

# State of Idaho

## Department of State

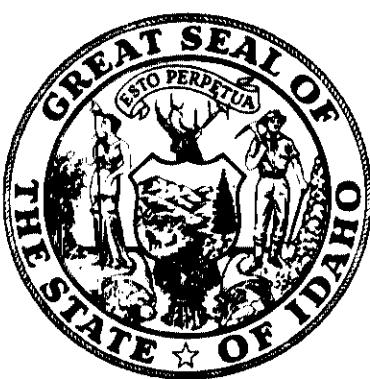
### CERTIFICATE OF MERGER OR CONSOLIDATION

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho hereby certify that  
duplicate originals of Articles of Merger of \_\_\_\_\_  
ZA CAB LOGGING CO., INC., an Idaho corporation,

into ERB HARDWARE CO., LIMITED, an Idaho corporation,,  
duly signed and verified pursuant to the provisions of the Idaho Business Corporation Act, have  
been received in this office and are found to conform to law.

ACCORDINGLY and by virtue, of the authority vested in me by law, I issue this certificate of  
Merger, and attach hereto a duplicate original of the Articles of  
Merger

Dated March 18, 19 86.



*Pete T. Cenarrusa*

SECRETARY OF STATE

*May J. Clark*  
Corporation Clerk

## ARTICLES OF MERGER

RECEIVED  
SEC. OF STATE

TO: The Secretary of State of the State of Idaho '86 MAR 18 AM 9 57

The undersigned corporations, pursuant to Idaho Code Section 30-1-74, hereby submit duplicate originals of the following Articles of Merger:

1. The Plan of Merger is set forth in Schedule "A" attached hereto and incorporated herein by this reference.

2. As to each of the undersigned corporations, the number of shares outstanding (all such shares being common stock of one class) and entitled to vote on said Plan are as follows:

<u>Name of Corporation</u>	<u>Number of Shares Entitled to Vote</u>
C&B LOGGING CO., INC.	28
ERB HARDWARE CO., LIMITED	243,399

3. As to each of the undersigned corporations, the total number of shares voted for and against said Plan are as follows:

<u>Name of Corporation</u>	<u>Shares Voted For</u>	<u>Shares Voted Against</u>
C&B LOGGING CO., INC.	28	-0-
ERB HARDWARE CO., LIMITED	235,584	-0-

DATED the 1st day of March, 1986.

C&B LOGGING CO., INC.

*ERB* ERB HARDWARE CO., LIMITED

By *RICHARD G. BENNETT*  
RICHARD G. BENNETT,  
President

By *C. R. CUNNINGHAM*  
C. R. CUNNINGHAM, President

*DONALD FAIRLEY*  
DONALD E. FAIRLEY,  
Secretary

By *DONALD FAIRLEY*  
DONALD E. FAIRLEY, Secretary

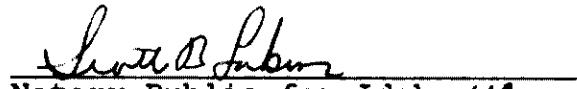
STATE OF *Idaho* )  
: ss  
County of *Idaho* )

RICHARD G. BENNETT, being first duly sworn on oath, deposes and says: I am the President of C&B LOGGING CO., INC.;

that I have read the foregoing ARTICLES OF MERGER, know the contents thereof, and believe the same to be true and correct.

  
RICHARD G. BENNETT

SUBSCRIBED AND SWORN to before me this 17<sup>th</sup> day of March, 1986.

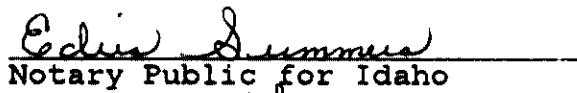
  
Sherrill D. Lubin  
Notary Public for Idaho WA  
Residing at Spokane  
Commission Exp.: 10-27-88

STATE OF IDAHO )  
:ss  
County of Alex P. Perce)

C. R. CUNNINGHAM, being first duly sworn on oath, deposes and says: That I am the President of ~~FREE~~ HARDWARE CO., LIMITED; that I have read the foregoing ARTICLES OF MERGER, know the contents thereof, and believe the same to be true and correct.

  
C. R. CUNNINGHAM

SUBSCRIBED AND SWORN to before me this 16<sup>th</sup> day of March, 1986.

  
Edie L. Summers  
Notary Public for Idaho  
Residing at Leviston  
Commission Exp.: 12-10-86

16C/BF606304A

*Schedule A*

AGREEMENT OF MERGER

AGREEMENT OF MERGER dated as of February 19, 1986, between C&B LOGGING CO., INC an Idaho corporation ("C & B"), and ERB HARDWARE CO., LIMITED an Idaho corporation ("Erb"),

RECITALS:

WHEREAS, C & B is a Idaho corporation authorized to have outstanding fifty (50) shares of common stock, par value One Hundred Dollars (\$100.00) per share ("C & B Common Stock"), of which twenty-eight (28) shares are issued and outstanding;

WHEREAS, Erb is authorized to have outstanding two hundred fifty thousand shares (250,000) shares of common stock, One Dollar (\$1.00) par value ("Erb Common Stock"), of which two hundred forty-three thousand three hundred ninety-nine (243,399) shares are outstanding and six thousand six hundred one (6,601) shares are held in Erb's treasury;

WHEREAS, C & B and Erb have entered into an Acquisition Agreement dated as of January 28, 1986 ("Acquisition Agreement"), which provides for the merger of C & B into Erb; and

