

01-26-1999

1-11-99



100948032

To the Honorable Commissioner of Patents and Trademarks. Please record the information on this form and return it to the Commissioner of Patents and Trademarks, U.S. Department of Commerce, Patent and Trademark Office, Washington, D.C. 20231.

1. Name of conveying party(ies):

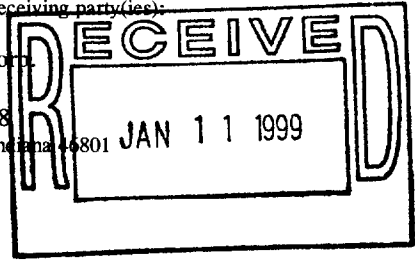
Hardware Wholesalers, Inc.

Individual(s)  Association  
 General Partnership  Limited Partnership  
 Corporation-State Indiana  
 Other

Additional name(s) of conveying party(ies) attached?  Yes  No

2. Name and address of receiving party(ies):

Do it Best Corp.  
Nelson Road  
P.O. Box 868  
Fort Wayne, Indiana 46801



3. Nature of Conveyance:

Assignment  Merger  
 Security Agreement  Change of Name  
 Other

Individual(s) citizenship \_\_\_\_\_  
Association \_\_\_\_\_  
General Partnership \_\_\_\_\_  
Limited Partnership \_\_\_\_\_  
 Corporation-State Indiana  
Other \_\_\_\_\_

Execution Date: October 21, 1998

Additional name(s) and address(es) attached?  Yes  No

4. Application number(s) or trademark number(s):

A. Trademark Application Nos.(s)

B. Trademark Registration No.

See Attached List of Trademark Registrations

Additional numbers attached?  Yes  No

Additional numbers attached?  Yes  No

5. Name and address of party to whom correspondence concerning document should be mailed:

BOBBY B. GILLENWATER, ESQUIRE  
BARNES & THORNBURG  
600 ONE SUMMIT SQUARE  
FORT WAYNE, IN 46802

6. Total number of applications and trademarks involved: 1

7. Total fee (37 CFR 3.41):..... \$ 1,865.00

Enclosed  Authorized to be charged to deposit account  
(Duplicate copy of this page attached)

8. Deposit account number: 02-1010

The Commissioner is hereby authorized to charge any additional fees which may be required, or credit any overpayment, to the above deposit account.

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Bobby B. Gillenwater  
Name of Person Signing

01/11/99  
Date

Total Number of pages including cover sheet, attachments, and document: \_\_\_\_\_  
OMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

01/22/1999 BNGUYEN 00000288 1763359

Commissioner of Patents and Trademarks  
Box Assignments  
Washington, D.C. 20231

01 FC:481 40.00 OP  
02 FC:482 1825.00 OP

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project. (0651-0011), Washington, D.C. 20503

TRADEMARK

REEL: 1838 FRAME: 0708

**EXHIBIT A**

**U.S. Trademark Registrations**

Mark: BRINGING THE BEST TOGETHER  
Reg. No.: 1,763,359  
Registered: April 6, 1993  
Serial No.: 74/181,145  
Filed: July 1, 1991

Mark: CORE  
Reg. No.: 2,186,053  
Registered: September 1, 1998  
Serial No.: 75/381,950  
Filed: October 30, 1997

Mark: Design (SATURDAY SAM)  
Reg. No.: 1,926,822  
Registered: October 17, 1995  
Serial No.: 74/198,575  
Filed: August 27, 1991

Mark: DO (HWI) IT & DESIGN  
Reg. No.: 1,285,161  
Registered: July 10, 1984  
Serial No.: 432,715  
Filed: June 30, 1983

Mark: DO (HWI) IT & Design  
Reg. No.: 1,349,391  
Registered: July 16, 1985  
Serial No.: 432,621  
Filed: June 30, 1983

Mark: DO (HWI) IT & Design  
Reg. No.: 1,282,462  
Registered: June 19, 1984  
Serial No.: 432,610  
Filed: June 30, 1983

Mark: DO (HWI) IT & Design  
Reg. No.: 1,800,456  
Registered: October 26, 1993  
Serial No.: 74/356,358  
Filed: February 8, 1993

Mark: DO (HWI) IT & Design  
Reg. No.: 1,298,283  
Registered: October 2, 1984  
Serial No.: 432,654  
Filed: June 30, 1983

Mark: DO (HWI) IT & Design  
Reg. No.: 1,457,170  
Registered: September 15, 1987  
Serial No.: 649,477  
Filed: March 16, 1987

Mark: DO (HWI) IT & Design  
Reg. No.: 1,460,722  
Registered: October 13, 1987  
Serial No.: 649,479  
Filed: March 16, 1987

