

# *State of Idaho*

## **Department of State**

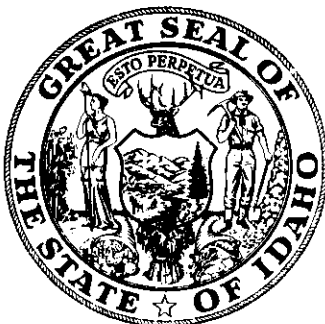
### CERTIFICATE OF AMENDMENT OF

AIA SERVICES CORPORATION  
File Number C 74568

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Amendment to the Articles of Incorporation of AIA SERVICES CORPORATION duly signed and verified 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 Amendment to the Articles of Incorporation and attach hereto a duplicate original of the Articles of Amendment.

Dated: April 11, 1995



*Pete T. Cenarrusa*  
SECRETARY OF STATE

By *Shirley J. Clark*

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SECRETARY OF STATE

**ARTICLES OF AMENDMENT  
TO THE ARTICLES OF INCORPORATION  
OF  
AIA SERVICES CORPORATION**

Pursuant to the provisions of §30-1-58, §30-1-59 and §30-1-61 of the Idaho Business Corporation Act, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation, as filed on December 20, 1983 and previously amended on October 14, 1986 and December 29, 1987.

**FIRST:** The name of the corporation is **AIA SERVICES CORPORATION**.

**SECOND:** On March 7, 1995, the shareholders of the corporation adopted and approved the following Amended and Restated Articles of Incorporation of AIA Services Corporation, pursuant to which Article Fourth, Article Fifth and Article Tenth were amended by replacing them in their entirety.

**"AMENDED AND RESTATED ARTICLES OF INCORPORATION  
OF  
AIA SERVICES CORPORATION**

Except for the amendment of Articles Fourth, Fifth and Tenth by replacing them in their entirety, these Amended and Restated Articles of Incorporation of AIA Services Corporation correctly set forth without change the corresponding provisions of the original Articles of Incorporation as hereinbefore filed on December 20, 1983 and amended on October 14, 1986 and December 29, 1987; and these Amended and Restated Articles of Incorporation, including the amended Articles Fourth, Fifth and Tenth, supersede the original Articles of Amendment and all previous amendments thereto.

**FIRST**

The name of the corporation is **AIA SERVICES CORPORATION**.

**SECOND**

The period of its duration is perpetual.

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### **THIRD**

The purpose for which the corporation is organized is for the transaction of any or all lawful business for which the corporation may be incorporated under the Idaho Business Corporation Act.

### **FOURTH**

**4.1 Authorized Capital.** The aggregate number of shares which this corporation shall have authority to issue is 6,085,000 shares, of which 1,085,000 shares shall be Preferred Stock and 5,000,000 shares shall be Common Stock (\$1 par value). The corporation is authorized to issue the Preferred Stock in three series designated as "Series A", consisting of 200,000 shares of Stated Value Preferred Stock (without par value); "Series B", consisting of 735,000 shares of 10% Preferred Stock (\$1 par value); and "Series C", consisting of 150,000 shares of 10% Preferred Stock (\$1 par value). The respective preferences, limitations and relative rights of each of the three series of Preferred Stock and the Common Stock of the corporation are set forth in the following provisions of Article Fourth:

#### **4.2 Series A Preferred Stock.**

**4.2.1 General.** Each share of Series A Preferred Stock shall have the rights and preferences conferred in this Section 4.2 of Article Fourth. Holders of Series A Preferred Stock shall have no rights to share in any distribution of the profits or assets of the corporation, whether in the form of cash or stock or dividends or otherwise, except to the extent specifically provided herein.

**4.2.2 No Dividends.** The Series A Preferred Stock shall not pay or accrue any dividends.

**4.2.3 Demand for Redemption.** (a) The holder of Series A Preferred Stock shall have the right to require the corporation to redeem such stock from any legally available funds upon breach of any covenant of the corporation set forth in this Article Fourth, but only to the extent such redemption shall not violate the Idaho Business Corporation Act restrictions on the corporation's redemption of its own shares. This right may be exercised by giving the corporation written notice of demand for redemption specifying the default and a redemption date not less than ninety (90) days from the date such notice delivered to the corporation; provided however that, if the corporation cures such specified default within sixty (60) days after receipt of such notice by corporation, the right to redeem Series A Preferred Stock on account of such specified default shall be extinguished.

(b) The holder of Series A Preferred Stock shall have the right to require the corporation to redeem such stock from any legally available funds at any time after September 14, 1993, but only to the extent such redemption shall not violate the Idaho Business Corporation Act restrictions on the corporation's redemption of its own shares. This right may be exercised by giving the corporation written notice of demand for redemption specifying a redemption date after September 14, 1993 and not less than ninety (90) days or more than one hundred eighty (180) days from the date such notice is delivered to the corporation.