WHEREAS, the Board of Directors of C & B deems it advisable for the benefit of C & B and its shareholders, and Erb deems it advisable for the benefit of Erb and its shareholders that C & B be merged into Erb upon the terms and conditions hereinafter set forth; and the shareholders of Erb and C & B have each approved the terms of this Agreement of Merger at the special meetings of shareholders duly called and held on February 16, 1986, for the purpose of voting upon this Agreement of Merger and the transactions contemplated hereby;

NOW, THEREFORE, C & B and Erb agree that C & B shall be merged into Erb with Erb as a surviving corporation, on the following terms and conditions:

Article 1. Upon the merger becoming effective as defined in Article 4 ("Closing Date"), the separate corporate existence of C & B shall be cease, and Erb shall without

other act or deed succeed to, and possess all the rights, privileges, powers, and franchises, whether public or private in nature, and be subject to all the restrictions, disabilities, and duties of both of said corporations. As of the Closing Date, all property of every kind, whether real or personal, belonging to either C & B or Erb, including, without limitation, all debts and other obligations due or belonging to either of said corporations, shall be vested in Erb without further act or deed, and all debts, liabilities, and obligations of C & B shall thereby attach to, and are hereby assumed by, Erb and may be enforced against it to the same extent as if said debts, liabilities, and obligations had originally been incurred or contracted by Erb. The existence of Erb shall continue under the laws of the State of Idaho unaffected and unimpaired by the merger.

Article 2. The terms of the merger, the mode of carrying the same into effect and the manner and basis of exchanging the shares of Erb Common Stock for cash and exchanging the shares of C & B for duly issued shares of Erb shall be as follows:

(a) Each issued and outstanding share of Erb Common Stock ("Outstanding Share") as of the Closing Date shall be exchangeable for Two and 25/100 Dollars (\$2.25).

(b) Prior to the Closing Date (as provided in Article 4 hereof), C & B will pay or cause to be paid to Northern State Bank, Coeur d'Alene, Idaho ("Northern"), for the benefit of the holders of Outstanding Shares in the amount equal to Two and 25/100 Dollars (\$2.25) multiplied by the number of Outstanding Shares.

(c) As of the Closing Date, the holders of Outstanding Shares shall be entitled to receive from Northern the sum of Two and 25/100 Dollars (\$2.25) for each Outstanding Share upon surrender to Northern for cancellation of the certificate evidencing ownership of such Outstanding Share.

(d) From and after the Closing Date, the holders of certificates representing Outstanding Shares shall cease to have any rights with respect to such shares (except such rights as they may have as dissenting shareholders), and their sole right shall be to receive cash payments in the amounts and in the manner herein provided.

(e) Notwithstanding subparagraph (a) of this Article 2, any Outstanding Shares held by a holder who shall have objected to the merger in writing and shall be entitled to receive payment of the value of his or her shares pursuant to Idaho Code 30-1-80 and 30-1-81 shall not be exchangeable as provided in said subparagraph (a), and such holder shall receive from C & B, or its successor, the amounts provided by law.

Article 3. The Articles of Incorporation and the Bylaws of Erb shall not be changed or affected by the merger; and each share of C & B Common Stock issued immediately prior to the closing date shall remain issued immediately after the merger as an identical share issued by Erb.

Article 4. The merger shall become effective upon the filing of an executed counterpart of this Agreement of Merger in the office of the Secretary of State of the State of Idaho pursuant to the laws of the State of Idaho.

Article 5. This Agreement of Merger may be terminated and the merger abandoned after execution and prior to the Closing Date, notwithstanding approval of said Agreement of Merger by the shareholders of Erb, as follows:

(a) By the mutual consent of the Board of Directors of C & B and Erb.

(b) By the Board of Directors of Erb on or after February 21, 1986, if (i) any of the conditions contained in the Acquisition Agreement to which Erb's obligations are subject have not been fulfilled as provided therein; or (ii) such conditions have been

fulfilled (or waived) but C & B shall have failed to have join in the filing of this Agreement of Merger.

(c) By the Board of Directors of C & B on or after February 21, 1986, if (i) any of the conditions contained in the Acquisition Agreement to which C & B's obligations are subject have not been fulfilled as provided therein; or (ii) such conditions have been fulfilled (or waived) but Erb shall have failed to join in the filing of this Agreement of Merger.

In the event of termination of this Agreement of Merger by the Board of Directors of either of the merging parties as provided in this Article 5, notice thereof shall forthwith be given to the other corporation. Termination of this Agreement of Merger as provided by the foregoing provisions of this Article 5 shall automatically be deemed to constitute a direction by the Board of Directors of each corporation to its officers not to file this Agreement of Merger in the office of the Secretary of State of the State of Idaho.

Article 6. Any of the terms or conditions of this Agreement of Merger may be waived at any time by an instrument in writing signed by an officer of whichever of the Corporations is, or the shareholders of which are, entitled to the benefit thereof, after authorization by the Board of Directors of such corporation, or may be amended or modified in whole or in part at any time prior to the vote of the shareholders of Erb or C & B hereon by an agreement in writing executed in the same manner as the Agreement of Merger after authorization to do so by the Board of Directors of either of the corporations; provided, however, that such action shall be taken by the Board of Directors of Erb or C & B only if, in the judgment of such Board, such waiver or such amendment or modification will not have a materially adverse effect on the benefits to its shareholders contemplated by this Agreement of Merger.

Article 7. This Agreement of Merger may be executed in any number of counterparts, each of which shall be an original, but all such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, each of the undersigned corporations have caused this Agreement of Merger to be signed by its officers thereupon duly authorized and its corporate seal to be hereunto affixed, all as of the day and year first above written.

C & B LOGGING CO., INC.

By R. D. Hubbard  
President

Attest:

Donald E. Taulby  
Secretary

ERB HARDWARE CO., LIMITED

By G. Birmingham  
President

Attest:

Donald E. Taulby  
Secretary