

## ARTICLES OF AMENDMENT OF STOCK INSURANCE, INC.

**STOCK INSURANCE, INC.** A corporation of the State of Idaho whose registered office is located at 310 REDWOOD COURT, STE 302, BOISE, IDAHO 83712, certifies pursuant to the provisions of Section 30-1-1001 to 30-1006, IDAHO CODE that a special meeting of the stockholders of said corporation called for the purpose of amending the Articles of Incorporation, and held on October 26th, 1999, it was resolved by vote of the holders of an appropriate majority of shares of each class entitled to vote that the ~~the~~ **fifth, sixth and ninth articles** of the Article of Incorporation of Stock Insurance is amended to read as follows:

### FIFTH

The amount of capital stock of this corporation shall be and is **50,000,000** shares all of which are to be without par value. **15,000,000** of such shares shall be **Class A common stocks** and **30,000,000** of such shares shall be **Class B common stocks** and **5,000,000** of such shares shall be **non-voting preferred stocks**.

The **Class A and B shares** shall have identical rights, except that the **Class B shares** shall not entitle the holder thereof to vote on any matter unless specifically required by the laws of the State of Idaho, while **Class A shares** shall be entitled to vote on any and all issues as required by the laws of the State of Idaho!

*Following are the various rights, preferences, limitations and designations associated with the corporation's preferred stocks :*

**A. RIGHTS ON DEFAULT IN DIVIDENDS OR SINKING FUND:** The preferred stock of the company shall have no vote unless the company shall default in the payment of dividends upon the preferred stock after they have been declared by the Board of Directors or the provision above providing for the creation and maintenance of a sinking fund shall not be complied with by the corporation for a period of 30 days from the time when such fund shall be created and paid in. In the event of such default in the payment of dividends or in the creation and maintenance of a sinking fund on the part of the company, the holders of the preferred stock in the company then outstanding may elect 3 out of 5 directors of the company or a proportionate number. Directors so elected by the preferred stockholders, shall continue in office for a period of 60 days after the default of the company has been cured.

**B. CONVERSION INTO COMMON STOCK:** Every holder of the (Series A) preferred stock of the company shall have the right to surrender such preferred stock and accept and receive in lieu and in conversion thereof **Class B Common Stock**, such exchange or conversion to be share for share, and to be exclusive of any declared dividends. All certificates of preferred stock thus exchanged for **Class B Common Stock** shall be retired and canceled and never again reissued, and the certificates so issued, in lieu thereof shall thereafter be and remain common stock. **From the time of the conversion of preferred stock to Class B Common Stock, the Board of Directors are hereby expressly authorized and empowered, from time to time, to increase the common stocks of the company and the power to so increase is expressly given and vested in the directors, and any and all further provisions of formalities required by law**

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for creating such increase as by statute prescribed, being hereby expressly waived (where the state law so permits).

**C. CUMULATIVE DIVIDENDS:** Beginning after the third year from the date of purchase, the holder of (Series A) preferred stock shall receive annual cumulative dividends of .10 cents per share held payable before any dividends shall be declared or paid to holders of the corporation's common stock..

**D. LIQUIDATION:** In the event of any liquidation of or winding up, the (Series A) Preferred will receive as a preference to the common stock an amount equal to the sum of \$1.00 per share held plus all accrued but unpaid dividends on such shares (LIQUIDATION AMOUNT). After the payment of the LIQUIDATION AMOUNT to the holders of the (Series A), the common stock holders shall be entitled to receive an amount equal to the book value per share of the common stock on an as converted basis (however, not to exceed \$1.00 per share). After the payment of the aforesaid amounts, the remaining assets or property distributed upon such liquidation shall be divided pro-rata among the common and (Series A) Preferred on an as converted basis.

**E. MERGER, CONSOLIDATION & ETC:** In the event of a merger, corporate reorganization, sale or any transaction in which all or substantially all of the assets of the company are sold (other than a merger into a wholly owned subsidiary), the (Series A) Preferred Stocks shall be entitled to receive in cash securities the amount they would have received upon liquidation.

