

State of Idaho

Department of State

CERTIFICATE OF INCORPORATION OF

RAINBOW REALTY, INC.

File number C 119660

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Incorporation for the incorporation of the above named corporation, duly signed 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 Incorporation and attach hereto a duplicate original of the Articles of Incorporation.

Dated: May 30, 1997



Pete T. Cenarrusa
SECRETARY OF STATE

By *Natalie Lamb*

C : #

ARTICLES OF INCORPORATION

OF

RAINBOW REALTY, INC.

97 MAY 30 AM 8:52
SECRETARY OF STATE
STATE OF IDAHO

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DATE 05/30/1997
IDaho SECRETARY OF STATE
CORP CK #: 7631 CUST# 82151
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WE, THE UNDERSIGNED natural persons of the age of twenty-one years or more, acting as incorporators of a corporation under the Idaho Business Corporation Act, Chapter 1, Title 30, Idaho Code, adopt the following Articles of Incorporation for such corporation:

ARTICLE I

Corporate Name

1.01 The name of this corporation is:

RAINBOW REALTY, INC.

ARTICLE II

Time of Duration

2.01 The duration of this corporation shall be "perpetual" unless otherwise dissolved by legal proceedings.

ARTICLE III

Purpose

The purpose or purposes for which this corporation is organized are:

3.01 To engage in real estate development and sales and to engage in any lawful act or activity for which corporations may be organized under the general corporation laws of Idaho.

3.02 To enter into, make, perform or carry out contracts of every kind and nature.

3.03 To do any and all such other acts, things, businesses or business of any kind and nature connected with, necessary or incidental, convenient or auxiliary to any of the above named objectives or those hereinafter enumerated or calculated directly or indirectly to promote the interest of the Corporation, and, in carrying on its purposes for the purpose of obtaining and furthering any business and to do any and all acts, things or to exercise any

and all other powers which are not now or hereafter forbidden by law or by these Articles of Incorporation.

3.04 The foregoing clauses shall be construed as specific purposes and powers and shall not limit or restrict in any manner the general powers of the corporation as conferred by the laws of the State of Idaho, it being the intention and purpose of this Article that each paragraph of this Article be regarded as an independent purpose and power.

ARTICLE IV

Capital Stock

4.01 The aggregate number of shares which the Corporation shall be authorized to issue shall be 50,000 shares. These shares are divided into the following classes:

- (a) 20,000 shares of Class A common stock with a par value of \$1.00 per share, designated as "Class A Common";
- (b) 30,000 shares of Class B non-voting stock of a par value of \$1.00, designated as "Class B Non-Voting Common."

ARTICLE V

Preferences, Limitations and Relative Rights

The limitations and relative rights in respect to the shares of each class are as follows:

5.01 **Class A Common Stock.** The Class A common stock shall have the limitations and relative rights as hereinafter provided:

- (a) **Issuance.** When payment for the consideration for which the shares are to be issued shall have been received by the corporation, such shares shall be deemed to be fully paid and the holder thereof shall not be liable for any call. The shares will then be non-assessable.
- (b) **Voting.** The holders of the Class A common shares shall be entitled to elect a total of three (3) directors to the Board of Directors. Voting shall be on a one vote per share basis.

In voting for the election of directors, cumulative voting is permitted, and each stockholder may accumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, or by distributing such votes on the same principle among any number of such candidates.

5.02 Class B Common Stock. The Class B common shareholders shall have no voting rights. When payment for which the shares are to be issued shall have been received by the corporation, such shares shall be non-assessable and the holder thereof shall not be liable for any call. Except for the difference in voting rights, all other rights in the Class A and Class B stock are identical, including but not limited to, dividend rights and liquidation preference.

5.03 Dividends. The record holders of the Class A and Class B common shares shall share equally in all dividends declared by the Board of Directors; provided always, the Board of Directors may elect in its discretion not to declare dividends. Dividends will not accumulate. The record of shareholders entitled to receive a dividend will be taken at the close of business on March 31, June 30, September 30 and December 31 (or if such date is not a business day, on the last prior business day).

