

UNITED STATES OF AMERICA



Michigan Department of Consumer and Industry Services

Lansing, Michigan

This is to Certify that the Annexed copy has been compared by me with the record on file in this Department and that the same is a true copy thereof.



In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 4th day of August, 2000.

, Director

Corporation, Securities and Land Development Bureau

Sent by Facsimile Transmission

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MICHIGAN DEPARTMENT OF COMMERCE — CORPORATION AND SECURITIES BUREAU

Date Received JAN 29 1998		(FOR BUREAU USE ONLY)
		FILED
		JAN 29 1998

PH. 517-663-2525 Ref # **80484**
 Attn: Cheryl J. Bixby
MICHIGAN RUNNER SERVICE
 P.O. Box 266
 Eaton Rapids, MI. 48827-0266

Administrator
 MICHIGAN DEPARTMENT OF CONSUMER & INDUSTRY SERVICES
 CORPORATION, SECURITIES & LAND DEVELOPMENT BUREAU

EFFECTIVE DATE: January 30, 1998

DOCUMENT WILL BE RETURNED TO NAME AND ADDRESS INDICATED ABOVE

CERTIFICATE OF MERGER / CONSOLIDATION

For use by Domestic or Foreign Corporations
 (Please read information and instructions on last page)

Pursuant to the provisions of Act 264, Public Acts of 1972 (profit corporations), and/or Act 162, Public Acts of 1962 (nonprofit corporations), the undersigned corporations execute the following Certificate:

1. The Plan of Merger (Consolidation) is as follows:

a. The name of each constituent corporation and its corporation identification number is:

<u>Lucas Industries Inc.</u>	0 6 8 - 9 5 8
<u>Varity Automotive Inc.</u>	

b. The name of the surviving (new) corporation and its corporation identification number is:

<u>Varity Automotive Inc.</u>	
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c. For each constituent stock corporation, state:

Name of corporation	Designation and number of outstanding shares in each class or series	Indicate class or series of shares entitled to vote	Indicate class or series entitled to vote as a class
<u>Lucas Industries Inc.</u>	<u>Common Stock</u> <u>9,963 shares</u>	<u>Common Stock</u> <u>9,963 shares</u>	<u>Common Stock</u> <u>9,963 shares</u>
<u>Lucas Industries Inc.</u>	<u>Preferred Stock</u> <u>4,000 shares</u>	<u>Preferred Stock</u> <u>4,000 shares</u>	<u>Preferred Stock</u> <u>4,000 shares</u>
<u>Varity Automotive Inc.</u>	<u>Common Stock</u> <u>100 Shares</u>	<u>Common Stock</u> <u>100 shares</u>	<u>Common Stock</u> <u>100 shares</u>

If the number of shares is subject to change prior to the effective date of the merger or consolidation, the manner in which the change may occur is as follows:

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- d. For each constituent nonstock corporation
 - (i) If it is organized on a membership basis, state (a) the name of the corporation, (b) a description of its members, and (c) the number, classification and voting rights of its members.

N/A

- (ii) If it is organized on a directorship basis, state (a) the name of the corporation, (b) a description of the organization of its board, and (c) the number, classification and voting rights of its directors.

N/A

- e. The terms and conditions of the proposed merger (consolidation), including the manner and basis of converting the shares of, or membership or other interests in, each constituent corporation into shares, bonds, or other securities of, or membership or other interest in, the surviving (consolidated) corporation, or into cash or other consideration, are as follows:

Please see Appendix A.

- f. If a consolidation, the Articles of Incorporation of the consolidated corporation are attached to this Certificate and are incorporated herein. If a merger, the amendments to the Articles, or a restatement of the Articles, of the surviving corporation to be effected by the merger are as follows:

N/A

- g. Other provisions with respect to the merger (consolidation) are as follows:

- 1) "the plan of merger will be furnished by the surviving corporation, on request and without cost, to any shareholder of any constituent corporation".
- 2) Please see attached Appendix A

2. (Complete for any foreign corporation only)

This merger (consolidation) is permitted by the laws of the state of Delaware

the jurisdiction under which Varsity Automotive Inc.