**F. REDEMPTION:** The corporation reserves the right to redeem the (Series A) Preferred Stock after six (6) years from the date of purchase in 3 equal annual installments, by paying in cash a total amount equal to the LIQUIDATION AMOUNT and any and all accrued dividends + 3% per year, the (Series A) Preferred Stock was held.

**G. AUTOMATIC CONVERSION:** (Series A) Preferred Stocks shall be automatically converted into *Class B Common Stock*, at the then applicable conversion rate, upon the closing of the corporation's underwritten INITIAL PUBLIC OFFERING (IPO) for the corporation's *Class B Common Stock*, at a per share price not less than \$5.00 per share and for a total offering of not less than \$5,000,000 (after deduction of any and all underwriter(s)' commissions and expenses).

**H. PROTECTIVE PROVISIONS:** Consent of the holders of at least 51 % of the Preferred (Series A) shall be required for any action which (i). alters or changes the rights, preferences or privileges of the (Series A) Preferred materially and/or adversely (ii). increases or decreases the authorized number of shares of the (Series A) Preferred, (iii). creates (by reclassification or otherwise) any new class or series of shares having rights, preferences or privileges senior to or on a parity with the (Series A) Preferred, (iv). results in any merger, other corporate reorganization, sale of control, or any transaction in which all or substantially all of the assets of the corporation are sold, or (v). amends or waives any provisions of the corporation's Article of Incorporation relative to the (Series A) Preferred and (vi). creates a lien on the assets of the corporation.

**I. INFORMATION RIGHTS:** So long as the corporation's (Series A) Preferred Stocks or common issued upon conversion of the (Series A) is held, the corporation shall deliver to the holder(s) all information that is prepared for the company's Board of Directors, as well as audited annual and un-audited quarterly financial statements, and the holder(s) shall be entitled to the same inspection and visitation rights as directors of the corporation. Other than with respect to the delivery of quarterly and annually financial statements and rights generally provided to shareholders by law, these provisions shall terminate upon an underwritten Initial Public Offering as described under the Automatic Conversion Provision contained in this document.

### **SIXTH**

The names and post office addresses of the incorporators and the number of shares subscribed for by each, are as follows:

<i><b>Names</b></i>	<i><b>Post Office Address</b></i>	<i><b># of Shares</b></i>	<i><b>Type &amp; Class of</b></i>
Chadwick Strong	310 Redwood Court, Suite 302 Boise, Idaho 83712	2,750,000	Common Stock Class A
Kif Ewing	1793 East Spinnaker Court Boise, Idaho 83706	2,250,000	Common Stock Class A

### **NINTH**

The names, addresses and the existing # of shares held (as of this date) of the directors of the corporation are as follows::

<i><b>Names</b></i>	<i><b>Post Office Address</b></i>	<i><b># of Shares</b></i>	<i><b>Type &amp; Class of</b></i>
Chadwick Strong	310 Redwood Court, Suite 302 Boise, Idaho 83712	2,750,000	Common Stock Class A
Kif Ewing	1793 East Spinnaker Court Boise, Idaho 83706	2,250,000	Common Stock Class A

Following is a list of shareholders entitled to vote and the # of shares they held at the time of the vote and the # of shares actually voted to approve this amendment to Stock Insurance's Article of Incorporation at the stockholder's meeting held October 26th, 1999:

<i><b>Shareholders</b></i>	<i><b>Post Office Address</b></i>	<i><b># of shares entitled to vote</b></i>	<i><b># of shares voted</b></i>
Chadwick Strong	310 Redwood Court, Suite 302 Boise, Idaho 83712	2,750,000	2,750,000
Kif Ewing	1793 East Spinnaker Court Boise, Idaho 83706	2,250,000	2,250,000

In witness whereof, Stock Insurance, Inc. caused its corporate seal to be affixed by its duly authorized officers, at 310 Redwood Court, Suite 302, Boise, Idaho 83712 and date this day of October 26th, 1999!

Stock Insurance, Inc.

Chadwick Strong  
PRESIDENT

Chadwick Strong  
SECRETARY