

AGREEMENT OF MERGER

AGREEMENT dated September 1, 1970, between JENSEN JEWELERS, INC., hereinafter called first party, JENSEN JEWELERS OF BURLEY, INC., hereinafter called second party, and JENSEN JEWELERS OF IDAHO FALLS, INC., hereinafter called third party, all Idaho Corporations.

WHEREAS, the respective Boards of Directors of first party, second party and third party have determined that it is advisable and in the best interests of such corporations and their respective stockholders that first party and second party be merged into third party, which shall be the surviving corporation in the merger,

NOW, THEREFORE, it is agreed as follows:

1. VOTE ON MERGER. First party, second party and third party will cause special meetings of their respective stockholders to be called and held on or before September 30, 1970, to consider and vote upon the merger of first party and second party into third party on the terms and conditions hereinafter set forth. If the merger is approved by the stockholders of first party, second party and third party in accordance with the laws of Idaho, subject to the provisions of paragraph 7 hereof, a Certificate of Merger and a copy of this Agreement of Merger, shall be executed and filed in the office of the Secretary of State of the State of Idaho as promptly as possible thereafter. The Certificate of Merger so filed shall be substantially in the form of Exhibit A hereto, with such changes therein as the Boards of Directors of first party, second party and third party approve. The date on which such Certificate of Merger is filed by the Secretary of State is herein called the "effective date of the merger".

2. NAME. The corporate name of third party, Jensen Jewelers of Idaho Falls, Inc., the surviving corporation, and its identity, existence, purposes, powers, objects, franchises, rights, and immunities shall be unaffected and unimpaired by the merger. On the effective date of the merger, the separate existence and corporate organization of first party and second party, except insofar as it may be continued by statute, shall cease.

3. CERTIFICATE OF INCORPORATION AND BY-LAWS. The Certificate of Incorporation of third party, Jensen Jewelers of Idaho Falls, Inc., as originally filed and recorded on April 29, 1968, and as thereafter from time to time amended, shall, on the effective date of the merger, be the certificate of incorporation of the surviving corporation until further altered, amended, or repealed as provided by law.

The by-laws of third party, Jensen Jewelers of Idaho Falls, Inc., in effect on the effective date of the merger shall be the by-laws of the surviving corporation until amended, rescinded, or repealed as provided therein or by law.

4. DIRECTORS AND OFFICERS OF SURVIVING CORPORATION. The directors of third party, Jensen Jewelers of Idaho Falls, Inc., on the effective date of the merger shall continue to be directors of the surviving corporation of the class and for the terms for which they were elected, and until their successors are elected and qualified as provided by law and the by-laws of the surviving corporation.

The officers of third party, Jensen Jewelers of Idaho Falls, Inc., on the effective date of the merger shall continue to be the officers of the surviving corporation, and shall hold office until

their respective successors are chosen and qualified, as provided by law and the by-laws of the surviving corporation.

5. TREATMENT OF SHARES OF CONSTITUENT CORPORATIONS. The terms and conditions of the merger, the mode of carrying the same into effect, and the manner of converting the shares of first party, and second party into shares of third party are as follows:

(a) The outstanding shares of common stock of the par value of \$100.00 each of third party, shall not be affected by the merger.

(b) On the effective date of the merger, each share of common stock of the par value of \$100.00 of first party and second party which shall be issued and outstanding and not owned by first party or second party, shall be converted into one share of common stock of third party of the par value of \$100.00.

After the effective date of the merger, each holder of an outstanding certificate or certificates theretofore representing common stock of first party or second party may surrender the same to third party and such holder shall be entitled upon such surrender to receive a certificate or certificates representing the number of full shares of common stock of third party into which the shares of common stock of first party and second party theretofore represented by such certificate or certificates shall have been converted. Until so surrendered, each outstanding certificate which, prior to the effective date of the merger, represented shares of common stock of first party and second party shall be deemed for all corporate purposes, other than payment of dividends, to evidence ownership of the shares of common stock of third party into which such shares shall have been converted. No dividend payable to the holders of record of common stock of third party as of any date subsequent to the effective date of the merger shall be paid

to the holder of any outstanding certificate representing common stock of first party and second party until such certificate shall be so surrendered; but upon such surrender of any such outstanding certificate, there shall be paid to the record holder of the certificate or certificates for common stock of third party issued upon such surrender the amount of the dividends which theretofore became payable with respect to such shares of common stock of third party.