**4.2.4 Call for Redemption.** The Series A Preferred Stock may be called for redemption by the corporation, in whole or in part, upon payment of the redemption price from legally available funds at any time prior to the demand for redemption by the holder of Series A Preferred Stock. Notice of such call for redemption, specifying the redemption date not less than thirty (30) days from the date such notice is mailed, shall be mailed to each record holder of Series A Preferred Stock. If fewer than all shares of Series A Preferred Stock are to be redeemed, the shares shall be redeemed prorata from the holders thereof.

**4.2.5 Redemption Price** If Series A Preferred Stock is redeemed on or before September 14, 1990, the redemption price is \$8.00 per share if paid in a lump sum. If Series A Preferred Stock is redeemed any time during the three-year period beginning September 15, 1990 and ending on September 14, 1993, the redemption price is \$8.50 per share if paid in a lump sum. If not paid in a lump sum on or before September 14, 1993, the redemption price for Series A Preferred Stock is \$10.00 per share, provided that the redemption price may be paid, at the corporation's sole option, in monthly installments on a fifteen (15) year amortization schedule beginning on the day after the redemption date and accruing interest at a rate of one-and one-half (1½) points under the First Interstate Bank of Idaho, N.A., prime lending rate, adjusted quarterly.

**4.2.6 Redemption Procedure and Effect.**

(a) **Lump Sum Payment.** If the redemption price is to be paid in a lump sum, the corporation shall deposit, or shall cause its nominee to deposit, on or before the redemption date specified in the notice of redemption, the aggregate redemption price of the shares of Series A Preferred Stock to be redeemed with a bank or trust company specified in the notice, payable on the redemption date in the amounts and to the respective orders of the holders of the shares of Series A Preferred Stock to be redeemed, on endorsement to the corporation or its nominee as may be required and upon surrender of the certificates for such shares. Unless the corporation or its nominee fails to pay the lump sum redemption price on or before the redemption date, the shares of Series A Preferred Stock subject to such redemption shall be deemed to have been redeemed, and shall be deemed no longer to be outstanding, from and after the redemption date set forth in the notice of redemption. On or after the redemption date, subject only to payment of the redemption price, Series A Preferred Stock so called for redemption shall cease to be entitled to any interest or right in the corporation; and holders of such Series A Preferred Stock shall thereafter cease to be shareholders and shall be entitled only to payment of the amount of the redemption price, without interest, upon surrender of the certificates evidencing such stock. If the lump sum redemption price shall be paid by a nominee of the corporation, such nominee shall upon such payment become the owner of the shares with respect to which such payment was made; and certificates of stock may be issued to such nominee in evidence of such ownership.

(b) **Installment Payment.** If the corporation elects to pay the redemption price in installments, the number of shares of Series A Preferred Stock equal to the principal portion of each installment divided by \$10.00 per share shall be deemed to have been redeemed and to be no longer outstanding from and after the date of such installment. On and after such payment date, such number of shares of Series A Preferred Stock shall cease to be entitled to any interest or right in the corporation; and holders of such shares shall thereafter cease to be shareholders

of the corporation with respect to such shares, whether or not the certificates evidencing such shares have been surrendered. Upon request of the corporation from time to time, certificates evidencing shares of Series A Preferred Stock including redeemed shares shall be surrendered to and reissued by the corporation in reduced amount to reflect any and all installment redemptions of shares prior to such request.

**4.2.7 Liquidation Preference.** In case of the voluntary liquidation or dissolution of the corporation, the holder of Series A Preferred Stock shall have the right to be paid in full, before any amount shall be paid to the owners of the Common Stock or to the owners of the Series B or Series C Preferred Stock, as follows:

\$8.00 per share if the liquidation price is paid on or before September 14, 1990.

\$8.50 per share if the liquidation price is paid after September 14, 1990 and on or before September 14, 1993.

\$10.00 per share if the liquidation price is paid after September 14, 1993.

In case of the involuntary liquidation or dissolution of the corporation, the holder of Series A Preferred Stock shall have the right to be paid \$10.00 per share, in full, before any amount shall be paid to the owners of the Common Stock or to the owners of the Series B or Series C Preferred Stock. After payment to the holders of the Series A Preferred Stock of the full preferential amounts hereinabove provided, the holders of the Series A Preferred Stock as such shall have no right or claim to any of the remaining assets of the corporation either upon any distribution of such assets or upon dissolution, liquidation or winding up; and the remaining assets to be distributed, if any, upon a distribution of such assets or upon dissolution, liquidation or winding up, may be distributed among the holders of the Series B Preferred Stock, the Series C Preferred Stock and the Common Stock in accordance with the provisions of this Article Fourth.