Mark: DO (HWI) IT & Design  
Reg. No.: 1,394,662  
Registered: May 27, 1986  
Serial No.: 434,388  
Filed: July 13, 1983

Mark: DO (HWI) IT & Design  
Reg. No.: 1,374,560  
Registered: December 10, 1985  
Serial No.: 502,817  
Filed: October 9, 1984

Mark: DO (HWI) IT & Design  
Reg. No.: 1,348,829  
Registered: July 16, 1985  
Serial No.: 436,439  
Filed: July 27, 1983

Mark: DO (HWI) IT & Design  
Reg. No.: 1,354,995  
Registered: August 20, 1985  
Serial No.: 502,752  
Filed: October 9, 1984

Mark: DO (HWI) IT & Design  
Reg. No.: 1360,969  
Registered: September 17, 1985  
Serial No.: 500,952  
Filed: September 24, 1984

Mark: DO (HWI) IT & Design  
Reg. No.: 1,349,361  
Registered: July 16, 1985  
Serial No.: 432,652  
Filed: June 30, 1983

Mark: DO (HWI) IT & Design  
Reg. No.: 1,354,945  
Registered: August 20, 1985  
Serial No.: 433,532  
Filed: July 7, 1983

Mark: DO (HWI) IT & Design  
Reg. No.: 1,385,601  
Registered: March 11, 1986  
Serial No.: 502,754  
Filed: October 9, 1984

Mark: DO (HWI) IT & Design  
Reg. No.: 1,715,843  
Registered: September 15, 1992  
Serial No.: 74/191,225  
Filed: August 5, 1991

Mark: DO (HWI) IT & Design  
Reg. No.: 1,771,129  
Registered: May 18, 1993  
Serial No.: 74/313,670  
Filed: September 14, 1992

Mark: DO (HWI) IT & Design  
Reg. No.: 1,822,583  
Registered: February 22, 1994  
Serial No.: 74/365,134  
Filed: March 5, 1993

Mark: DO (HWI) IT & Design  
Reg. No.: 1,593,770  
Registered: May 1, 1990  
Serial No.: 73/827,138  
Filed: September 22, 1989

Mark: DO (HWI) IT & Design  
Reg. No.: 1,771,246  
Registered: May 18, 1993  
Serial No.: 74/313,728  
Filed: September 14, 1992

Mark: DO (HWI) IT & Design  
Reg. No.: 2,038,725  
Registered: February 18, 1997  
Serial No.: 75/064,121  
Filed: February 22, 1996

Mark: DO (HWI) IT & Stripe Design  
Reg. No.: 1,619,163  
Registered: October 23, 1990  
Serial No.: 73/826,148  
Filed: September 18, 1989

Mark: DO (HWI) IT & Design  
Reg. No.: 1,656,551  
Registered: September 10, 1991  
Serial No.: 74/019,503  
Filed: January 16, 1990

Mark: DO (HWI) IT BEST & Design  
Reg. No.: 1,791,284  
Registered: September 7, 1993  
Serial No.: 74/331,441  
Filed: November 16, 1992

Mark: DO (HWI) IT BEST & Design  
Reg. No.: 1,719,730  
Registered: September 29, 1992  
Serial No.: 74/203,683  
Filed: September 16, 1991

Mark: DO (HWI) IT BEST & Design  
Reg. No.: 1,719,747  
Registered: September 29, 1992  
Serial No.: 74/203,530  
Filed: September 16, 1991

Mark: DO IT BEST & Design  
Reg. No.: 1,717,728  
Registered: September 22, 1992  
Serial No.: 74/203,794  
Filed: September 16, 1991

Mark: DO (HWI) IT BEST & Design  
Reg. No.: 1,717,551  
Registered: September 22, 1992  
Serial No.: 74/204,325  
Filed: September 17, 1991

Mark: DO (HWI) IT BEST & Design  
Reg. No.: 1,807,523  
Registered: November 30, 1993  
Serial No.: 74/358,840  
Filed: February 16, 1993

Mark: DO (HWI) IT BEST & Design  
Reg. No.: 1,905,235  
Registered: July 18, 1995  
Serial No.: 74/326,412  
Filed: October 29, 1992

Mark: DO (HWI) IT BEST & Design  
Reg. No.: 1,921,336  
Registered: September 26, 1995  
Serial No.: 74/326,891  
Filed: October 30, 1992

Mark: DO (HWI) IT BEST & Design  
Reg. No.: 1,807,076  
Registered: November 30, 1993  
Serial No.: 74/358,822  
Filed: February 16, 1993