5.04 Redemption.

(a) The Class A and Class B common shares may be redeemed, in full or in part, either separately by class or on a prorata basis, at the option of the corporation, by vote of its Board of Directors, or by the operation of the sinking fund or redemption or purchase account, if any, provided for such preferred stock, at any time, or from time to time, at a redemption price equal to the then fair market value of such shares in accordance with the provisions of this Section 5.04. If less than all of the outstanding shares of a class of stock are to be redeemed, the shares to be redeemed shall be determined in any such manner as the Board of Directors may prescribe. Nothing herein contained shall be deemed to limit or impair the right of the corporation to buy any shares of any class of stock at a price not exceeding the price which would be payable if such stock were then called for redemption.

(b) Notice. Notice of every redemption of stock shall be mailed by or on behalf of the corporation, addressed to the holders of record of the stock to be redeemed at their respective addresses, as they shall appear on the records of the corporation, such mailing to be a least thirty (30) and not more than sixty (60) days prior to the date fixed for redemption.

(c) Agent. The corporation may select as its agent to redeem the stock so called for redemption a bank or trust company in good standing, organized under the laws of the United States of America or of any state having sufficient capital, surplus and undivided profits so as to assure eventual payment of the redemption proceeds to the underlying holders of the preferred stock. Following such selection, the corporation may designate or appoint the bank so selected and deliver to it irrevocable written instructions authorizing such agent on behalf and at the expense of the corporation, to cause notice of redemption to be duly mailed and published as herein provided as soon as practicable after receipt of such irrevocable instructions and in accordance with the above provision.

(d) Deposit of Funds. All funds necessary for the redemption shall be deposited in trust not less than two (2) business days before the date fixed for

redemption with the bank or trust company so designated, for the prorata benefit of the holders of the shares so called for redemption, so as to be and continue to be available therefore, and if notice of redemption shall have been duly given by mail and by publication then, on and after the date of redemption so designated, notwithstanding that any certificate for shares of preferred stock so called for redemption shall not have been surrendered for cancellation, the shares represented thereby shall no longer be deemed outstanding, the dividends thereon shall cease, and all rights with respect to the shares of stock so called for redemption shall cease and terminate except the right to exercise on or before the date fixed for redemption privileges of conversion or exchange, if any, not theretofore expiring, or if not so converted to receive the redemption price (including accrued dividends to the redemption date), but without interest accruing on the redemption price or future dividends, of the shares so called for redemption.

(e) Reversion of Funds. Such deposit in trust shall be irrevocable except to the following extent: i) any monies so deposited by the corporation which shall not be required for the redemption because of the exercise of any such right of conversion or exchange subsequent to the date of deposit shall be repaid to the corporation forthwith; ii) any balance of money so deposited by the corporation and unclaimed by the preferred stockholders entitled thereto at the expiration of two (2) years from the date fixed for redemption shall be repaid to the corporation upon its request for such funds expressed in a resolution of its Board of Directors, and after any such repayment the holders of the shares so called for redemption shall look only to the corporation for the payment of the redemption price.

(f) Notice of Adverse Claim. No payment will be made if there is any legend or notation on the certificate, representing the shares to be redeemed, evidencing any adverse claim or other interest of any other person; nor shall any payment be made if the bank or other trust company making such payment has notice of a claim or interest of any other person, unless and until that other person has disclaimed the same.

(g) Cancellation. When shares of a corporation are redeemed or purchased by the corporation, the redemption or purchase shall effect a cancellation of such shares, and such shares shall not be reissued.

ARTICLE VI

Initial Office and Agent

The address of this corporation's initial registered office and the name of its principal registered agent at such address is: Joan Whitaker, 3376 Hwy. 20, Last Chance, Island Park, ID 83429.

ARTICLE VII

Initial Directors

7.01 The number of Directors constituting the initial Board of Directors of this corporation is two (2). The names and addresses of persons who are to serve as Directors until the first annual meeting of stockholders, or until their successors are elected and qualified, are:

Joan Whitaker
3376 Hwy. 20
Last Chance
Island Park, ID 83429

Maurice Whitaker
3376 Hwy. 20
Last Chance
Island Park, ID 83429

7.02 **Qualification and Election of Directors.** Directors need not be stockholders. Directors shall be elected at the annual meeting of the stockholders and shall hold office for a period of one year, or until their successors have been duly elected and qualified. Any director may hold any other office in the Corporation. Should a vacancy occur for any reason, including an increase in the number of members, the remaining directors may appoint a member to hold office during the unexpired term, provided that if the remaining directors cannot agree upon a successor to fill the vacancy within thirty (30) days, they shall call a special meeting of the stockholders and the latter shall elect such director.