(c) On the effective date of the merger any treasury share of stock owned by first party and second party shall be cancelled.

6. COVENANTS OF PARTIES. At or prior to the effective date of the merger:

(a) First party and second party will not (i) engage in any activity or transaction otherwise than in the ordinary course of business without first obtaining the approval of third party; (ii) make any change in their authorized capital stock; or (iii) issue or sell, or issue options to purchase or rights to subscribe to, any shares of its capital stock; and first party and second party will not declare any dividend on any shares of their capital stock.

(b) Third party will not make any change in its authorized capital stock; and

(c) Third party will not declare any dividend on any shares of its common stock which is payable in common stock.

7. CONDITIONS TO MERGER. Anything herein or elsewhere to the contrary notwithstanding, the merger shall not be made effective if prior to the effective date of the merger:

(a) The Boards of Directors of first party, second party and third party elect that it shall not be made effective, or

(b) The holders of a sufficiently large number of shares of common stock of first party and second party shall have objected to the merger so as to render it inadvisable, in the opinion of the Board of Directors of third party, to proceed with the merger, or

(c) If any material litigation shall be pending or threatened against or affecting first party, second party or third party, or any of their respective assets, or the merger, which in the judgment of the Board of Directors of first party, second party or third party renders it inadvisable to proceed with the merger.

If the Board of Directors of either first party, second party or third party elects that the merger shall not be made effective as provided in this paragraph 7, notice shall be given to the other, and thereupon, or upon the election of both such Boards of Directors that the merger shall not be made effective as provided in subparagraph (a) of this paragraph 7, this Agreement shall become wholly void and of no effect and there shall be no liability on the part of either first party, second party or third party or their respective Boards of Directors or stockholders.

8. DISTRIBUTION OF NEW STOCK. If the merger becomes effective, first party and second party authorize third party to take or cause to be taken such steps as third party may deem necessary or advisable in order to effect the distribution, on the basis and terms specified herein of the third party stock certificates which holders of first party and second party stock shall be entitled to receive under the terms of the merger.

9. SURVIVING CORPORATION. On the effective date of the merger, all of the estate, property, rights, privileges, powers, franchises, and interests of each of the constituent corporations and all of their property, real, personal, and mixed, and all the debts due on whatever account of any of them, as well as all stock

subscriptions and other choses in action belonging to any of them, shall be vested in third party, Jensen Jewelers of Idaho Falls, Inc., as the surviving corporation, without further act or deed; and all claims, demands, property, and every other interest shall be as effectually the property of third party, Jensen Jewelers of Idaho Falls, Inc., the surviving corporation as they were of the constituent corporations, and the title to all property vested in any of the constituent corporations shall not be deemed to revert or to be in any way impaired by reason of the merger, but shall be vested in third party as the surviving corporation.

10. FURTHER DOCUMENTS. To the extent permitted by law, from time to time, as and when requested by third party or by its successors or assigns, first party and second party shall execute and deliver, or cause to be executed and delivered, all such bills of sale and deeds and instruments, and to take, or cause to be taken, such further or other action as third party may deem necessary or desirable, in order to vest in and confirm to third party title to, and possession of, any property of first party and second party, acquired by reason of or as a result of the merger herein provided for, and otherwise to carry out the intent and purposes hereof; and the proper officers and directors of first party and second party and the proper officers and directors of third party are fully authorized, in the name of first party and second party or otherwise, to take any and all such action.

IN WITNESS WHEREOF, first party, second party and third party have caused this agreement to be executed by their duly authorized officers.

ATTEST:

Mary E. Jensen
Secretary

JENSEN JEWELERS, INC.