Mark: DO (HWI) IT CARD & Design  
Reg. No.: 1,886,711  
Registered: March 28, 1995  
Serial No.: 74/342,290  
Filed: December 22, 1992

Mark: DO (HWI) IT CENTER & Design  
Reg. No.: 1,213,646  
Registered: October 19, 1982  
Serial No.: 351,847  
Filed: February 25, 1982

Mark: DO (HWI) IT CENTER & Design  
Reg. No.: 1,225,270  
Registered: January 25, 1983  
Serial No.: 283,870  
Filed: October 29, 1980

Mark: DO (HWI) IT CENTER & Design  
Reg. No.: 1,371,668  
Registered: November 19, 1985  
Serial No.: 498,236  
Filed: September 7, 1984

Mark: DO IT BEST& Design  
Reg. No.: 2,037,786  
Registered: February 11, 1997  
Serial No.: 74/675,937  
Filed: May 17, 1995

Mark: DO IT BEST  
Reg. No.: 2,012,101  
Registered: October 29, 1996  
Serial No.: 75/037,585  
Filed: December 27, 1995

Mark: DO IT BEST  
Reg. No.: 2,116,411  
Registered: November 25, 1997  
Serial No.: 75/235,813  
Filed: February 3, 1997

Mark: DO IT BEST SELECT & Design  
Reg. No.: 2,116,293  
Registered: November 25, 1997  
Serial No.: 75/211,695  
Filed: December 11, 1996

Mark: DO-IT EXPRESS  
Reg. No.: 1,997,307  
Registered: August 27, 1996  
Serial No.: 74/459,715  
Filed: November 18, 1993

Mark: DO IT EXPRESS (Stylized)  
Reg. No.: 2,040,881  
Registered: February 25, 1997  
Serial No.: 74/459,716  
Filed: November 18, 1993

Mark: DO (HWI) IT & Design  
Reg. No.: 1,770,962  
Registered: May 18, 1993  
Serial No.: 74/314,322  
Filed: September 16, 1992

Mark: DO (HWI) IT & Design  
Reg. No.: 1,775,248  
Registered: June 8, 1993  
Serial No.: 74/313,705  
Filed: September 14, 1992

Mark: DO (HWI) IT & Design  
Reg. No.: 1,771,495  
Registered: May 18, 1993  
Serial No.: 74/313,669  
Filed: September 14, 1992

Mark: DO (HWI) IT & Design  
Reg. No.: 1,807,186  
Registered: November 30, 1993  
Serial No.: 74/318,953  
Filed: October 1, 1992

Mark: DO (HWI) IT BEST & Design  
Reg. No.: 1,775,247  
Registered: June 8, 1993  
Serial No.: 74/313,660  
Filed: September 14, 1992

Mark: DO (HWI) IT BEST & Design  
Reg. No.: 1,771,245  
Registered: May 18, 1993  
Serial No.: 74/313,649  
Filed: September 14, 1992

Mark: DO (HWI) IT BEST & Design  
Reg. No.: 1,916,621  
Registered: September 5, 1995  
Serial No.: 74/551,676  
Filed: July 20, 1994

Mark: DO (HWI) IT BEST & Design  
Reg. No.: 1,771,476  
Registered: May 18, 1993  
Serial No.: 74/313,761  
Filed: September 14, 1992

Mark: DO (HWI) IT & Design  
Reg. No.: 1,908,187  
Registered: August 1, 1995  
Serial No.: 74/522,839  
Filed: May 11, 1994

Mark: DO-IT  
Reg. No.: 1,697,924  
Registered: June 30, 1992  
Serial No.: 74/058,300  
Filed: May 14, 1990

Mark: DO IT CENTER  
Reg. No.: 1,464,819  
Registered: November 10, 1987  
Serial No.: 636,966  
Filed: December 23, 1986

Mark: THE FRIENDLY ONES  
Reg. No.: 1,211,049  
Registered: September 28, 1982  
Serial No.: 343,074  
Filed: December 23, 1981

Mark: HOME TOWN SPIRIT - NOTHING ELSE COMES NEAR IT  
Reg. No.: 1,950,744  
Registered: January 23, 1996  
Serial No.: 74/599,006  
Filed: November 14, 1994

Mark: HWI & Design  
Reg. No.: 886,066  
Registered: February 10, 1970  
Serial No.: 312,466  
Filed: November 18, 1968

Mark: HWI & Design  
Reg. No.: 967,569  
Registered: September 4, 1973  
Serial No.: 425,122  
Filed: May 22, 1972