**4.2.8 Limited Voting Rights.** The Series A Preferred Stock shall have no right (except as required by law or as provided by Section 4.2.12 of this Article Fourth) to receive notice of or to vote at any regular or special meeting of stockholders, except that the holders of a majority of the shares of Series A Preferred Stock shall have the right, voting separately as a class, to elect one director to the board of directors of the corporation.

**4.2.9 Covenants.** So long as any shares of Series A Preferred Stock are outstanding, and except with the consent of the holders of a majority of the outstanding shares of Series A Preferred Stock.

(a) **Common Stock.** The corporation shall not issue any Common Stock for less than book value (determined as of the end of the immediately preceding fiscal year), except for Common Stock issued to pay a dividend payable solely in shares of Common Stock or issued to employees or agents pursuant to incentive stock option or bonus plan.

(b) Preferred Stock. The corporation shall issue no Preferred Stock or securities convertible into such stock, other than the Series A, Series B and Series C Preferred Stock.

(c) Indebtedness. The corporation will not, and will not permit any of its Subsidiaries to, directly or indirectly, create, incur, assume, guaranty or otherwise become or remain directly or indirectly liable with respect to, any Indebtedness, except:

(1) The corporation may remain liable in respect of Indebtedness outstanding on the date of adoption of this Article Fourth by the corporation's shareholders.

(2) The corporation and its Subsidiaries may become and remain liable with respect to Indebtedness that is not secured by a Lien on any of the assets of the corporation or its Subsidiaries, provided that the aggregate principal amount of such unsecured Indebtedness shall not exceed Consolidated Net Worth less goodwill of the corporation at any time; and

(3) The corporation and its Subsidiaries may become and remain liable in respect of Indebtedness secured by any of the following Liens:

(i) Liens for taxes, assessments or governmental charges or claims the payment of which is not yet delinquent or is being contested in good faith, if such reserve or other provision, if any, as shall be required by generally accepted accounting principles, consistently applied, shall have been made therefor;

(ii) Statutory Liens of landlords and lines of carriers, warehousemen, mechanics, materialmen and other liens imposed by law incurred in the ordinary courses of business for sums not yet delinquent or being contested in good faith, if such reserve or other appropriate provision, if any, as shall be required by generally accepted accounting principles, consistently applied shall have been made therefor;

(iii) Liens incurred or deposits made in the ordinary course of business in connection with worker's compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, governmental contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money);

(iv) Any attachment or judgment Lien; provided that if the judgment it secures exceeds \$250,000 (alone or when aggregated with all other judgments secured by Liens permitted by this clause (vi)), such judgment shall, within forty-five (45) days after the entry thereof, have been discharged or execution thereof stayed pending appeal, or shall have been discharged within forty-five (45) days after the expiration of any such stay;

(v) Easements, rights-of-way, restrictions and other similar charges or encumbrances not interfering with the ordinary conduct of the business of the corporation or any of its Subsidiaries;

(vi) Any interest or title of a lessor under any lease;

(vii) Any Lien existing on any asset of any corporation at the time such corporation becomes a subsidiary if such Lien was not created in contemplation of such event;

(viii) Any Lien on any asset securing Indebtedness incurred or assume for the purpose of financing not more than Eighty-five percent (85 %) of the cost of acquiring such assets; provided that such line attaches to such asset concurrently with or within ninety (90) days after the acquisition thereof;

(ix) Any Lien on any asset of any corporation existing at the time such corporation is merged into or consolidated with the corporation or a subsidiary, if such Lien was not created in contemplation of such event;

(x) Any Lien existing on any asset prior to the acquisition thereof by the corporation or a Subsidiary, if such Lien was not created in contemplation of such acquisition;

(xi) Any Lien arising out of the refinancing, extension, renewal or refunding of any Indebtedness secured by any Lien permitted by any of the foregoing clauses of this Section 4.2.9(c); provided that the amount of such Indebtedness is not increased and that such Indebtedness is not secured by any additional assets; and

(xii) Liens not otherwise permitted by the foregoing clauses of this Section 4.2.9(c) (including, without limitation, Liens on stock of Subsidiaries, whether consolidated or unconsolidated) securing Indebtedness in an aggregate principal amount of any time outstanding not to exceed ten percent (10 %) of the difference between Consolidated Net Worth and the amount of the goodwill of the corporation.

(d) Corporate Existence. The corporation will maintain its corporate existence and will not liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or enter into any transaction of merger or consolidation with any Person (including any Subsidiary) unless (i) this corporation is the surviving corporation following any such merger or consolidation, and (ii) the Consolidated Net Worth of the surviving corporation immediately following such merger or consolidation equals or exceeds the Consolidated Net Worth of this corporation immediately prior to such merger or consolidation.