(name of foreign corporation)

is organized and the plan of merger (consolidation) was adopted and approved by such corporation pursuant to and in accordance with the laws of that jurisdiction.

3. (Complete only if an effective date is desired other than the date of filing. This date must be no more than 90 days after receipt of this document in this office).

The merger (consolidation) shall be effective on the 30th day of January

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4. (Complete applicable section for each constituent corporation)

a. (For domestic profit corporations only)

The plan of merger was approved by the unanimous consent of the incorporators of _____, which has not commenced business, has not issued any shares, and has not elected a Board of Directors. (Incorporators must sign on this page of the Certificate.)

b. (For profit corporations involved in a merger only)

The plan of merger was approved by the Board of Directors of _____, the surviving corporation, without the approval of the shareholders of that corporation in accordance with Section 701 of the Act.

c. (For profit corporations only)

The plan of merger was adopted by the Board of Directors of the following constituent corporations:

Lucas Industries Inc. and Varity Automotive Inc.

and was approved by the shareholders of those corporations in accordance with Section 703a.

d. (For nonprofit corporations only)

The plan of merger or consolidation was adopted by the Board of Directors

(i) (Complete if organized upon a stock or membership basis)

of _____ and was approved by the shareholders or members of that corporation in accordance with Sections 701 and 703(1) and (2), or pursuant to Section 407 by written consent and written notice, if required.

(ii) (Complete if organized upon a directorship basis)

of _____ in accordance with Section 703(3).

Sign this area for item 4(a).

Signed this _____ day of _____, 19 _____

Sign this area for items 4(b), 4(c), or 4(d).

Signed this 29th day of January, 1998

Lucas Industries Inc.

(Name of Corporation)

By _____

(Only signature of: President, Vice-President, Chairman or Vice-Chairman)

James Eigel President

(Type or Print Name and Title)

Signed this 29th day of January, 1998

Varsity Automotive Inc.

(Name of Corporation)

By _____

(Only signature of: President, Vice-President, Chairman or Vice-Chairman)

Neil Arnold President

(Type or Print Name and Title)

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APPENDIX A

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AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER, dated as of January 29, 1998, by and among VARIETY AUTOMOTIVE INC., a Delaware corporation ("VA"), LUCAS INDUSTRIES INC. ("LINC."), a Michigan corporation, and LUCASVARIETY INC., a Delaware corporation ("LVI").

A. VA was formed under the laws of the State of Delaware. The authorized capital stock of VA consists of 1,000 authorized shares of Common Stock, all of which are owned by LVI.

B. LINC. was formed under the laws of the State of Michigan. The authorized capital stock of LINC. consists of (i) 20,000 shares of Common Stock, without par value, 9,963 of which are issued and outstanding and (ii) 5,000 shares of Preferred Stock, par value \$25,000 per share, 4,000 of which are issued and outstanding.

C. LVI was formed under the laws of the State of Delaware. The authorized capital stock of LVI consists of 10,000 shares of Common Stock, par value \$.01 per share, 1,000 of which shares are issued and outstanding and are entitled to vote.

D. The Boards of Directors of VA and LINC. (the "Constituent Corporations") deeming the merger (the "Merger") of LINC. into VA to be desirable and in the best interests of the respective Constituent Corporations and desiring to adopt a plan of merger (the "Plan") resulting in a tax-free reorganization within the meaning of Section 368(a)(2)(D) of the Internal Revenue Code of 1986, as amended, have approved this Plan and directed that it be submitted to the shareholders of the Constituent Corporations for approval.