Mark: I LOVE SATURDAY MORNING  
Reg. No.: 1,926,017  
Registered: October 10, 1995  
Serial No.: 74/198,601  
Filed: August 27, 1991

Mark: IMCS INVENTORY & MARGIN CONTROL SYSTEM & Design  
Reg. No.: 1,164,029  
Registered: August 4, 1981  
Serial No.: 238,759  
Filed: November 13, 1979

Mark: INCOM  
Reg. No.: 2,160,119  
Registered: May 26, 1998  
Serial No.: 75/211,079  
Filed: December 10, 1996

Mark: LET US HELP YOU DO YOUR VERY BEST  
Reg. No.: 1,199,992  
Registered: June 29, 1982  
Serial No.: 318,331  
Filed: July 10, 1981

Mark: MAKING THE BEST EVEN BETTER  
Reg. No.: 2,076,744  
Registered: July 8, 1997  
Serial No.: 74/666,020  
Filed: April 26, 1995

Mark: MASTER TOUCH  
Reg. No.: 1,251,392  
Registered: September 20, 1983  
Serial No.: 368,356  
Filed: June 7, 1982

Mark: MISCELLANEOUS DESIGN (Dark & Light Stripes)  
Reg. No.: 1,763,175  
Registered: April 6, 1993  
Serial No.: 73/826,138  
Filed: September 18, 1989

Mark: MISCELLANEOUS DESIGN (Red & Light Stripes)  
Reg. No.: 1,610,049  
Registered: August 14, 1990  
Serial No.: 73/826,120  
Filed: September 18, 1989

Mark: MR. FRIENDLY Logo  
Reg. No.: 997,744  
Registered: November 5, 1974  
Serial No.: 464,903  
Filed: August 6, 1973



Mark: MVP  
Reg. No.: 2,146,543  
Registered: March 24, 1998  
Serial No.: 75/307,952  
Filed: June 12, 1997

Mark: SMART  
Reg. No.: 1,391,918  
Registered: April 29, 1986  
Serial No.: 541,425  
Filed: June 5, 1985

Mark: SMART  
Reg. No.: 1,399,391  
Registered: July 1, 1986  
Serial No.: 572,516  
Filed: December 9, 1985

Mark: VIDEO IN STORE TRAINING AND MANAGEMENT LIBRARY & Design  
Reg. No.: 1,358,502  
Registered: September 3, 1985  
Serial No.: 497,806  
Filed: September 4, 1984

Mark: YOU'LL FEEL RIGHT AT HOME BECAUSE WE'RE LOCALLY OWNED  
Reg. No.: 1,803,958  
Registered: November 9, 1993  
Serial No.: 74/302,207  
Filed: July 31, 1992

**RESTATED**  
**ARTICLES OF INCORPORATION**  
**OF**  
**DO IT BEST CORP.**

October 21, 1998

APPROVED  
AND  
FILED  
IND. SECRETARY OF STATE

The undersigned, desiring to restate the Articles of Incorporation of HARDWARE WHOLESALERS, INC. (the "Corporation") pursuant to the provisions of the Indiana Business Corporation Law, as amended (the "Act"), executes the following Restated Articles of Incorporation (the "Articles").

**PART I**

**TEXT OF RESTATED ARTICLES**

**ARTICLE 1**

**Name**

The name of the Corporation is DO IT BEST CORP.

**ARTICLE 2**

**Purpose and Powers**

Section 2.01. Purpose. The purpose for which the Corporation is formed is the transaction of any or all lawful business for which corporations may be incorporated under the Act.

Section 2.02. Powers. The Corporation shall have the same powers as an individual to do all things necessary or convenient to carry out its business and affairs, subject to any limitations or restrictions imposed by applicable law or these Articles.

**ARTICLE 3**

**Period of Existence**

Section 3.01. Period. The period during which the Corporation shall continue is perpetual.

ARTICLE 4  
Registered Office and Registered Agent

Section 4.01. Registered Office and Agent. The name of the registered agent and the street address of the registered office of the Corporation are as follows:

Richard L. Linker  
6502 Nelson Road  
Fort Wayne, Indiana 46801-0868

ARTICLE 5  
Terms of Shares

Section 5.01. Amount. The total number of shares which the Corporation shall have the authority to issue is 5,000,000 shares.

Section 5.02. Preference Shares. Four Million (4,000,000) of the shares that the Corporation has authority to issue constitute a separate and single class of shares known as Preference shares, which may be issued in one or more series. The Preference shares are senior to the Common shares and the Non-Voting Common shares, and shall have a liquidation preference of \$100.00 per share. The Preference shares shall be issued only to the holders of the Common shares in payment of patronage refunds made by the Corporation to the holders of Common shares. The Board of Directors (the "Board") shall have the power to divide the Preference shares into series and to determine, in whole or in part, the preferences, limitations and other rights of such series. All shares of Preference shares of the same series shall be identical with each other in all respects.