(e) Sale of Assets. The corporation will not, and will not permit any of its Subsidiaries to, convey, sell, lease, transfer or otherwise dispose of all or any material part of its business, property or assets, whether now owned or hereafter acquired, except:

(1) The corporation and its Subsidiaries may convey, sell, lease, transfer or otherwise dispose of investment assets in the ordinary course of business;

(2) The corporation and its Subsidiaries may sell or otherwise dispose of Capital Assets or real property if the asset so disposed of is concurrently replaced by a substantially equivalent asset having a value equal to or greater than the assets disposed of;

(3) The corporation and its Subsidiaries may sell or otherwise dispose of obsolete or worn out property in the ordinary course of business;

(4) The corporation and its Subsidiaries may sell and lease back any newly acquired asset for the purpose of financing the acquisition of such asset and securing the repayment of Indebtedness, provided that such Indebtedness shall not exceed eighty-five percent (85 %) of the cost of such asset and is otherwise permitted by the covenants contained in this Article Fourth; and

(5) The corporation and its Subsidiaries may sell or otherwise dispose of any of their other assets; provided that any such sale or other disposition is made for the fair market value of such assets.

(f) Acquisitions. The corporation will not, and will not permit any of its Subsidiaries to, acquire by purchase or otherwise all or substantially all the business, property or fixed assets, or the stock or other evidence of beneficial ownership, of any Person unless, immediately prior to and after giving effect to such transaction, no violation of any of the covenants or other provisions contained in this Article Fourth shall have occurred and be continuing or would be caused by such acquisition.

(g) Transactions with Shareholders and Affiliates. The corporation will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction (including, without limitation, the purchase, sale, lease, loan or exchange of any property or the rendering of any service) with any director or officer or any holder of equity securities of the corporation, or with any Affiliate of the corporation or of such director, officer or holder, on terms that are less favorable to the corporation or that Subsidiary, as the case may be, than those which might be obtained at the time from Persons who are not such a director, officer, holder or Affiliate; provided that the foregoing restriction shall not apply to (i) any transaction in effect at the date of adoption of this Article Fourth by the corporation's shareholders; (ii) any transaction between the corporation and any of its wholly-owned Subsidiaries or between any of its wholly-owned Subsidiaries; (iii) compensation (net of amounts contributed or repaid to the corporation or any Subsidiary or to Lewiston Land Company and contributed or repaid to the corporation or any Subsidiary), by way of salary or bonus, paid to director or officers of the corporation in an amount, as to any one individual, not greater than the greater of \$400,000 or the total compensation paid in calendar year 1986; (iv) compensation paid to any director or officer of the corporation in amounts equal to income tax liability of such director or officer attributable to transactions involving the corporation, A.I.A., Inc., AIA Travel Services, Inc., AIA Travel, Inc., Lewiston Land Company, AIA Bancard Services Corporation or Taylor Brothers Aircraft on or before January 1, 1988 or to other personal



income tax liability of such director or officer for tax years ended before January 1, 1988; or (v) any loan to or account receivable from an officer, director or stockholder which is repaid in full at least annually on or before the last day of the fiscal year.

(h) **Consolidated Net Worth.** The corporation will not permit Consolidated Net Worth at any date to be less than the number of shares of Series A Preferred Stock outstanding at such date multiplied by \$10.00 per share.

(i) **Dividend Restriction.** The corporation will not, directly or indirectly, declare, order, make or set apart any sum for payment of any dividend in respect of its Common Stock (other than a dividend payable solely in shares of Common Stock), except that the corporation may declare and pay Common Stock dividends in an aggregate amount not exceeding the Dividend Availability Amount.

(j) **Debt/Equity Ratio.** Neither the corporation nor any Subsidiary will incur any new Indebtedness (other than Indebtedness permitted by Section 4.2.9(c)(xi) of this Article Fourth) if, at the time of incurring such Indebtedness, the ratio of Consolidated Long Term Debt to Consolidated Net Worth exceeds, or such additional Indebtedness would cause such ratio to exceed, 3.6 to 1.0.

(k) **Debt Service Coverage.** Neither the corporation nor any Subsidiary will incur any new Indebtedness (other than Indebtedness permitted by Section 4.2.9(c)(xi) of this Article Fourth) if, at the time of incurring such Indebtedness, the ratio of (i) Consolidated Net Income plus depreciation and amortization expenses plus compensation contributed or repaid to the corporation, any Subsidiary, Lewiston Land Company or AIA Travel Services, Inc. during the immediately preceding fiscal year of the corporation, divided by (ii) current maturities of Long Term Debt is, or such additional Indebtedness would cause such ratio to be, less than .8 to 1.0.

**4.2.10 Definitions.** For the purpose of Section 4.2.9 of this Article Fourth, the following terms shall have the following meanings:

**"Affiliate"**, as applied to any Person, shall mean any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or by contract or otherwise.

**"Capital Asset"** shall mean, as at any date of determination, those assets of a Person that would, in conformity with generally accepted accounting principles, consistently applied, be classified as plant, property or equipment on the balance sheet of that Person.