By Donald A. Jensen
President

ATTEST:

Mary E. Jensen
Secretary

JENSEN JEWELERS OF BURLEY, INC.

By Donald A. Jensen
President

ATTEST:

Mary E. Jensen
Secretary


JENSEN JEWELERS OF IDAHO FALLS, INC.

By Donald A. Jensen
President

STATE OF IDAHO)
) ss.
County of Twin Falls)

On this 28th day of September, 1970, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared DONALD A. JENSEN, known to me to be the President of JENSEN JEWELERS, INC., the corporation that executed the within instrument and acknowledged to me that said corporation executed the same.

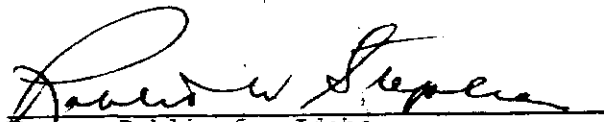
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.


Notary Public for Idaho
Residing at Twin Falls, Idaho

STATE OF IDAHO)
) ss.
County of Twin Falls)

On this 28th day of September, 1970, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared DONALD A. JENSEN, known to me to be the President of JENSEN JEWELERS OF BURLEY, INC. the corporation that executed the foregoing instrument and acknowledged to me that said corporation executed the same.

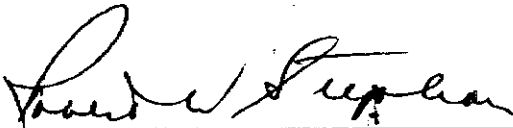
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.


Notary Public for Idaho
Residing at Twin Falls, Idaho

STATE OF IDAHO)
) ss.
County of Twin Falls)

On this 18th day of September, 1970, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared DONALD A. JENSEN, known to me to be the President of JENSEN JEWELERS OF IDAHO FALLS, INC., the corporation that executed the foregoing instrument, and acknowledged to me that said corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Notary Public for Idaho
Residing at Twin Falls, Idaho

CERTIFICATE OF MERGER

OF

JENSEN JEWELERS, INC.

AND

JENSEN JEWELERS OF BURLEY, INC.

INTO

JENSEN JEWELERS OF IDAHO FALLS, INC.

Under Section 30-152 of the Idaho Code

We, the undersigned, being respectively the President and Secretary of Jensen Jewelers, Inc., and the President and Secretary of Jensen Jewelers of Burley, Inc., and the President and Secretary of Jensen Jewelers of Idaho Falls, Inc., hereby certify:

The Plan of Merger was adopted by the Board of Directors of each constituent corporation.

FIRST: The name of each constituent corporation is as follows: Jensen Jewelers, Inc., Jensen Jewelers of Burley, Inc. and Jensen Jewelers of Idaho Falls, Inc. The name of the surviving corporation is Jensen Jewelers of Idaho Falls, Inc.

SECOND: The number of outstanding shares of Jensen Jewelers, Inc. is 250 shares of the par value of \$100.00 each, all of which are entitled to vote. The number of outstanding shares of Jensen Jewelers of Burley, Inc. is 250 shares of the par value of \$100.00 each, all of which are entitled to vote. The number of outstanding shares of Jensen Jewelers of Idaho Falls, Inc. is 750 shares of the par value of \$100.00 each, all of which are entitled to vote.

THIRD: The Certificate of Incorporation of Jensen Jewelers, Inc. was filed by the Secretary of State on June 29, 1966, the Certificate of Incorporation of Jensen Jewelers of Idaho Falls, Inc. was filed with the Secretary of State on April 29, 1968, and the Certificate of Incorporation of Jensen Jewelers of Burley, Inc. was filed with the Secretary of State on August 31, 1966.

FOURTH: The merger was authorized at a meeting of the shareholders of Jensen Jewelers, Inc. by vote of the holders of all outstanding shares, at a meeting of the shareholders of Jensen Jewelers of Idaho Falls, Inc. by vote of the holders of all outstanding shares and at a meeting of the shareholders of Jensen Jewelers of Burley, Inc. by vote of the holders of all outstanding shares.