Clause 5.02(a). Right of Redemption. Except as otherwise provided by law, the Preference shares may be called for redemption and redeemed at the option of the Board in whole at any time or in part from time to time, or on a pro-rata or non-pro-rata basis among all the holders of such shares, upon the payment of the sum of \$100.00 per share and the giving of thirty (30) days' written notice to the holder of the shares to be redeemed. If notice of redemption shall have been duly mailed, and if, on or before the redemption date, all money necessary for such redemption shall have been set aside by the Corporation, separate and apart from its other funds, for the account of the holders of the shares to be redeemed so as to be and continue to be available for payment to such holders of the shares to be redeemed, then from and after the redemption date, whether or not the certificates (if any were issued) for such shares shall have been surrendered the shares so called for redemption shall no longer be deemed outstanding for any purpose, and all rights with respect to those shares shall thereupon cease, except only the right of the holders of the shares to receive the amount payable upon redemption, without interest.

Clause 5.02(b). Minimum Preference Share Ownership. The number of Preference shares of any holder shall not be reduced below a number of shares having an aggregate issue price

less than the greater of (i) \$20,000.00, or (ii) the "Minimum Preference Share Requirement" (defined below) plus \$5,000. Notwithstanding any provision hereof to the contrary, the Board may at any time and from time to time, by adoption of an appropriate resolution, suspend the requirements for all or any part of the \$20,000 Preference share minimum in Clause 5.02(b)(i), or any component of the Minimum Preference Share Requirement contained in Clause 5.02(f)(ii)(I), (II), (III) or (IV).

Clause 5.02(c). Patronage Refunds. At the end of each fiscal year, patronage refunds shall be paid to the persons who are (or were during the year) shareholders of the Corporation (the "Shareholders") in the manner set forth in the Membership Agreement among the Corporation and each such Shareholder and the By-Laws.

Clause 5.02(d). Patronage Payable in Preference Shares. Any patronage refunds owing to a Shareholder (or other person who was a shareholder during the year) shall be paid in money, in Preference shares (but not more with respect to a Shareholder than the limit under Clause 5.02(e)), or in notes, debentures or other obligations having a fixed maturity (or by any combination thereof) as determined by the Board either during the fiscal year or within ninety (90) days after the close of the fiscal year with respect to which the refund is made. No payment of patronage refunds in money, notes, debentures or other obligations having a fixed maturity shall be made until the Shareholder has met the requirements of Clause 5.02(b); provided, however, notwithstanding any provision herein to the contrary other than Clause 5.02(e), the Corporation shall pay each Shareholder or former Shareholder at least twenty percent (20%) of the total patronage refund in money (the "Required Portion"). The Board may, in applying this Clause 5.02(d), make differing allocations of the balance of the patronage refund with respect to transactions or Shareholders in differing categories.

Clause 5.02(e). Application of Patronage Refund. The patronage refund which would otherwise be distributable in money, in Preference shares or in notes, debentures or other obligations to a person may be applied by the Corporation to the payment of any indebtedness owed to the Corporation by such person to the extent of such indebtedness instead of being distributed to such person; provided however, that an amount equal to the Required Portion of the total patronage refund distributable for the applicable year to any such person shall nevertheless be paid in money within 8-1/2 months following the close of such year if a written request for the payment of such amount in money is received by the Corporation from such person by the thirtieth (30th) day of the third month following the close of the Corporation's fiscal year. If the Corporation timely receives such written request, it shall pay to the person making such request the Required Portion on the later of the day such written request is received or two and one-half (2½) months following the close of the Corporation's fiscal year.

Clause 5.02(f). Limitation on Payment in Preference Shares. When the aggregate issue price of all Preference shares held by any Shareholder exceeds the greater of (i) \$20,000, or