**"Consolidated Long Term Debt"** shall mean, as at any date of determination, the total of all Long Term Debt of the corporation and its Subsidiaries on a consolidated basis determined in accordance with generally accepted (or, in the case of an insurance company for

which GAAP financial statements are not prepared, statutory) accounting principles consistently applied.

**"Consolidated Net Worth"** shall mean, as at any date of determination, the sum of (a) the capital stock and additional paid-in capital, (b) plus retained earnings (or minus accumulated deficit) of the corporation and its Subsidiaries on a consolidated basis, determined in conformity with generally accepted (or, in the case of an insurance company for which GAAP financial statements are not prepared, statutory) accounting principles consistently applied.

**"Consolidated Net Income"** for any period, shall mean the net income (or loss) of the corporation and its Subsidiaries on a consolidated basis determined in conformity with generally accepted (or, in the case of an insurance company for which GAAP financial statements are not prepared, statutory) accounting principles consistently applied.

**"Dividend Availability Amount"** shall mean, as at any date of determination, an amount equal to fifty percent (50 %) of Consolidated Net Income for the period (taken as single accounting period) commencing January 31, 1987 and ending on the last day of the fiscal quarter immediately preceding such date of determination.

**"Indebtedness"** as applied to any person, means (a) all indebtedness for borrowed money, (b) that portion of obligations with respect to finance leases which is capitalized on a balance sheet in conformity with generally accepted accounting principles, consistently applied, (c) notes payable and drafts accepted representing extensions of credit whether or not representing obligations for borrowed money, (d) any obligation owed for all or any part of the deferred purchase price of property or services which purchase price is (i) due more than six (6) months from the date of incurrence of the obligation in respect thereof, or (ii) evidenced by a note or similar written instrument, and (e) all indebtedness secured by any Lien or vendor's interest under any conditional sale or other title retention agreement existing on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is non-recourse to the credit of that Person; provided, however, that "Indebtedness" shall not include policy claims, policy reserves or mandatory securities valuation reserves of a regulated insurance company; and further provided that "Indebtedness" shall not include indebtedness of the corporation to any Subsidiary.

**"Lien"** shall mean any lien, mortgage, pledge, security interest, charge or encumbrance of any kind (including any conditional sale or other title retention agreement, any lease in the nature thereof, and any agreement to give a security interest).

**"Long Term Debt"**, as applied to any Person, shall mean all Indebtedness of that Person which by its terms or by the terms of any instrument or agreement relating thereto matures more than one year, or is directly renewable or extendable at the option of the debtor to a date more than one year (including an option of the debtor under a revolving credit or similar agreement obligating the lenders to extend credit over a period of one year or more), from the date of creation thereof, but excluding any payments due under the terms thereof within twelve (12) months of any date of determination.

**"Person"** shall mean an individual, corporation, partnership, joint venture, trust, unincorporated organization or any other jurisdictional entity, or a foreign state or any agency or political subdivision thereof.

**"Subsidiary"** shall mean any corporation of which at least a majority of the outstanding stock having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether or not at the time stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by the corporation or one or more of its Subsidiaries or by the corporation and one or more of its Subsidiaries.

**4.2.11 Conversion Right.** The holders of the Series A Preferred Stock shall have the following conversion right ("Conversion Right"):

(a) **Right to Convert.** Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time prior to the date on which notice of redemption is given under Section 4.2.3 or Section 4.2.4, at the office of the corporation or any transfer agent for the Series A Preferred Stock or Common Stock, into one fully paid and nonassessable share of Common Stock.

(b) **Mechanics of Conversion.** Before any holder of Series A Preferred Stock shall be entitled to convert such stock into shares of Common Stock, he shall surrender the certificate or certificates for such Preferred Stock, duly endorsed, at the office of the corporation or any transfer agent for the Common Stock, and shall give written notice to the corporation at such office that he elects to convert such Preferred Stock and shall state therein the number of shares of Series A Preferred Stock being converted. Thereupon the corporation shall promptly issue and deliver at such office to such holder of a certificate or certificates for the number of shares of Common Stock to which he shall be entitled.

Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Series A Stock to be converted (the "Conversion Date"); and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock on such date.

(c) **Fractional Shares.** No fractional share of Common Stock shall be issued upon conversion of Series A Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the corporation shall pay cash equal to the product of such fraction multiplied by the fair market value of one share of the corporation's Common Stock on the Conversion Date, such value to be determined in good faith by the Board of Directors.

(d) **Reservation of Stock Issuable Upon Conversion.** The corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series A Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series A Preferred Stock; and if at any time the

number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series A Preferred Stock, the corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

(e) **Termination of Redemption Right.** Upon exercise of the Conversion Right under this Section 4.2.11, all rights of a holder of Series A Stock to require redemption of such stock under Section 4.2.3 shall automatically be terminated; and no holder of Common Stock acquired upon conversion of Series A Preferred Stock shall have any right of redemption.