7.03 **Conflicts of Interest.** No contract or other transaction between this Corporation and one or more of its Directors or any other corporation, firm, association or entity in which one or more of its Directors are directors or officers or are financially interested, shall be either void or voidable because of such relationship or interest, or because such Director or Directors are present at the meeting of the Board of Directors, or a committee thereof which authorized, approves, or ratifies such contract or transaction, or because his or their votes are counted for such purpose if: (a) the fact of such relationship or interest is disclosed or known to the Board of Directors or committee which authorizes, approves, or ratifies the contract or transaction by vote or consent sufficient for the purpose without counting the votes or consent of such interested Director; (b) the fact of such relationship of interest is disclosed or known the shareholders entitled to vote and they authorize, approve or ratify such contract or transaction by vote or written consent; or (c) the contract or transaction is fair and reasonable to the Corporation. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies such contract or transaction.

7.04 **Removal of Directors.** Any Director may be removed from office, but only for cause, by the affirmative vote of at least a majority of all votes at the time entitled to be

case generally in the election of Directors by all the outstanding shares of all classes of capital stock of the Corporation considered for the purpose of this Article as one class; provided, however, that if the Board of Directors, by vote of two-thirds (2/3) of the Directors at the time in office shall have recommended removal of a Director, then the Stockholders may remove such Director from office by the foregoing vote without cause. If any Director shall be removed from office pursuant to this Article, the Stockholders of the Corporation may, at the meeting at which this removal is effected, elect such Director's successor.

ARTICLE VIII

Officers

8.01 The officers of the Corporation may consist of a Chairman of the Board, a President, one or more Vice Presidents, a Secretary and a Treasurer, as determined by the Board of Directors. One person may hold more than one office as officer of the Corporation when approved by the Corporation's Board of Directors. Each officer shall be elected by a majority vote of the Board of Directors at a meeting duly held and constituted.

ARTICLE IX

Incorporators

The names and address of each incorporator is:

Joan Whitaker	3376 Hwy. 20 Last Chance Island Park, ID 83429
Maurice Whitaker	3376 Hwy. 20 Last Chance Island Park, ID 83429

ARTICLE X

Principal Place of Business

10.01 The principal place of business of this Corporation shall be at 3376 Hwy. 20, Last Chance, Island Park, ID 83429. The business of this Corporation may be carried on in all counties of the State of Idaho, in all states of the United States, and in all territories thereof, and in all foreign countries as the directors shall determine.

ARTICLE XI

Stockholders' Meeting

11.01 **Annual Meeting.** The annual meeting of the stockholders shall be held at such place and time as are prescribed in the Bylaws of the Corporation, and notice of such meeting and of any special meeting of the stockholders shall be given in the manner and for the time provided by law.

11.02 **Procedure at Meetings.** At all meetings of the stockholders, a majority of the outstanding capital stock of said Corporation shall constitute a quorum, and each share of stock shall be entitled to one (1) vote, either in person or by proxy. Should a majority not be represented at any regular or special stockholders' meeting, adjournments may be taken from time to time without further notice until a sufficient number of shares are represented to hold such a meeting.

ARTICLE XII

Pre-Emptive Rights

12.01 Holders of stock of any class of the corporation shall be entitled as a matter of right to purchase or subscribe for any part of any unissued stock of any class, or of any additional stock of any class or capital class or capital stock of the corporation, or of any bonds, certificates of indebtedness, debentures, or other securities convertible into stock of the corporation, now or hereafter authorized but any such stock or other securities convertible into stock may be issued and disposed of pursuant to resolution by the Board of Directors to such persons, firms, corporations or associations and upon such terms and for such consideration (not less than the par value or stated value thereof) as the Board of Directors in the exercise of its discretion may determine and as they be permitted by law without action by the stockholders.

ARTICLE XIII

Liability of Stockholders

13.01 The private property of the stockholders shall not be liable for corporate obligations.

ARTICLE XIV

By-Laws

14.01 The Bylaws of the Corporation shall be adopted and may be amended and/or repealed by a majority vote of the Board of Directors of the Corporation, subject to any restrictions or limitations imposed by law, or contained in the Bylaws.