(ii) an amount equal to the total of: (I) \$1,500.00; plus (II) an amount equal to nineteen percent (19%) of the warehouse purchases for the fiscal years of the Corporation preceding the close of the fiscal year for which the computation is being made (or if the Shareholder has elected in writing in the manner and on the forms prescribed by the Corporation to purchase merchandise from the Corporation's warehouses at a price level made available by the Corporation which is lower than normal warehouse prices, then the percentage shall be determined by readjusting the Shareholder's warehouse purchases to the normal level and applying the nineteen percent (19%) to the readjusted purchases amount to determine the required aggregate issue price of shares under this clause (II) of this sentence); plus (III) five percent (5%) of the direct shipment purchases made by such holder from the Corporation for the fiscal years of the Corporation preceding the close of the fiscal year for which the computation is being made; plus (IV) an amount equal to one percent (1%) of the aggregate warehouse purchases made by such holder from the Corporation for the first ten (10) full fiscal years of the Corporation after the first day of July, 1973, such person was a Shareholder of the Corporation, which one percent (1%) shall also be adjusted as provided in Clause 5.02(f) (ii)(II) for any periods in which the Shareholder elected to make purchases at lower than normal warehouse prices (which total amount determined under this Clause 5.02(f)(ii) shall be referred to herein as the "Minimum Preference Share Requirement"), no further refunds shall be paid to such Shareholder in Preference shares until such time as the aggregate issue price of the Preference shares held by that Shareholder shall again be less than the greater of (i) \$20,000, or (ii) the Minimum Preference Share Requirement as computed for the subject subsequent fiscal year of the Corporation. "Warehouse purchases" shall mean purchases by Shareholders of merchandise from the Corporation which is shipped from one of its warehouses to the Shareholders as distinguished from purchases made by Shareholders which are shipped directly from vendors (other than the Corporation) to the Shareholders. "Direct shipment purchases" shall mean purchases by Shareholders from the Corporation of merchandise shipped directly from vendors (other than the Corporations) to the Shareholders.

Section 5.03. Common Shares. Nine Hundred and Ninety Thousand (990,000) of the shares that the Corporation has authority to issue constitute a separate and single class of shares known as Common shares, which may be issued in one or more series. The Common shares shall be junior to the Preference shares.

Clause 5.03(a). Minimum Common Share Ownership. Each Shareholder shall purchase twenty (20) Common shares. In the event such Shareholder has additional places of business which are served by the Corporation, then for each such additional place of business such Shareholder shall purchase twenty (20) Common shares for each place of business to be served by the Corporation.

Clause 5.03(b). Redemption of Common Shares. Upon the demand of a Shareholder, the Corporation will repurchase the Common shares held by the Shareholder at the lesser of the issue price or book value thereof so long as the assets of the Corporation exceed its

liabilities by more than the amount of any preferential rights of any shares of the Corporation not scheduled for repurchase which, on dissolution, are superior to the liquidation priority of the shares to be repurchased. Book value shall be determined in accordance with generally accepted accounting principles, consistently applied.

Section 5.04. Non-Voting Common Shares. All of the remaining shares that the Corporation has authority to issue constitute a separate and single class of shares known as Non-Voting Common shares. Except as otherwise provided by law, the Non-Voting Common shares shall be alike in all respects to the Common shares except that the Non-Voting Common shares shall have no voting rights.

Clause 5.04(a). Redemption of Non-Voting Common Shares. Upon the demand of a Shareholder, the Corporation will repurchase the Non-Voting Common shares held by the Shareholder at the lesser of the issue price or book value thereof so long as the assets of the Corporation exceed its liabilities by more than the amount of any preferential rights of any shares of the Corporation not scheduled for repurchase which, on dissolution, are superior to the liquidation priority of the shares to be repurchased. Book value shall be determined in accordance with generally accepted accounting principles, consistently applied.

Section 5.05. Record Ownership of Shares or Rights. The Corporation, to the extent permitted by law, shall be entitled to treat the person in whose name any share or right is registered on the books of the Corporation as the owner thereof, for all purposes, and shall not be bound to recognize any equitable or other claim to, or interest in, such share or right on the part of any other person, whether or not the Corporation shall have notice thereof.

Section 5.06. Liquidation Rights. Subject to the provisions of Section 5.10, upon any liquidation of the Corporation, the holders of Preference shares shall be entitled to receive, out of the assets of the Corporation, the sum of \$100.00 per share (or so much thereof as is possible on a pro-rata basis if there are not sufficient assets to pay the full \$100.00 per share) before any distribution is made to the holders of Non-Voting Common or Common shares. Thereafter, the holders of the Non-Voting Common and of the Common shares shall be entitled to receive the sum of \$50.00 per share (or so much thereof as is possible on a pro-rata basis if there are not sufficient assets to pay the full amount of \$50.00 per share). All assets then remaining which resulted from transactions with Shareholders shall be distributed on a patronage basis to the Shareholders and such persons who were Shareholders during the prior reasonable number of years as shall be determined by the Board to result in a fair and equitable distribution of these remaining assets on a cooperative basis. Any assets remaining thereafter shall be distributed among the holders of the Common and Non-Voting Common shares equally per share.

