, and be subject to all restrictions, disabilities, and duties of each of the CONSTITUENT CORPORATIONS; and all rights, privileges, powers, and franchises of each of the CONSTITUENT CORPORATIONS, and all property, real, personal, and mixed, and debts to either of the CONSTITUENT CORPORATIONS on whatever account, as well for stock subscriptions and all other things in action or belonging to each of the CONSTITUENT CORPORATIONS, shall be vested in the Surviving Corporation; and all property, rights, privileges, powers, and franchises, and all and every other interest shall be thereafter as effectively the property of the Surviving Corporation as they were of the several and respective CONSTITUENT CORPORATIONS, and the title to any real estate vested by deed or otherwise in any of the CONSTITUENT CORPORATIONS shall not revert or be in any way impaired by reason of such merger. All rights of creditors and all liens upon the property of the CONSTITUENT CORPORATIONS shall be preserved unimpaired, and all debts, liabilities, and duties of the CONSTITUENT CORPORATIONS shall thenceforth attach to the Surviving Corporation, and may be enforced against it to the same extent as if said debts, liabilities, and duties had been incurred or contracted by it. Any claim existing or

action or proceeding, whether civil, criminal or administrative, pending or by or against either CONSTITUENT CORPORATION, may be prosecuted to judgment or decree as if such merger had not taken place, or the Surviving Corporation may be substituted in such action or proceeding.

2.4. All corporate acts, plans, policies, contracts, approvals and authorizations of ESI COMPANY and its stockholder, Board of Directors, committees, elected or appointed by the Board of Directors, officers and agents, which were valid and effective immediately prior to the Effective Date, shall be taken for all purposes as the acts, plans, policies, contracts, approvals and authorizations of the Surviving Corporation and shall be as effective and binding thereon as the same or with respect to ESI COMPANY.

2.5. The assets, liabilities, reserves and accounts of each CONSTITUENT CORPORATION shall be recorded on the books of the Surviving Corporation at the amounts at which they, respectively, shall then be carried on the books of such CONSTITUENT CORPORATION, subject to such adjustments or eliminations of inter-company items as may be appropriate in giving effect to the merger.

2.6. Directors and Officers. On the Effective Date, the directors of the Surviving Corporation shall be persons elected by the shareholders of the Surviving Corporation on such date and they shall hold office until their successors have been elected and have qualified in accordance with the laws and bylaws of the Surviving Corporation. The officers of RAND SOFTWARE on the Effective Date shall be the officers of the Surviving Corporation, and they shall hold office until the first meeting of the Board of Directors of the Surviving Corporation.

ARTICLE 3.0

Manner and Basis of Converting Shares and Related Provisions

The manner and basis of converting the issued and outstanding shares of each CONSTITUENT CORPORATION into shares of the Surviving Corporation and the mode of carrying the merger into effect are as follows:

3.1. The share of ESI COMPANY common stock at the Effective Date shall be converted into One (1) share of RAND SOFTWARE (the Surviving Corporation) without any action on the part of the holder thereof. After the Effective Date, the holder of the outstanding certificate, which prior thereto represented the share of ESI

COMPANY, shall be entitled upon surrender thereof to receive in exchange therefor, a certificate or certificates representing a share of RAND SOFTWARE in and to or for which its shares have been converted or exchanged.

3.2. The share of stock into which the share of ESI COMPANY shall have been converted pursuant to this Article shall be converted into the number of shares of Extended Systems Incorporated common stock as set forth in the Acquisition Agreement dated October 23, 1998.

ARTICLE 4.0

Articles of Incorporation and Bylaws

4.1. On the Effective Date, the Articles of Incorporation of RAND SOFTWARE as existing and constituted immediately prior to the Effective Date shall, upon the merger becoming effective, be and constitute the Articles of Incorporation of the Surviving Corporation until amended in the manner provided by law.

4.2. The Bylaws of RAND SOFTWARE as existing and constituted immediately prior to the Effective Date shall, upon the merger becoming effective, be and constitute the Bylaws of the Surviving Corporation until amended in a manner provided by law.

ARTICLE 5.0

Other Provisions with Respect to Merger

5.1. This Plan shall be submitted to the stockholders and directors, as appropriate, of each CONSTITUENT CORPORATION as provided by the applicable laws of the states of Idaho and Oregon. After the approval or adoption thereof by the stockholders and directors, as appropriate, of each CONSTITUENT CORPORATION in accordance with the requirements of said laws, all required documents shall be executed, filed and recorded, and all required acts shall be done in order to accomplish the merger under the provisions of the applicable statutes of Idaho and Vermont.

ARTICLE 6.0

Miscellaneous

6.1. The merger shall become effective when all of the following action shall have been taken:

PLAN OF MERGER - 4.

- (i) This Plan shall be adopted and approved on behalf of each CONSTITUENT CORPORATION subject to the terms and conditions of the agreements between such CONSTITUENT CORPORATION and Articles of Merger (with this Plan attached as part thereof) setting forth the information required by, and executed and verified in accordance with the Idaho and Vermont Business Corporation Acts, shall be filed in the office of the Secretary of State of Idaho and Oregon.

6.2. For the convenience of the parties, and to facilitate the filing and recording of this Plan, any number of counterparts hereof may be executed, and each such counterpart shall be deemed to be an original instrument.

6.3. This Plan cannot be altered or amended except pursuant to an instrument in writing signed on behalf of the parties hereto.

6.4. After the Effective Date, the officers of RAND SOFTWARE will undertake such acts and execute such documents as necessary to comply with this Plan and the other agreements between the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Plan of Merger on the date first written above.

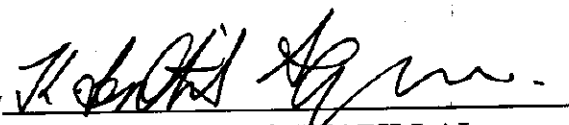
ESI COMPANY:

ESI ACQUISITION COMPANY II

By 
STEVEN D. SIMPSON
President

RAND SOFTWARE:

RAND SOFTWARE CORPORATION

By 
SENTHIL A. KRISHNAPILLAI
President

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