

# State of Idaho

## Department of State

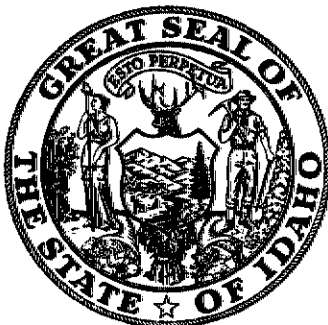
CERTIFICATE OF INCORPORATION  
OF

AMWEST FINANCIAL SERVICES, INC.  
File number C 107189

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: August 1, 1994



*Pete T. Cenarrusa*  
SECRETARY OF STATE

By *[Signature]*

RECEIVED  
SEC. OF STATE

**ARTICLES OF INCORPORATION OF  
AMWEST FINANCIAL SERVICES, INC.**

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**ARTICLE I  
NAME**

The name of the corporation shall be Amwest Financial Services, Inc.

**ARTICLE II  
DURATION**

The existence of the corporation shall be perpetual.

**ARTICLE III  
OBJECT AND PURPOSE**

The object and purpose for which this corporation is organized is to engage, either for its own account or the account of others, as either agent or principal, in any lawful activity for which corporations may be formed under the provisions of Section 30-1-3, Idaho Code, and to the extent not prohibited thereby, to enter upon and engage in any kind of business of any nature whatsoever in any other state of the United States of America, any foreign nation, and any territory or any country to the extent permitted by the laws of such other state, nation, or territory. It shall have all such power as is not repugnant to law.

The particular object and purpose for which this corporation is formed is that of a financial holding company.

**ARTICLE IV  
AUTHORIZED CAPITAL**

The authorized amount of capital stock of the corporation shall be Ten Million Dollars (\$10,000,000.00), consisting of Fourteen Million (14,000,000) shares divided into three (3) classes of shares as follows:

- A. Ten Million (10,000,000) shares of the par value of One Dollar (\$1.00) per share designated as Class A Voting Common Stock.
- B. One Million (1,000,000) shares of no par value per share designated as Voting Convertible Performance Shares.

- C. Three Million (3,000,000) shares of no par value per share designated as Class B Voting Shares.

## **ARTICLE V**

### **RIGHTS AND PRIVILEGES OF CLASSES OF STOCK**

- A. Without the necessity of action by the shareholders, shares of stock may be issued by the corporation from time to time by the Board of Directors. Any and all shares so issued, if the consideration fixed for such shares is paid, shall be deemed fully paid stock, and not liable to any further call or assessment, and the holder of such shares shall not be liable for any further payment thereon. All or any part of the authorized capital stock may be issued or sold from time to time for not less than the par value, in the case of par value stock, or for not less than the consideration fixed by the Board of Directors, in the case of no par value stock. Stock may be given in exchange for cash, services rendered to the corporation, or in exchange for property transferred to the corporation. The capital stock of this corporation shall be fully paid and non-assessable and when issued shall be represented by certificates signed by the president or by a vice-president together with the signature of a secretary or a secretary-treasurer.
- B. Each outstanding share of Voting Stock shall be entitled to one (1) vote upon any matter submitted to a vote at a meeting of shareholders, except that in the election of directors, the system of cumulative voting shall be used.
- C. No holder of shares of the corporation shall have any preemptive, preferential, or other right to purchase, subscribe for, or take any shares of any class or series of stock of the corporation convertible into or carrying an option or right to purchase stock of the corporation, other than such preferential right, if any, as the Board of Directors, in its discretion, may from time to time determine and at such price, not less than par value, as the Board of Directors may from time to time fix.
- D. The designations, preferences, and privileges, and the restrictions and qualifications of the Convertible Performance Shares shall be as follows:
  - 1. Convertible Performance Shares shall not participate in the earnings or losses of the corporation. Convertible Performance Shares are entitled to vote but are not entitled to dividends.

2. Upon liquidation of the corporation, Convertible Performance Shares shall not be entitled to receive any portion of the funds or property available for distribution to shareholders.
  3. At a reasonable time after Amwest Life Assurance, Inc. (a wholly-owned subsidiary of the corporation) has placed in force the net amount of One Hundred Million Dollars (\$100,000,000.00) of life insurance or received One Million Dollars (\$1,000,000.00) in insurance premiums, which first occurs, the Board of Directors shall declare each share of Convertible Performance Stock to be converted into five (5) shares of Class B Voting Common Stock, and the stock transfer agent shall convert such shares upon tender of the certificates by the holders of Convertible Performance Stock.
- E. Dividends on Voting Common Stock shall be declared and payable only out of the earned surplus. Such dividends shall be payable when and as declared by the Board of Directors.
- F. Upon liquidation of the corporation, each holder of shares of Voting Common Stock shall be entitled to receive, pro ratia as to the number of shares outstanding, that portion of the funds or property attributable to the capital amount of all outstanding stock and available for distribution to shareholders.
- G. Class B Shares are non-participating as to earnings and dividends (including stock dividends) and do not participate in assets in the event of dissolution for a period of ten (10) years or until Amwest Life Assurance, Inc. shall have placed in force One Hundred Million Dollars (\$100,000,000.00) face value insurance or received One Million Dollars (\$1,000,000.00) in premiums, whichever shall first occur.