Section 5.07. Transferability. Shares of the Corporation shall be transferable only to the Corporation or to a person determined by the Corporation to meet its then standards, and which person is a successor in interest or occupies premises serviced or to be serviced by the Corporation.

Section 5.08. Dividends. No dividends shall be paid on any of the outstanding shares of the Corporation.

Section 5.09. Eligible Shareholders. Only persons (whether individuals or entities) engaged in selling hardware, lumber or builders' supplies (separately or along with other commodities) shall be eligible to own and hold shares of the Corporation.

Section 5.10. Right of Setoff. The Common, Non-Voting Common and Preference shares (together with rights, if any, to patronage refunds of the holder of such shares) shall be subject at all times to the right of the Corporation, to setoff the lower of the issue price or book value of the shares (or rights to any shares) of a Shareholder against any indebtedness of that Shareholder to the Corporation, and any balance in excess of the indebtedness will be remitted to the Shareholder at such time as shall be determined by the Board. Upon the setoff of the shares against the indebtedness of the Shareholder to the Corporation, the shares shall be deemed to have been repurchased by the Corporation, the certificates (if any were issued for the shares) shall be shown as canceled, shall be void and the shares shall no longer be outstanding.

Section 5.11. Withholding, etc. All distributions to Shareholders shall be subject to any applicable legal requirements for withholdings for taxes, fees, duties or assessments by any governmental body.

Section 5.12. Obligations of Shareholders. The Board may from time to time specify obligations of Shareholders in the Code of By-Laws (the "By-Laws"), which may include (but are not limited to) requirements relating to (a) trademarks, trade names, service marks, copyrights, slogans and the like of the Corporation, (b) minimum purchases, (c) indebtedness to the Corporation, and (d) promotion of merchandise available from the Corporation. The By-Laws shall specify action which may be taken by a corporate officer in case of violation of such obligation which may include (but is not limited to) any one or more of the following actions: (a) termination of services to the defaulting Shareholder, (b) calling the Common, Non-Voting Common and Preference shares of the Corporation held by Shareholder for redemption for which payment shall be made at such times and according to those schedules then in effect under resolutions adopted by the Board of Directors, (c) requiring return of all catalogs, books, pamphlets, supplementary information, publications and the like provided by the Corporation, (d) requiring removal of and return to the Corporation of all signs, supplies and equipment provided by the Corporation, and (e) requiring (i) disposition of or return to the Corporation of all merchandise in the possession of or subject to the control of the Shareholder bearing, and (ii) removal from the Shareholder's premises and prohibiting the use by such Shareholder in any manner whatsoever of, any present or future trademarks, trade names, service marks, slogans, color combinations, designs and the like of the Corporation.

ARTICLE 6  
Voting Rights of Shares of the Corporation; Quorum

Section 6.01. Preference Shares. The holders of shares of Preference shares have the right, voting separately by class or by series, to cast one vote for each duly authorized, issued and outstanding share of Preference stock held by them upon each question or matter in respect of which, under the Act, such holders are entitled to vote by class or by series.

Section 6.02. Common Shares. The holders of shares of Common shares have the right, voting separately by class, to cast one vote for each duly authorized, issued and outstanding share of Common stock held by them upon each question or matter in respect of which, under the Act, such holders are entitled to vote by class. Such holders also have the right to cast one (1) vote for each twenty (20) duly authorized, issued and outstanding shares of Common stock held by them upon each question or matter submitted generally to the holders of shares of the Corporation in respect of which, under the Act, voting by class or by series is not required.

Section 6.03. Non-Voting Common Shares. The holders of shares of Non-Voting Common shares have the right, voting separately by class or by series, to cast one vote for each duly authorized, issued and outstanding share of Non-Voting Common stock held by them upon each question or matter in respect of which, under the Act, such holders are entitled to vote by class or by series.

Section 6.04. Quorum. A quorum for actions by the holders of each class of shares outstanding shall be thirty percent (30%) of the shares of the respective class.

ARTICLE 7  
Directors

Section 7.01. Number and Qualification. The number of directors of the Corporation shall be specified, from time to time, by the By-Laws, which number may be increased or decreased from time to time by amendment of the By-Laws. Directors need not be Shareholders.



ARTICLE 8  
Code of By-Laws; Indemnification;  
Amendments of Articles

Section 8.01. Code of By-Laws. The Board shall have power, without the assent or vote of the Shareholders, to make, alter, amend or repeal the By-Laws, but the affirmative vote of a number of directors equal to a majority of the number who would constitute a full Board at the time of such action shall be necessary to take any action for the making, alteration, amendment or repeal of the By-Laws.