**4.2.12 Modification of Rights and Preferences.** The rights and preferences hereby conferred on the Series A Preferred Stock shall not be changed, altered or revoked without the consent of the holders of the majority of the Series A Preferred Stock outstanding at the time.

#### **4.3 Series B and Series C Preferred Stock.**

**4.3.1 General.** Each share of Series B Preferred Stock and each share of Series C Preferred Stock shall have the relative rights, preferences and limitations set forth in this Section 4.3 of Article Fourth. The rights, preferences and limitations of the Series B Preferred Stock shall be identical to the rights, preferences and limitations of the Series C Preferred Stock, except that the holders of Series C Preferred Stock shall have certain voting and conversion rights not shared by the holders of Series B Preferred Stock; and the Series B Preferred Stock shall participate pro rata with the Series C Preferred Stock in any and all dividends declared and paid on the Preferred Stock, in distributions upon liquidation, dissolution or winding up of corporation's affairs, and in redemption.

**4.3.2 Restricted Voting Rights.** The holders of the Series B and the Series C Preferred Stock shall have no right (except as required by law) to receive notice of or to vote on any matter (including, without limitation, the election of directors of the corporation) at any regular or special meeting of stockholders of the corporation, except that the holders of a majority of the shares of Series C Preferred Stock shall have the right, voting separately as a class, to elect one director to the Board of Directors of the corporation.

#### **4.3.3 Cumulative Dividend Preference**

The Series B Preferred Stock and the Series C Preferred Stock shall be entitled to receive, when and as declared by the corporation's Board of Directors, cash dividends at the per annum rate of 10% of the Liquidation Rate (as defined in Section 4.3.4), cumulative, payable annually at December 31 of each calendar year out of any funds legally available for the payment of dividends, and in preference to any dividends upon the Common Stock. The dividends on the Series B and Series C Preferred Stock shall be cumulative, whether or not declared, so that, if for any period such dividend shall not be paid, the right to such dividend shall accumulate as against the Common Stock; and all arrears so accumulated shall be paid before any dividends shall be declared or paid upon the Common Stock. No dividends shall be declared or paid on the Series B or Series C Preferred Stock if the redemption payments due to

the holders of the Series A Preferred Stock under Section 4.2. of this Article Fourth are in arrears. No dividend shall be declared or paid upon the Common Stock nor shall any Common Stock be purchased or otherwise acquired by the corporation for value (other than payment of amounts due to Reed J. Taylor for redemption of his Common Stock), unless all dividends on the Series B and Series C Preferred Stock for all past period shall have been paid or shall have been declared and a sum sufficient for the payment thereof set apart for payment.

#### **4.3.4 Liquidation Preference.**

In the event of any liquidation, dissolution or winding-up of the corporation, whether voluntary or involuntary, before any other distribution or payment is made to the holders of Common Stock or any other series of Preferred Stock (except the corporation's Series A Preferred Stock), the holders of Series B Preferred Stock and the holders of the Series C Preferred Stock shall be entitled to receive, out of the assets of the corporation legally available therefor, a liquidation payment in the amount of \$10.00 cash per share of Series B or Series C Preferred Stock ("Liquidation Rate"), plus a further amount equal to the dividends accumulated and unpaid thereon to the date of such liquidation payment. If, upon any liquidation, dissolution or winding up of the corporation, the assets available for distribution are insufficient to pay to the holders of all outstanding Series B and Series C Preferred Stock the full amount of the Liquidation Rate and all accumulated but unpaid dividends, the holders of the Series B and Series C Preferred Stock shall share pro rata in any such distribution of assets. Such rights of the holders of the Series B and Series C Preferred Stock shall be subordinate only to the right of the holder of the Series A Preferred Stock to be paid the redemption price of such stock in full, together with accrued interest, in accordance with Section 4.2 of this Article Fourth. After payment to the holders of the Series B and Series C Preferred Stock of the full preferential amounts hereinabove provided, the holders of the Series B and Series C Preferred Stock as such shall have no right or claim to any of the remaining assets of the corporation either upon any distribution of such assets or upon dissolution, liquidation or winding up; and the remaining assets to be distributed, if any, upon a distribution of such assets or upon dissolution, liquidation or winding up, may be distributed among the holders of the Common Stock.