ARTICLE XV

Restrictions on Transfer of Shares

15.01 The Class A and Class B Common Stock, mentioned above, shall be subject to restrictions of transfer and alienation according to the rules now in effect and promulgated by the Idaho Securities commission and the Securities Act of 1933 as well as any amendments to either that may be subsequently adopted. All certificates of stock representing shares, either common or preferred, in the corporation shall be marked with the following legend:

THE SHARES REPRESENTED HEREBY HAVE NEITHER BEEN REGISTERED UNDER THE FEDERAL SECURITIES ACT OF 1933 NOR WITH THE IDAHO SECURITIES COMMISSION AND ARE SUBJECT TO LIMITATIONS ON RESALE. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT PURPOSES ONLY AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SHARES OR THE OPINION OF APPROVED COUNSEL PRESENTED TO THE CORPORATION PRIOR TO THE PROPOSED TRANSFER OR ALIENATION THAT REGISTRATION IS NOT REQUIRED UNDER THE ACT AND IS ALSO NOT REQUIRED BY THE IDAHO SECURITIES COMMISSION.

ARTICLE XVI

Re-Acquired Shares

16.01 The Board of Directors shall have the power to create a fund for the purchase of the Corporation's stock by the Corporation. Any such shares so purchased shall be deemed to be authorized but unissued stock and shall be subject to pre-emptive rights, if any, of the remaining stockholders.

ARTICLE XVII

Amendment

17.01 These Articles may be amended by the affirmative vote of a majority of the shares outstanding at a meeting called for that purpose upon giving of not more than thirty (30) days nor less than ten (10) days notice to all such stockholders of record; provided, however, that such a meeting may be called without notice when notice is waived in writing by all shareholders of the Corporation.

ARTICLE XVIII

Initial Capitalization

18.01 This corporation will not commence business until consideration of a value of at least one thousand dollars (\$1,000.00) has been received for the issuance of shares.

ARTICLE XIX

Notices

19.01 Any notices and time limitations to stockholders, directors or officers under the laws of the State of Idaho may be waived by such stockholder, director or officer in writing.

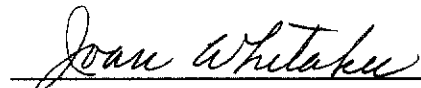
ARTICLE XX

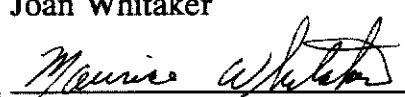
Scope of Articles of Incorporation

20.01 Except as provided above, all other matters for the operation of corporate affairs shall be provided for in the corporate Bylaws.

IN WITNESS WHEREOF, the incorporators have hereunto set their hands this __ day of April, 1997.

ORIGINAL INCORPORATORS:


Joan Whitaker


Maurice Whitaker

STATE OF IDAHO)
 :SS.
COUNTY OF Fremont)

Joan Whitaker, being first duly sworn upon oath, deposes and says: That she has read the foregoing Articles of Incorporation, knows and understands the contents thereof, and that the same are true of her own knowledge.

SUBSCRIBED AND SWORN TO before me this 29 day of April, 1997.

Elaine Burns
Notary Public
Residing at: Island Park, Idaho
Commission Expires: 4-27-2002

STATE OF IDAHO)
 :SS.
COUNTY OF Fremont)

Maurice Whitaker, being first duly sworn upon oath, deposes and says: That he has read the foregoing Articles of Incorporation, knows and understands the contents thereof, and that the same are true of his own knowledge.

SUBSCRIBED AND SWORN TO before me this 29 day of April, 1997.

Elaine Burns
Notary Public
Residing at: Island Park, Idaho
Commission Expires: 4-27-2002

ACCEPTANCE AND VERIFICATION OF REGISTERED AGENT

Joan Whitaker, as the appointed Registered Agent for Rainbow Realty, Inc., does hereby accept the appointment of Registered Agent for said Corporation.

Joan Whitaker
Joan Whitaker

SUBSCRIBED AND SWORN TO before me this 29 day of April, 1997.

Clairne Burns
Notary Public
Residing at: Deland Park, Idaho
Commission Expires: 4-27-2002