Section 8.02. Indemnification. The Corporation shall indemnify a director or officer of the Corporation who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the director or officer was a party because the director or officer is or was a director or officer of the Corporation against reasonable expenses incurred by the director or officer in connection with the proceeding. The Corporation may indemnify an individual made a party to a proceeding because the individual is or was a director, officer, employee or agent of the Corporation against liability if authorized in the specific case after determination, in the manner required by Indiana Code § 23-1-37-12, that indemnification of the director, officer, employee or agent, as the case may be, is permissible in the circumstances because the director, officer, employee or agent has met the standard of conduct set forth in Indiana Code § 23-1-37-8. The indemnification and advancement of expenses for directors, officers, employees and agents of the Corporation shall apply when such persons are serving at the Corporation's request while a director, officer, employee or agent of the Corporation, as the case may be, as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, whether or not for profit, as well as in their official capacity with the Corporation. The Corporation also may pay for or reimburse the reasonable expenses incurred by a director, officer, employee or agent of the Corporation who is a party to a proceeding in advance of final disposition of the proceeding upon compliance with the provisions of Indiana Code § 23-1-37-10. The Corporation also may purchase and maintain insurance on behalf of an individual specified in Indiana Code § 23-1-37-14 against liability asserted against or incurred by such individual in any of the capacities specified in such Section or arising from the individual's status as a director, officer, employee or agent of the Corporation, whether or not the Corporation would have power to indemnify the individual against the same liability under the Act. All references in this paragraph to Chapter 37 of the Act shall be deemed to include any amendment or successor thereto. When a word or phrase used in this paragraph is defined in Chapter 37 of the Act, such word or phrase shall have the same meaning in this Section that it has in Chapter 37 of the Act unless the context otherwise requires. Nothing contained in this paragraph shall limit or preclude the exercise of any right relating to indemnification or advance of expenses to any person who is or was a director, officer, employee or agent of the Corporation or the ability of the Corporation otherwise to indemnify or advance expenses to any such person by contract or in any other manner. If any word, clause or sentence of the foregoing provisions regarding indemnification or advancement of expense shall be held invalid as contrary to law or public policy, it shall be severable and the provisions remaining shall not be otherwise affected. All

references in this Section to “director,” “officer,” “employee” and “agent” shall include the heirs, estate, executors, administrators and personal representatives of such persons.

Section 8.03. Amendments of Articles. The Corporation reserves the right to amend, alter, change or repeal any provision contained in these Articles, or in any amendment hereto, or to add any provision to these Articles or to any amendment hereto, in any manner now or hereafter prescribed or permitted by the provisions of the Act or any amendment thereto, or by the provisions of any other applicable statute of the State of Indiana; and all rights conferred upon Shareholders in these Articles or any amendment hereto are granted subject to this reservation.

## PART II

### MANNER OF ADOPTION AND VOTE

Section 1.01. Action by Directors. During a regular meeting held on July 30, 1998, of the members of the Board, a resolution was adopted proposing to the Shareholders of the Corporation entitled to vote in respect of the Restated Articles, that the provisions and terms of its Articles of Incorporation be amended so as to read as set forth in the Restated Articles, and a meeting of such Shareholders was called to be held October 18, 1998, to adopt or reject the Restated Articles.

Section 1.02. Action by Shareholders. During the annual meeting held on October 18, 1998, of the Shareholders of the Corporation, a resolution was adopted to adopt the Restated Articles.

Section 1.03. Compliance with Legal Requirements. The manner of the adoption of the Restated Articles constitutes full legal compliance with the provisions of the Act, the Articles of Incorporation, and the Code of By-Laws of the Corporation.

**PART III**

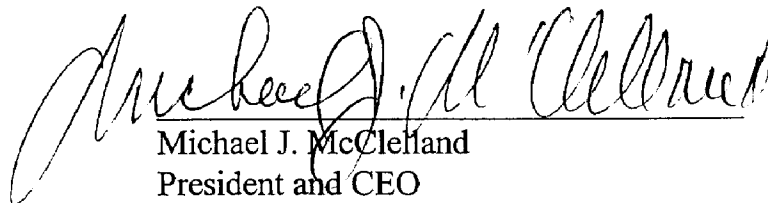
**STATEMENT OF CHANGES MADE WITH RESPECT TO  
THE NUMBER OF SHARES HERETOFORE AUTHORIZED**

Aggregate Number of Shares Previously Authorized	2,710,000
Increase	<u>2,290,000</u>
Aggregate Number of Shares to be Authorized After Effect of the Restated Articles	<u>5,000,000</u>

EXECUTED by the President of the Corporation on the date indicated below.

DATE SIGNED

October 21, 1998

  
Michael J. McClelland  
President and CEO