#### **4.3.5 Redemption.**

(a) Mandatory Redemption by Corporation. The Series B Preferred Stock and, subject to the conversion rights provided in Section 4.3.6 of Article Fourth, the Series C Preferred Stock shall be called for redemption by the corporation upon payment of the aggregate Redemption Rate from legally available funds upon the closing of the earliest of the following events ("Equity Offering"):

- (i) an offering of the corporation's securities conducted pursuant to the registration requirements of the Securities Act of 1933 ("1933 Act") in which gross proceeds of at least \$5,000,000 are raised;
  - (ii) an offering of the corporation's securities pursuant to exemptions from registration under the 1933 Act in which gross proceeds of at least \$5,000,000 are raised;
- or

(iii) an offering of any securities convertible into corporation's Common Stock that are sold in an offering that conforms to the parameters of subparagraph (i) or (ii) above.

The redemption price for each share of Series B and Series C Preferred Stock shall be the "Redemption Rate" equal to 100 % of the Liquidation Rate if such redemption occurs within two (2) years from the issuance of the first shares of Series B or Series C Preferred Stock. After such two year period, an amount equal to 5 % of the Liquidation Rate will be added to the Redemption Rate immediately and each 180 days thereafter until all outstanding shares of the Series B and Series C Preferred Stock are fully redeemed, viz:

Time from Original Issuance	Percentage of Liquidation Rate
Within two years	100 %
After two years but before two years plus 181 days	105 %
After two years plus 180 days but before two years plus 361 days	110 %
After two years plus 360 days but before two years plus 541 days	115 %
. . .	. . .

Notice of such call for redemption, specifying the anticipated date of closing of the Equity Offering, shall be mailed to each record holder of Series B or Series C Preferred Stock as soon as practicable before such closing date. The redemption date for mandatory redemption of the Series B and Series C Preferred Stock shall be the actual closing date of the Equity Offering. Mandatory redemption of the Series B and Series C Preferred Stock under this Section 4.3.5 of Article Fourth shall automatically be cancelled upon determination by corporation's board of directors that the Equity Offering will not be consummated for any reason.

(b) Voluntary Redemption by Corporation. The Series B and Series C Preferred Stock may be called for redemption by the corporation, in whole or in part, upon payment of the Redemption Price from legally available funds at any time prior to the closing of an Equity Offering. Notice of such call for redemption, specifying the redemption date not less than thirty days from the date such notice is mailed and the number or percentage of outstanding shares of Series B and Series C Preferred Stock to be redeemed, shall be mailed to each record holder of Series B and Series C Preferred Stock. If fewer than all shares of Series B and Series C Preferred Stock are to be redeemed, the shares shall be redeemed prorata from the holders

thereof; and, upon request of the corporation, certificates evidencing shares of Series B and Series C Preferred Stock including redeemed shares shall be surrendered to and reissued by the corporation in reduced amount to reflect any and all partial redemptions of such shares prior to such request.

(c) Redemption Procedure and Effect. The corporation shall deposit, on or before the redemption date specified in the notice of redemption, the aggregate redemption price of the shares of Series B and Series C Preferred Stock to be redeemed with a bank or trust company specified in the notice, payable on the redemption date in the amounts and to the respective orders of the holders of the shares of Series B and Series C Preferred Stock to be redeemed, on endorsement to the corporation as may be required and upon surrender of the certificates for such shares. Unless the corporation fails to pay the Redemption Price on or before the redemption date, the shares of Series B and Series C Preferred Stock subject to such redemption shall be deemed to have been redeemed, and shall be deemed no longer to be outstanding, from and after the redemption date set forth in the notice of redemption. On or after the redemption date, subject only to payment of the redemption price, Series B and Series C Preferred Stock so called for redemption shall cease to be entitled to any interest or right in the corporation; and holders of such Series B or Series C Preferred Stock shall thereafter cease to be shareholders and shall be entitled only to payment of the amount of the redemption price, without interest, upon surrender of the certificates evidencing such stock.

**4.3.6 Conversion of Series C Preferred Stock.** Each holder of Series C Preferred Stock shall have the right, exercisable beginning at the earlier of the date of receipt of notice of mandatory redemption of the Series C Preferred Stock pursuant to Section 4.3.5(a) or two years after the first issuance of Series B or Series C Preferred Stock and ending on the closing date of an Equity Offering, to convert Series C Preferred Stock into Common Stock at the Conversion Rate determined as follows: Each share of Series C Preferred Stock shall be convertible into that number of shares of Common Stock which equals 10.4% of the Common Stock on a fully diluted basis divided by 150,000.

This conversion right shall be exercisable by any holder of Series C Preferred Stock as to all or any number of the shares of Series C Preferred Stock owned of record by such holder and shall be exercised by giving the corporation written notice of the exercise of such right, specifying the number of shares of Series C Preferred Stock to be converted and the effective date of such conversion, provided that the effective date of the conversion shall not be later than the closing date of an Equity Offering.