FIFTH: The merger shall be effective on the 30th day of September, 1970.

SIXTH: The plan of merger, a copy of which is attached hereto, is still in full force and effect and has not been abandoned.

IN WITNESS WHEREOF, we have signed and verified this Certificate this 28th day of September, 1970.

ATTEST:

Mary E. Jensen
Secretary

JENSEN JEWELERS, INC.

Donald A. Jensen
President

ATTEST:

Mary E. Jensen
Secretary

JENSEN JEWELERS OF BURLEY, INC.

Donald A. Jensen
President

ATTEST:

Mary E. Jensen
Secretary

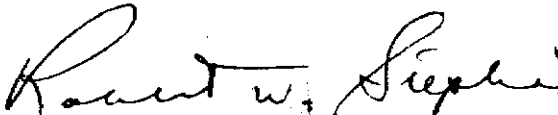
JENSEN JEWELERS OF IDAHO FALLS, INC.

Donald A. Jensen
President

STATE OF IDAHO)
) ss.
County of Twin Falls)

On this 28th day of September, 1970, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared DONALD A. JENSEN, known to me to be the President of JENSEN JEWELERS, INC., the corporation that executed the within instrument and acknowledged to me that said corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

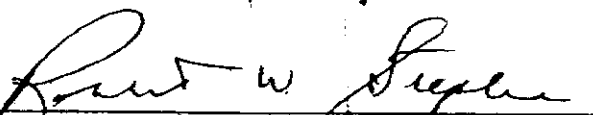


Notary Public for Idaho
Residing at Twin Falls, Idaho

STATE OF IDAHO)
) ss.
County of Twin Falls)

On this 28th day of September, 1970, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared DONALD A. JENSEN, known to me to be the President of JENSEN JEWELERS OF BURLEY, INC. the corporation that executed the foregoing instrument and acknowledged to me that said corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

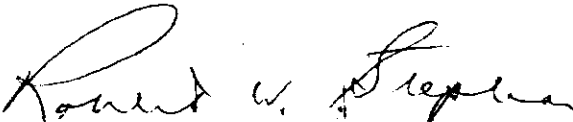


Notary Public for Idaho
Residing at Twin Falls, Idaho

STATE OF IDAHO)
) ss.
County of Twin Falls)

On this 28th day of September, 1970, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared DONALD A. JENSEN, known to me to be the President of JENSEN JEWELERS OF IDAHO FALLS, INC., the corporation that executed the foregoing instrument, and acknowledged to me that said corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Notary Public for Idaho
Residing at Twin Falls, Idaho

DIRECTORS AGREEMENT. The undersigned, being all of the Directors of JENSEN JEWELERS, INC., JENSEN JEWELERS OF BURLEY, INC., and JENSEN JEWELERS OF IDAHO FALLS, INC., do hereby agree to the above Agreement of Merger and hereby affix their signatures as an expression of consent to be bound thereby and authorize and direct the President and Secretary of each corporation to execute the same.

Donald A. Jensen
Mary E. Jensen
Lowell W. Stupen
Directors of JENSEN JEWELERS, INC.

Donald A. Jensen
Mary E. Jensen
Lowell W. Stupen
Directors of JENSEN JEWELERS OF
BURLEY, INC.

Donald A. Jensen
Mary E. Jensen
Lowell W. Stupen
Directors of JENSEN JEWELERS OF
IDAHO FALLS, INC.

STATE OF IDAHO)
) ss.
County of Twin Falls)

On this 28th day of September, 1970, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared DONALD A. JENSEN, MARY E. JENSEN and ROBERT W. STEPHAN, known to me to be all of the Directors of JENSEN JEWELERS, INC., JENSEN JEWELERS OF BURLEY, INC. and JENSEN JEWELERS OF IDAHO FALLS, INC., the corporations that executed the within instrument and acknowledged to me that said Directors executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Esther Borg

Notary Public for Idaho
Residing at Twin Falls, Idaho.