## **ARTICLE VI**

### **BOARD OF DIRECTORS**

The affairs of the corporation shall be conducted by a Board of Directors consisting of not less than two (2) nor more than fifteen (15) directors, as fixed by the By-Laws, and such officers as the said directors may at any time elect or appoint. No officer or director need be a shareholder of this corporation. Each Director shall serve a term of three (3) years staggered each year so that one-third (1/3) of all directors shall be elected each year. Except that the term of office for the initial directors shall be for not more than one (1) year from the date of incorporation. If the total number of directors is not divisible by three (3), the Board of Directors shall establish the terms of directors so that approximately one-third (1/3) of all directors shall be elected each year.

Two (2) directors shall constitute the initial Board of Directors. The names and addresses of the persons who are to serve as director until the first annual meeting of shareholders or until their successors are elected and qualify, and the persons who are to serve as officers until the first meeting of the directors or until their successors are elected and qualify are:

Wilfrid E. Rumball	President	2806 Garfield, Ste. D., Missoula, MT 59801
Gregg Zahn	Sec/Treas	2806 Garfield, Ste. D., Missoula, MT 59801

The directors shall have the power to manage the corporate affairs and make all rules and regulations expedient for the management of the affairs of the corporation, to remove officers, and to fill all vacancies occurring in the Board and for any cause, and to appoint from their number an executive committee and other committees and vest said committees with all the powers permitted by the By-Laws.

The officers shall have the power to adopt, amend, alter, and repeal By-Laws, provided, however, that the directors shall not possess such power with respect to any By-Law dealing with the number of directors that shall compose the Board.

The directors may make provisions for compensating officers, directors, employees, and agents for their services to the company as such officers, directors, employees, and agents to indemnify them as to any matter relating to their official acts or duties; and may adopt employee incentive plans such as, but not limited to, stock options, deferred compensation, profit sharing, or pension plans.

## **ARTICLE VII**

### **INDEMNIFICATION OF DIRECTORS, EMPLOYEES, AGENTS, AND OFFICERS**

Subject to the further provisions hereof, the corporation shall indemnify all of its existing and former directors and officers against all expenses incurred by them, and each of them, including, but not limited to, legal fees, judgments, and penalties which may be incurred, rendered, or levied in any legal action brought against any one of them, for or on account of any action or omission alleged to have been committed while acting within the scope of employment as director or officer of the corporation. Whenever any such person has grounds to believe that he may incur any such aforementioned expense, he shall promptly make a full, written report of the matter to the President and to the Secretary of the corporation. Thereupon, the Board of Directors of the corporation shall, within a reasonable time, determine the good faith whether such person acted, failed to act, or refuse to act willfully or with gross negligence or with fraudulent or criminal intent in regard to the matter involved in the action or contemplated action, indemnification shall be mandatory and shall be automatically extended as specified herein, provided, however, that the corporation shall have the right to refuse indemnification, wholly or partially, in any instance in which the person to whom indemnification would otherwise have been applicable, shall have unreasonably refused to permit the corporation, at its own expense, and through counsel of its own choosing, to defend him in the action, or shall have unreasonably refused to cooperate in the defense of such action. For purposes of the

previous sentence, a person shall be deemed to be acting unreasonably if he refuses to furnish assurances or undertakings to repay such expense unless it shall be ultimately determined that he is entitled to be indemnified by the corporation.

## **ARTICLE VIII**

### **LIMIT OF DIRECTOR LIABILITY**

No director of the corporation shall be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director; provided, however, that this article shall not eliminate or limit the liability of a director (i) for any breach of director's duty of loyalty to the corporation or its stockholders; (ii) for acts or omission not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) for authorizing the unlawful payment of a dividend or other distribution on the corporation's capital stock or the unlawful purchase of its capital stock.

## **ARTICLE IX**

### **ANNUAL MEETING: QUORUM**

All directors of the corporation shall be elected at the annual meeting of the shareholders, which shall be held on such date as the Board of Directors shall determine. One-third (1/3) of the shareholders eligible to vote, represented in person or by proxy shall constitute a quorum at a meeting of the shareholders.

## **ARTICLE X**

### **LIABILITY OF SHAREHOLDERS**

Shareholders of the corporation shall not be subject to personal liability.

## **ARTICLE XI**

### **COMMENCEMENT OF BUSINESS**

The corporation will not commence business until consideration of the value of at least One Thousand Dollars (\$1,000.00) has been received for the issuance of shares.

**ARTICLE XII**  
**REGISTERED AGENT: OFFICE**

The complete address of its registered office and principal office is 404 - S 8<sup>TH</sup> ST, STE 310, BOISE, IDAHO, 83702, and the name of its registered agent at such address is Gregg Zahn.

**ARTICLE XIII**  
**INCORPORATORS**

The name and residence address of the incorporators are:

Wilfrid E. Rumball	560 River Court, Missoula, MT 59801
Gregg Zahn	550 River Court, Missoula, MT 59801

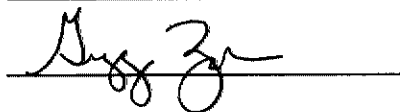
These Articles may be amended in the manner authorized by law at the time of amendment.

We hereby certify that the foregoing Articles of Incorporation were unanimously adopted by the Board of Directors of the corporation at a special meeting held by them on the 8th day of July, 1994.

Wilfrid E. Rumball



Gregg Zahn




STATE OF MONTANA

County of Missoula

On this 8th day of July, 1994, before me personally appeared Gregg Zahn and Wilfrid E. Rumball, known to me or satisfactorily proven to be the persons described herein and who executed the within instrument and acknowledged to me that they executed the same.

(notary seal)

  
Notary Public for the State of Montana  
Residing at Missoula  
My commission expires 5-1-96