**4.4 Common Stock.** Holders of the Common Stock are entitled to one vote per share on all matters to be voted on by stockholders, including the election of directors. Common Stockholders are not entitled to vote their shares cumulatively in the election of directors. Holders of Common Stock of the corporation shall be entitled to elect all of the directors of the corporation other than the director appointed by the holders of the Series A Preferred Stock and the director elected by the holders of Series C Preferred Stock. The holders of any series of Preferred Stock of the corporation have a preference over the holders of Common Stock of the corporation on the assets of the corporation legally available for distribution to stockholders in the event of any liquidation, dissolution, or winding up of the affairs of the corporation. In the event of any liquidation, dissolution or winding up of the affairs of the corporation, holders of

the Common Stock will share ratably in any assets of the corporation legally available for distribution to holders of Common Stock after satisfying the liquidation preferences of the Series A, Series B and Series C Preferred Stock. Holders of Series B and Series C Preferred Stock have a preference over the holders of Common Stock as to the payment of dividends. Holders of Common Stock have rights, share for share, to receive dividends if and when declared by the Board of Directors out of funds legally available therefor, after paying preferred dividends to the holders of Series B and Series C Preferred Stock.

#### **FIFTH**

Holders of any class or series of corporation's stock shall not have a preemptive right to acquire unissued or treasury shares of any class or series or securities convertible into such shares or carrying a right to subscribe to or acquire such shares, except as provided in the Idaho Business Corporation Act.

#### **SIXTH**

The location of the initial registered office of the corporation is One Lewis Clark Plaza, Lewiston, Idaho 83501; and the name of its initial registered agent at such address is R. John Taylor.

#### **SEVENTH**

The number of directors constituting the initial Board of Directors is four, and the names and addresses of the persons who are to serve until the first annual meeting of the shareholders and until their successors are elected and qualified are:

<b><u>Name</u></b>	<b><u>Address</u></b>
Reed J. Taylor	P.O. Box 538 Lewiston ID 83501
R. John Taylor	P.O. Box 538 Lewiston ID 83501
Raymond R. Heilman	P.O. Box 538 Lewiston ID 83501
Mary K. Frost	P.O. Box 538 Lewiston ID 83501



### **EIGHTH**

The name and address of the incorporator is as follows:

Reed J. Taylor  
P.O. Box 538  
Lewiston ID 83501

### **NINTH**

The Board of Directors is expressly authorized to alter, amend or repeal the Bylaws of the corporation and to adopt new Bylaws, subject to repeal or change by a majority vote of the shareholders.

### **TENTH**

Shareholders entitled under Article Fourth to vote in the election of directors of the corporation shall not be entitled to vote their shares cumulatively in the election of directors of the corporation.

### **ELEVENTH**

A director of this corporation shall not be personally liable to this corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, except for liability (a) for any breach of the director's duty of loyalty to this corporation or its shareholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under Idaho Code §30-1-48, or (d) for any transaction from which the director derived an improper personal benefit. If the Idaho Business Corporation Act is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of this corporation shall be eliminated or limited to the fullest extent permitted by the Idaho Business Corporation Act, as so amended. Any repeal or modification of this Article Eleventh by the shareholders of the corporation shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification."

**THIRD:** The number of shares of the corporation outstanding at the time of such adoption was 973,333.5 shares of Common Stock and 188,065 shares of Stated Value Preferred Stock; and the number of shares entitled to vote thereon was 973,333.5 shares of Common Stock.

**FOURTH:** The designation and number of outstanding shares of each class entitled to vote thereon as a class were as follows:

Class

Number of Shares

Common

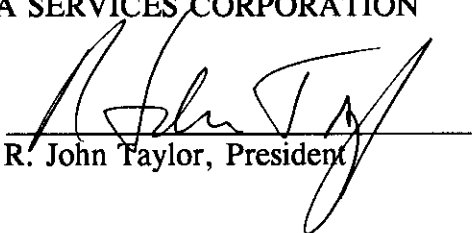
973,333.5

**FIFTH:** The number of shares of Common Stock voted for such amendment was 926,698; and the number of shares of Common Stock voted against such amendment was 6,688.

DATED this 7<sup>th</sup> day of March 1995.

AIA SERVICES CORPORATION

By

  
R. John Taylor, President

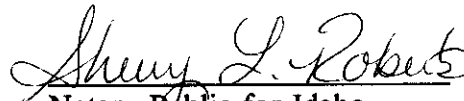
ATTEST:

  
Daniel L. Spickler, Secretary

**VERIFICATION**

STATE OF IDAHO                     )  
                                                      :SS.  
County of Nez Perce                )

I, Sherry L. Roberts a Notary Public, do hereby certify that on the 7<sup>th</sup> day of March 1995, personally appeared before me R. JOHN TAYLOR, who, being by me first duly sworn, declared that he is the President of AIA SERVICES CORPORATION, that he signed the foregoing document as President of the corporation, and that the statements contained therein are true.

  
Notary Public for Idaho  
Residing at: Lewiston  
My Commission Expires: 10/20/97