In order to consummate the Merger in accordance with the applicable provisions of the Delaware General Corporation Law and the Michigan Business Corporation Act, the Constituent Corporations and LVI agree that LINC. shall be merged with and into VA, which shall be the surviving corporation, and that the Plan, terms and conditions of the Merger shall be as follows:

ARTICLE I

Merger; Certificate of Incorporation;
Bylaws; Officers and Directors; and Effective Time

SECTION 1.1 Effect of Merger. At the Effective Time (as defined in section 1.5), LINC, shall be merged into VA, the separate existence of LINC, shall cease and VA shall continue to exist as the surviving corporation (the "Surviving Corporation"), all with force and effect as provided by the Delaware General Corporation Law and the Michigan Business Corporation Act.

SECTION 1.2 Certificate of Incorporation. At the Effective Time, the Certificate of Incorporation of VA, shall become the Certificate of Incorporation of the surviving Corporation.

SECTION 1.3 Bylaws. At the Effective Time, the Bylaws of VA shall become the Bylaws of the Surviving Corporation.

SECTION 1.4 officers and Directors. The officers and directors of VA at the Effective Time of the Merger shall continue to be the officers and directors, respectively, of the surviving Corporation after the Effective Time of the Merger until expiration of their current terms as such, or prior resignation, removal or death, subject to the Bylaws of the Surviving Corporation.

SECTION 1.5 Effective Time. The Merger shall be consummated by filing the Certificate of Merger with the Secretary of State of the State of Delaware in accordance with the applicable provisions of the Delaware General Corporation Law and a Certificate of Merger/Consolidation shall be filed with the State of Michigan. Such filings shall be made on, or as soon as practicable after, this Plan has been adopted by the holder of all outstanding shares of capital stock of each of the Constituent Corporations. The Merger shall become effective at the opening of business on the date of such filings or on such later date, not to exceed 30 days after the date of such filings, as may be set forth in such Certificate of Merger (the "Effective Time").

ARTICLE II

Consideration: Cancellation of shares

SECTION 2.1 Consideration: Cancellation of shares. At the Effective Time:

(a) All of the then issued and outstanding shares of Common Stock of VA shall be unaffected by the Merger and will remain issued and outstanding without effect.

(b) All of the then issued and outstanding shares of Common Stock and Preferred Stock of LINC., which are all owned by Lucas Industries plc ("Lucas"), shall become and constitute, in the aggregate, (i) 114 shares of common stock of LVI at the Effective Time and (ii) the right to receive on April 30, 2001, additional shares of LVI Common Stock pursuant to the following formula (for the purpose of establishing certainty with respect to the value of LINC.):

(i) if Kelsey-Hayes Company and its subsidiaries achieve less than 75% of the aggregate EVA Targets in respect of the fiscal years ended January 31, 1999, January 31, 2000 and January 31, 2001, then no additional shares of LVI will be issued;

(ii) if Kelsey-Hayes Company and its subsidiaries achieve 75% or more, but less than 100%, of the aggregate EVA Targets in respect of the fiscal years ended January 31, 1999, January 31, 2000 and January 31, 2001, then 28 shares of LVI common stock will be issued, plus an additional 9 shares (such additional shares reflecting an interest factor at a rate of 7% per annum), that is 37 shares of LVI in the aggregate;

(iii) if Kelsey-Hayes Company and its subsidiaries achieve 100% or more, but less than 125%, of the aggregate EVA Targets in respect of the fiscal years ended January 31, 1999, January 31, 2000 and January 31, 2001, then 38 shares of LVI common stock will be issued, plus an additional 12 shares (such additional shares reflecting an interest factor at a rate of 7% per annum), that is 50 shares of LVI in the aggregate;

(iv) if Kelsey-Hayes Company and its subsidiaries achieve 125% or more of the aggregate EVA Targets in respect of the fiscal years ended January 31, 1999, January 31, 2000 and January 31, 2001, then 47 shares of LVI common stock will be issued, plus an additional 15 shares (such additional shares reflecting an interest factor at a rate of 7%